THE EUROPEAN UNION AND ITS RELATIONS WITH PAKISTAN

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ABSTRACT:

Relations between the European Union (EU) and the Islamic Republic of Pakistan are based on a Cooperation Agreement on Partnership and Development, in force since 2004. This accord seeks to enhance two-way trade, support comprehensive and sustainable development, and promote investment and mutually beneficial economic, technical, and cultural links. It helps build Pakistan's economic capacity to interact more effectively with the EU and the world. The EU and Pakistan are pursuing a strategic relationship that aims to eradicate poverty and extremism by advancing economic and development goals and supporting sustained democratic governance as agreed in a summit in June 2009.Both partners must realize that it would be mutually beneficial to explore new innovative avenues of cooperation and collaboration in different fields to give the existing relationship a firmer footing.

The European Union (EU) is the most developed and unique form of regional integration in the world .It is a supranational political body, made up of 27 member states in Europe .The term European Union is comparatively new and has began to be used since November 1, 1993. The earlier nomenclatures were the European Coal and Steel Community (ECSC) of 1951, European Economic Community (EEC) in 1957, the European Common Market and the European Community (EC) in 1967. A treaty establishing a constitution for the EU was signed in Rome in 2004. It was intended to replace all previous treaties with a single document. However, its ratification was never completed after rejection by French and Dutch voters in a referendum. The EU member states have signed a new Reform Treaty in Lisbon, on 13 December 2007 , known as the Lisbon Treaty. This treaty would amend rather than replace the existing treaties. It will be effective if ratified by all member states .Nineteen Member States have ratified the treaty to date.

The activities of the EU are divided in to three areas or 'pillars ' which cover all aspects of public policy, from health and economic policy to foreign and defence affairs.[1]However, the degrees of its powers differ greatly in the various areas. Depending on the area in question, the EU may, therefore, resemble a federation (e.g. on monetary affairs,

[1] Bomberg Elizbeth,John Peterson and Stubb Alexander ,*The European Union : How Does It Work* , (2nd eds.), Oxford University Press London 2008,pp.5-6
The pillars system will be collapse into one institutional structure and gives the EU a single legal personality in 2009 if the Lisbon Treaty comes into force

agricultural, trade and environmental policy, economic and social policy), a confederation (e.g. on home affairs) or an international organisation (e.g. in foreign affairs). The members of the EU have transferred to it considerable sovereignty, more than that of any other regional organisation. In certain areas the EU has begun to take on the character of a federation or confederation. On the other hand in many areas member states have given up relatively little national sovereignty, particularly where national interest is deeply involved such as foreign relations and defence. With 27 member states, the Union represents 8.3%percent (500 million) of the world's population, but has a one-fifth share of global trade, and one third of world's nominal gross domestic product. The EU and its member states today provide more than half the funds for international development aid and more than 50% of world humanitarian aid. It finances one third of international aid to the Middle East (50% for the Palestinian territories), almost 60% to the former Soviet Republics and 40% of the reconstruction efforts in war-shattered Bosnia -Herzegovina. The Union has also become the world's largest donor of humanitarian aid through European Community Humanitarian Office (ECHO) .It, now has ambitions to also make a contribution to international peacekeeping. It professes to promote international cooperation, democracy and human rights. [2] Many view the EU as one of the very few international actors potentially capable of challenging U.S. hegemony. Thus it is a highly significant force in international politics. However, the EU-US relationship is based on cooperation and partnership for they share common interests and values which enable them to develop coherent strategies in international politics. They profess to have a common belief in democracy, human rights and market economy.

Global and regional crises, coupled with developments within the EU, new threats arising from the end of the Cold War, the reunification of Germany and the collapse of the former Yugoslavia, have made new demands on EU's foreign relations. It was accordingly decided to develop a Common Foreign and Security Policy(CFSP)as the second of the three pillared union in 1993.The EU has very strong relations with all emerging powers and regions of the world e.g Middle East ,Balkan and South Asia .

The Europeans have had a longer and deeper experience of social, cultural and political interaction with the subcontinent than any other nation in the world. Britain directly colonized and ruled the subcontinent for nearly a hundred and fifty years prior to the start of the decolonization process around the middle of the last century. The British set up many social and political institutions in undivided India that have formed the basis for new democratic set-ups in India, Pakistan, Bangladesh and Sri Lanka in the post-colonial years. After independence in 1947, British, German, French and Italian aid agencies and experts in various fields were actively involved in development and research in these countries for many years. Likewise, South Asian immigrants have contributed significantly to Europe's post-war development and rebuilding of infrastructure. This interaction between the people has not only helped the Europeans and the South Asians to strengthen their long established political and historical bonds, but the process has also given the Europeans a deeper and more incisive understanding of the post-colonial problems and issues troubling South Asia. In the post-war years, the economic and

[2] Bomberg Elizbeth *opcit*,pp.210-211

military assistance policies of European countries continued to influence the nature of development in South Asia. In the new millennium, relations between the EU and South Asia are coming even more closer and more important as new ties are formed in areas of trade, investments, technology, security, immigration and culture. The EU's influence in world affairs is increasing. The process of integration, which includes the completion of Single European Market, the launch of the euro and the progressive development of a Common Foreign and Security Policy(CFSP) have conferred on the EU a political and diplomatic status to match its unique economic and commercial clout. Being an influential global power the EU is very keen to have durable relationships with the countries of South Asia. It is particularly eager to maximize its economic and trade links with the region. Its increasing engagement with South Asia could prove very significant in the times to come.

The EU's policy on South Asia is basically incorporated in the EU's "Asia Regional Strategy Paper 2007-2013" and the "Multi-Annual Indicative Programme 2007-2010". The legal basis for EU's relations with the South Asian countries is provided by Article 133, Article 308, Articles 181 and 300 of the EC treaty. The paper proposes multi-country programmes in the following realms:

- Asia-wide programmes on trade and investment, on higher education, and on environment.

- A programme to support the Association of South East Asian Nations (ASEAN), focused on implementing the new strategy on South East Asia including issues such as deeper trade integration with EU and anti-terrorism.

- A programme to support the South Asian Association for Regional Cooperation (SAARC), focused on trade integration among South Asian countries. [3]

- Earlier, the Commission first produced an overall Asia Strategy paper in 1994 under the title *'Toward a New Asia Strategy'* .It was another effort of the EU to take an integrated and balanced view of its relations with its Asian partners. The new strategy also focuses on following key points:

- Strengthening the EU's engagement with Asia in the political and security fields;

- Strengthening mutual trade and investment with the region;

- Demonstrating the EU's effectiveness as a partner in reducing poverty ;

- Promoting respect for human rights, democracy, good governance and the rule of law;

[3] *'The EU and Asia Regional Strategy Paper 2007-2013 and Multi-Annual Indicative Programme 2007-2010'* See on line http://ec.europa.eu/external_relations/asia/index.htm
See also: European Parliament Fact Sheet ttp://www.europarl.europa.eu/factsheets/default_en.htm

- Building global alliances with key Asian partners (to address global challenges within international organisations);

- Strengthening mutual awareness between the EU and Asia.[4]

The EU -Pakistan Relations:

Pakistan, officially called the Islamic Republic of Pakistan, marks the area where South Asia converges with Southwest Asia and Central Asia. Its is bordered on the west by Iran, on the north and northwest by Afghanistan, on the northeast by China, on the east and southeast by India, and on the south by the Arabian Sea. The area of Pakistan is 796,095 sq km (307,374 sq mi), not including the area of Azad Jummu Kashmir (AJK) and the Federally Administered Northern Areas (FANA). The status of Jammu and Kashmir is a disputed territory since 1949 located between Pakistan and India .Pakistan controls a portion of AJK and the FANA's territory as *de facto* dependencies being responsible for foreign affairs, defence, currency and the implementation of UN resolution concerning Kashmir, while India controls a portion as the state of Jammu and Kashmir.[5]

Pakistan has one of the world's most rapidly growing populations. With about 160 million inhabitants, It is the second largest Islamic nation after Indonesia and ranks 7th in the world on the population scale (2008 est.) .The country's population is increasing at a rate of 1.8% a year, yet, its growth rate is comparatively high, and according to UN projections, Pakistan will become the fourth most populous country by the year 2050, expected to cross the 295 million mark by the year 2050.[6] Pakistan's economy, like most developing countries, is confronted with the problems of rapid population growth, sizable budget deficits, and heavy dependence on foreign aid and loans. The economy is strained from supporting a large military establishment and since 1980 providing for the needs of Afghan refugees. Pakistan receives considerable economic assistance from foreign countries and from international organizations. Over the years Pakistan has accumulated a foreign debt of about $39.23 billion (December 31,2007est), defense spending and general administrative expenditures consume 80 per cent of Pakistan's annual budget. [7] Only 20 per cent is available for the social sector spending. After Pakistan exploded a nuclear device in May 1998, it faced the imposition of international sanctions. The fact that the country survived the sanctions without a collapse of its currency or violent street demonstrations is generally regarded as proof of the country's resilience. Despite an extraordinary surge in oil prices and the devastating earthquake of October 8, 2005, in Azad Kashmir and adjacent areas, Pakistan's economy delivered solid economic growth in 2006-07. With economic growth at 7.0% (2007est.)

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[4] *Toward a New Asia Strategy'* EU document no.(94) 314, Brussels, July 13, 1994. See on line http://ec.europa.eu/external_relations/asia/rsp/2005.htm.

[5] *South Asia 2008*, Europa Regional Survey of the World, 5th edition, Routledge, London, p.510.

[6] World Population Data Sheet, Reference Bureau. 2004.

[7] Pakistan : CIA Fact Sheets 2008 www.cia.gov/library/publication/the_world_factbook/goes/in.htm

Pakistan is one of the fastest growing economies of the Asian region. The World Bank, however, classifies Pakistan as a low-income economy. Pakistan's foreign trade consists largely of the export of raw materials and basic products such as cotton yarn and it imports manufactured products.[8]

Pakistan's bilateral relations with the EU member states have great significance. Pakistan's economic, technological and political ties with the major EU countries such as the UK, Germany, France and Italy are of considerable importance. These four countries are amongst Pakistan's most important trading partners and donors of aid. These countries, besides being part of the EU, are on an individual basis also members of the influential Group of Eight, and France and the United Kingdom are veto-wielding permanent members of the UN Security Council.[9] Diplomatic relations between Pakistan and the European Community (EC) were established in 1962. In 1976, the first EC-Pakistan Commercial Cooperation Agreement was signed and ten years later in 1986, it was replaced by a more comprehensive five-year second generation agreement. This covered commercial, economic and development cooperation. Pakistan also signed several sectoral agreements with the EC, including an agreement on trade. A joint EC – Pakistan Commission was set up to implement cooperation. In 1985, the European Commission opened an office in Islamabad which was upgraded to a Delegation with full diplomatic status in 1988.The Head of Delegation is formally accredited as Ambassador to the Islamic Republic of Pakistan. The Delegation monitors EC-Pakistan trade issues as well as regional cooperation.

It manages EC-financed development aid and economic cooperation activities in Pakistan.

It coordinates EC-financed humanitarian aid projects to assist Afghan refugees in Pakistan and to support their rehabilitation and reintegration in Afghanistan.

Finally, in association with the Presidency of the EU and the Embassies of the other member states of the Union, the Delegation plays an active role in the Union's political relations with Islamabad.

A third generation agreement was scheduled to be signed in December 1996, but owing to differences between the two sides it was deferred for a year. The differences were over intellectual property rights, human rights and child labour issues etc. In April 1998, the text of an EU-Pakistan agreement was finally initiated in Brussels. However, formal approval was postponed repeatedly because of Pakistan's nuclear testing in response to Indian test in May 1998, alleged human rights abuses, the Kargil fighting in May-June 1999, and finally owing to the military take-over on October 12, 1999.The EU strongly criticized these actions and the third generation agreement was put on ice. However, the EU aid programme for poverty alleviation in Pakistan was continued. [10]

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[8] South Asia 2008, *op.cit* p.463.

[9] Ahmed Tahir, Naveed, (ed.), *A Survey of EU-Pakistan Relations ...Setting, op.cit*,p.8

[10] Ahmed Tahir, Naveed, (ed.), *A Survey of EU-Pakistan Relations ...Setting, op.cit*, pp.10-15

The EU-Pakistan relations became more cordial after Islamabad's post September 11 decision to back the US-led coalition's war against the Taliban and Al-Qaeda. The EU softened its attitude on many matters which had previously caused tensions in relation with Islamabad. So a high-powered delegation of EU led by the Belgian Prime Minister and incumbent rotating president of the EU Guy Verhofstadt and the European Commission President Romano Prodi visited Pakistan in the last week of November 2001 and met President Musharraf .Besides signing the much delayed 3rd Generation Co-operation Agreement to reinforce political, economic and development cooperation , the two sides also signed a Memorandum of Understanding (MoU) for a preferential trade package, as well as additional development aid .[11] A Joint Statement issued after the delegation's meeting with Pakistani President stated: "The EU and Pakistan warmly welcome the signature of a Co-operation Agreement that will substantially contribute to further strengthening their relationship. The EU and Pakistan reconfirm their commitment to the respect, protection and promotion of human rights and democratic principles as laid down in the Universal Declaration of Human Rights and as contained in Article 1 of the co-operation agreement. Pakistan reiterates its firm commitment to return to democratic government in accordance with the roadmap announced by President Musharraf on August 14, 2001. [12] The European Commission fulfilled half of the promises it made in mid- October 2001 by announcing wide ranging concession on Pakistani export to the EC. The Commission officially notified that Pakistani goods would enter the EU markets duty free for a period of three years starting January 1, 2002 till December 31, 2004. Thus, Pakistan succeeded in obtaining a zero tariff for all products from the EU, except where Pakistan has 'graduated out' by virtue of its high market share. This would cover about 75 per cent of Pakistan's exports to Europe.[13] It is important to recall that after the imposition of military rule in Pakistan, the EU's relations with Pakistan had been downgraded and the demand for restoration of democracy had taken priority over all other considerations, but as soon as Pakistan was needed strategically to serve Western interests, most of the accusations against Pakistan were put on the back burner.[14]

On May 21, 2002, the European Commission adopted a five year strategy (2002-2006) for its co-operation with Pakistan, providing the framework for cooperation relations, covering all aspects of assistance to the country. The chief objective of this strategy was to support the government's efforts to reduce poverty and help to facilitate the country's integration into the world economy. An indicative figure of € 165 million has been agreed to support this strategy during the period 2002-2006. It was recognized that Pakistan faces persistent structural problems: poverty is increasing, growth is insufficient to deal with the basic social welfare needs of an increasing population, and the investment climate remains subdued. Other interventions relate to the EC's and Pakistan's continued commitment towards the eradication of child labour, support towards financial

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[11] Ibid, pp.56-58

[12] Brussels, 24 November 2001 - 14350/01 (Press 435)

[13] Council Regulation No. 2501/2001 appearing in the Official Journal of the European Communities

[14] Ahmed Tahir, Naveed, (ed.), *A Survey of EU-Pakistan Relations ...Setting ,op.cit* ,pp. 56-59

sector reform, the promotion of democracy and human rights, the fight against drug abuse, aid to uproot people, and measures for conflict prevention.[15]

Due to three years of successful Pakistani lobbying, the European Parliament finally ratified a trade and cooperation agreement with Pakistan known as the "Third Generation Cooperation Agreement" on April 23, 2004. This accord was signed between Brussels and Islamabad in November 2001, but for the last three years, the European Parliament put off a decision on approval of the pact because of doubts over Pakistan's respect for human rights and democratic principles.

European parliamentarians made a sudden U-turn following the post September 11, international and regional scenario and intense pressure by the European Council and Commission, combined with very effective Pakistani lobbying. The Irish Minister for European Affairs Dick Roche, (Ireland was the then President of the EU Council) said that "it is of vital importance for EU to strengthen its relationship with Pakistan because of the Muslim country's important role in the region". During the debate on Pakistan a day before the voting, External Relation Commissioner Chris Patten appealed to the MEPs to endorse the accord. "Now is the time for the parliament to vote in favour of this Third Generation Agreement with a country of considerable importance, not least for our own strategic interests," said the External Affairs Commissioner. In its resolution the house noted that "following the events of September 11, Pakistan assisted the international community against the Taliban and Al Qaeda and, as a result, the EU political dialogue with Pakistan, which had been limited after the military takeover, was reinstated".[16]

The European Commission welcomed this Agreement and expected that, it establishes respect for human rights and democratic principles as an essential basis for co-operation. Secondly, a significant enlargement of the scope of co-operation between Pakistan and the Community is envisaged. Not only the agreement provides the framework for commercial, economic and development co-operation, but it opens up possibilities for dialogue and co-operation in important new areas including environment, regional co-operation, science and technology, drugs and money laundering. The conclusion of the agreement with Pakistan represents recognition of the post 9/11 and important developments in Pakistan and its surroundings. In a parallel declaration, the EU announced its intention to propose and develop an appropriate, co-operation mechanism with Pakistan on issues of weapons of mass destruction and on the fight against terrorism. In approving the agreement, the Council recalled the importance attached by the EU member states to the conclusion of a re-admission agreement with Pakistan. It noted that technical negotiations were already underway to this end and welcomed Pakistan's readiness to conclude such an agreement. An EU–Pakistan Joint Commission, meeting

[15] (Country Strategy Paper,IP/02/736 – European commission Brussels, 21st May 2002)
[16] hindustantimes.com/2004/Apr/24/181

which is held normally once a year, was established to oversee implementation of the Agreement. [17]

The EU's High Representative for the CFSP, Javier Solana met President Pervez Musharraf, in 2006 and discussed EU-Pakistan relations as well as developments in Pakistan and in the region. The High Representative expressed satisfaction over the improvement in bilateral relations between the EU and Pakistan and said that the EU was committed to further develop a comprehensive relationship with Pakistan in all fields. He appreciated Pakistan's commitment to economic reform and more democratization. [18] Pakistani Prime Minister Mr. Shaukat Aziz went on an official visit to Brussels in January 2007.He held official talks with his Belgian counterpart, and had a number of important meetings at EU Headquarters. With Javier Solana, he discussed issues regarding Afghanistan, the Middle East, Iran, Pakistan -India relations and terrorism. The Prime Minister also held a meeting with Mrs. Fererro Waldner, the Commissioner for External Relations and discussed progress on Pak-EU relations. Mrs. Waldner informed him that the EU-Pakistan 'Third Generation Agreement' would be soon implemented. The meeting with the EU Trade Commissioner Peter Mandelson focused on market access and Pakistan's proposal for a Free Trade Area with the EU. [19] The First meeting of the Pak-EU Joint Commission was held in Islamabad in May 2007. The Joint Commission with the EU was a first step towards the implementation of the Third Generation Agreement and a new partnership. The Joint Commission had four special groups in trade, development cooperation, governance migration, science & technology. [20]

Javier Solana also, paid a one-day visit to Pakistan on, April 22, 2008 and expressed EU's strong support for the development of the democratic process in the country and underlined the importance for Pakistan to move forward on the path of reform and to continue strengthening the rule of law. Mr. Solana said "it is important to establish relations with the new government. Pakistan is an important partner of the EU in many fields; including the efforts to tackle terrorism which are vital not only for the stability of Pakistan itself but for the whole region' .The EU was ready to engage more with Pakistan in all fields and to intensify its cooperation in areas such as internal stability, regional relations, security sector reform, migration, human rights, counter-terrorism and non-proliferation. Mr. Solana underlined the important role that Pakistan can play to ensure the stability of its neighbour, Afghanistan, and of the region as a whole. He commented in particular on his determination to deepen the co-operation between Pakistan and the EU in the trade and economic spheres as well as in terms of political dialogue. "Mr.

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[17] The Third Generation Cooperation Agreement with Pakistan" http://www.delpak.cec.eu.int/WHATSNEW/EU-Pak-agreement-April-04.htm

[18] Brussels, 13 September 2006 S252/06 http://ue.eu.int/solana

[19] Minister for Foreign Affairs *http*://www.mofa.gov.pk/

[20] Ibid.

Solana met President Pervez Musharraf, Prime Minister Syed Yousaf Raza Gillani and Foreign Minister Makhdoom Shah Mehmood Qureshi. He also met with key parliamentary leaders. [21]

The EU-Pakistan Summit 2009:

The first EU-Pakistan Summit was held in Brussels on 17 June 2009. The EU was represented by President Vaclav Klaus of the Czech Republic; by Mr Jose Manuel Barroso, President of the European Commission, by Dr Javier Solana, High Representative for the EU's CFSP. Pakistan was represented by President Asif Ali Zardari. The EU and Pakistan welcomed their first ever Summit today as an important and positive step in strengthening their relations. They agreed on further measures for comprehensive cooperation with the aim to engage in strategic dialogue as partners, including at the highest level, building inter alia on the EC-Pakistan Cooperation Agreement concluded in 2004 and the EU-Pakistan Joint Declaration of February 2007. The Leaders of EU and Pakistan discussed the strengthening of EU-Pakistan partnership, the regional political situation, global issues and the world economy. They agreed on substantial measures to strengthen their mutual engagement by initiating strategic dialogue on their common commitment to development, education, science and technology, security, counter-terrorism, strengthening democracy, human rights and enhancing trade. The leaders reaffirmed their commitment to strengthen cooperation within the framework of the United Nations and in multilateral fora to address global concerns, including the areas of development, environment, energy, disarmament, arms control, including arms trade and non-proliferation of WMDs. The EU and Pakistan are committed to cooperating in the "Friends of Democratic Pakistan" group to support Pakistan's efforts for prosperity and stability.

It is also significant to note that in the past, the EU was to hold summit with Pakistan on 'adhoc basis' but in a recent development, the adhoc condition has been dropped. This development means that now Pakistan has been bracketed with the US, Russia, Japan, China, Korea and India with whom the EU's condition of one-off or adhoc summit does not hold.. Pakistani ambassador to European headquarters Shafkat Saeed said that "the EU has for the first time realized the importance of Pakistan's geo-strategic location and the Pakistan-EU summit has mainly been made possible due to the democratic set up in the country," He said Pakistan would like the EU, which enjoys cordial relations with India, to help re-start the stalled Pak-India dialogue. [22]

Future cooperation with Pakistan:

The European Commission has adopted a five year strategy (2007-2013) for its co-operation with Pakistan. The chief objective for 2007-2013 will be poverty reduction. The first focal area for assistance will be rural development and natural resource

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[21] Shada Islam *'the EU seeks stronger ties with new government'*, Dawn April 22, 2008
[22] http://www.mofa.gov.pk/Press_Releases/2009/June/PR_242_09.htm

management in NWFP and Balochistan with a view to reducing regional disparities and promoting stability in Pakistan's sensitive provinces bordering Afghanistan. The second focal area will be education and human resource development which is a critical ingredient for developing a well-trained work force and creating a moderate and stable state. Other areas of assistance are trade development, democratization and human rights and anti-money laundering.[23]

Conclusion:

The EU pursues four particular foreign policy objectives; promotion of regional cooperation; prevention of human rights, promotion of violent conflict and fight against international crime. The EU has to pursue these objectives because of its unique internal dynamics but it is also to be seen how committed it is in pursuing these objectives and how effective its policies are in implementation. There seems to be a gap between capabilities and expectations in the sort of collective identity its members wish to project. The goals of good governance, human rights and democracy and fight against international crime are shared by all member states but the EU stands out in regional cooperation. Since it deals with countries in the neighbourhood in a different way and pursues different goals in its transatlantic relations, its relations with states of the Middle East and South Asia have to be on a different scale.

Its relations with Pakistan could be more effective in the purview of enhanced trade relations. It can focus on capacity building particularly in areas such as quality standards and intellectual property. Its preferential tariff treatment to Pakistani imports could enhance economic ties between the two partners. To promote good governance, democracy, education and economic prosperity is also on the policy agenda of the EU in fighting terrorism and international crime like drug trafficking and money laundering in its relations with Pakistan, but the EU must have a long term high level political engagement which addresses the root causes of violent extremism radicalization and terrorism. Although the EU is pledged to work with Pakistan to develop its democratic structures, its counter terrorism capacity, its police, law enforcement and criminal justice sectors, it must implement consistent policies and grant incentives and not implement sanctions with compromises, inconsistencies and short-term considerations.

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[23] Pakistan : Country Strategy Paper 2007-2013 (CSP) and MIP 2007-2010 http://ec.europa.eu/external_relations/pakistan/csp/index.htm