

After reading the chapter, the reader will be able to develop an analytical understanding on the following:

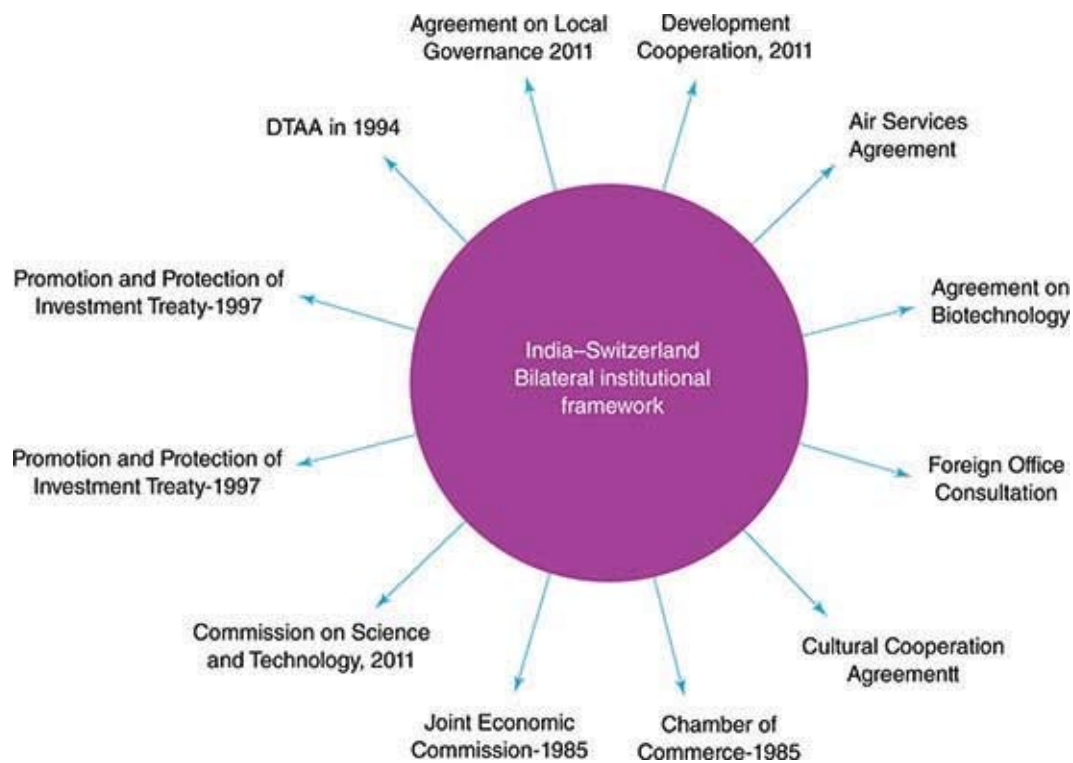
- Basic background of diplomatic relations
- Commercial diplomacy
- Science and Technology diplomacy
- Development diplomacy
- India-EU FTA and Switzerland
- Analysis of bilateral visits

BASIC BACKGROUND

India and Switzerland have a very cordial relationship ever since Indian Independence. A very important point to note is that Switzerland has been a neutral nation whenever India has had conflicts, be it in 1948, 1962, 1965, or 1971. This neutrality of Switzerland has fostered cooperation between the two nations. In 1948, India went onto open its mission in Berne. In 2008, India and Switzerland decided to take the relations to privileged partnership level.

COMMERCIAL DIPLOMACY

India and Switzerland trade relations go back to 1851. The Volkart Trading Company began trading between Basel and Mumbai way back in 1851. The firm dealt in cotton. Volcafe began to trade in coffee too. In 1875, it opened an office in India. Some prominent Swiss firms trading before 1947 included Nestle, Geigy and Brown Boveri. As per the articles three and six of the Treaty of Friendship, 1948, both nations went on to advance MFN status to each other. Since the 1950s, many Swiss firms have begun to do business with India.



India exports textiles, garments, chemicals, precious stones and shoes while it imports bullion, optical instruments, boilers, medical appliances, transport equipments and watches. A lot of Swiss firms are doing business in India today which includes Nestle, Brown Boveri Asia, Credit Swiss and Novartis. Prominent Indian firms in Switzerland include TCS, Infosys and Tech Mahindra. Both India and Switzerland have been negotiating an FTA since 2008.

SCIENCE AND TECHNOLOGY DIPLOMACY

In 2003, India and Switzerland signed an agreement called Indo-Swiss Framework on Science and Technology. This led to a collaboration between the two nations in various sciences beginning from 2005. In 2008, the India-Switzerland Joint Research Programme was launched. Switzerland has a scientific advisor in the Embassy in India to promote science cooperation. India has also been associated with European organisation for Nuclear Research (CERN) since quite some time. CERN is the birthplace of World Wide Web and touch screen technologies which are used in smartphones today. India participated in the CERN meetings as an observer member. India had joined CERN in 1992 in its quest to discover universal secrets. In 2009, the Indian scientists urged the CERN to make changes in its criteria for associates' membership. The CERN made the requisite changes in 2010. Since then, Indian scientists have been pushing for an associate membership for India. Being an associate member will open doors for Indian scientists to be trained at CERN. In March 2015, the cabinet committee on security in India granted approval for India to be an associate member at CERN. India will now contribute 50 crore rupees annually to reap associate member benefit. Now India will be able to participate in regular council sessions and Indian scientists can also be appointed members to an advisory committee in the CERN.

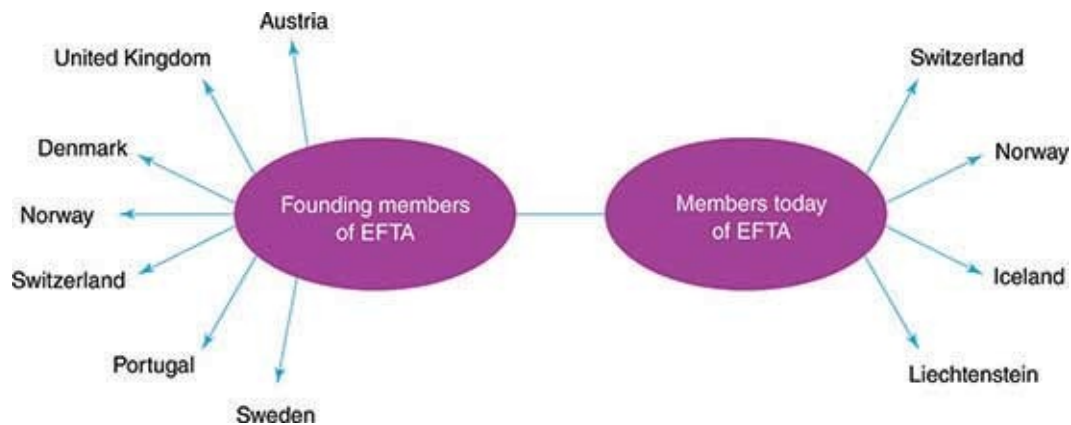
DEVELOPMENT COOPERATION

Since 1961, the Swiss Agency for Development Corporation has provided aid to India. The aid was stopped only in 2010. Since 2010, Switzerland has continued support for the

global programme on climate change and local governance in initiative and networks in India. Switzerland continues to support India in sustainable development and energy efficiency initiatives. Switzerland also undertakes technology transfer for developmental projects aimed at poverty eradication in India.

INDIA, EUROPEAN FREE TRADE AGREEMENT AND SWITZERLAND

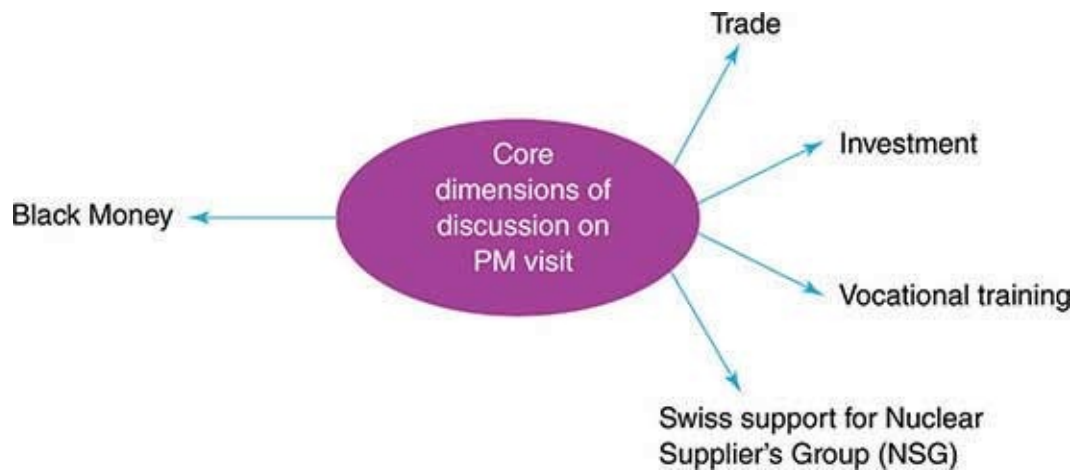
In 1960, Stockholm convention established the European Free Trade Agreement (EFTA). Those states who did not wish to join the European Community could join EFTA as an alternative, to promote free trade.



Since the 1990s, the EFTA nations have signed FTAs with a vast network of nations like Israel, Jordan, Singapore and South African customs union, and so on. In 2008, the EFTA nations began negotiations with India. On 10th June, 2006, the stocktaking meet of chief negotiators of India–EFTA took place and an economic partnership agreement happened in Delhi. The chief negotiates till now have held 13 rounds of negotiations with the 12th round in November, 2013. Due to the general elections in India in 2014, the negotiations were suspended for a short period. There have been some issues that are complicating the EFTA and delaying its successful conclusions. The participating European nations have been demanding more commitment from India with regard to IPR issues. The striking point is the concept of data exclusivity. A pharmacy company which is into manufacturing of drugs has to prove the efficacy of the medicine. It also has to ensure that the manufactured medicine is safe for use. To do so, a pharmacy firm undertakes clinical trials on humans and animals. The trials lead to generation of data. By generating this data and keeping it exclusive for its use, the company that has innovated the medicine can prevent its competitors from obtaining license to manufacture a low-cost version of the drug. The pharmacy company or the innovator wants to mostly maintain exclusivity of their drug. The EFTA negotiators are stuck here. Firms like Novartis have been demanding data exclusivity while India is opposed to the granting of data exclusivity to these firms. The EFTA negotiates are also asking for mutual recognition for geographical indicators which, under present Indian laws, are not permitted. The negotiations on the above explained issues are going on.

ANALYSIS OF PM'S VISIT TO SWITZERLAND—2016

In June 2016, Indian PM Narendra Modi went to Switzerland on a state visit.



The Swiss government assured their support to India for the cause of Indian membership to the NSG. During the PM's visit, he gave a patent hearing to officials of Novartis, who explained the bottlenecks in the EFTA and raised issues for higher level intellectual properties regime (IPR) protection with the PM. The PM assured higher cooperation and agreed to look into the issues on priority. Swiss pharma firms since long have been advocating strong IPR protection to enhance trade in India.

Switzerland has strict banking laws where they do not entertain sharing of information about any clients and their related information. In October 2015, Swiss authorities committed to India that they will carry out independent investigation into the list of 782 names of HSBC bank clients which were leaked by a former HSBC bank employee, Hervé Falciani. The Swiss government maintains that Hervé Falciani's disclosure of the list of 782 names is based on stolen data, and is thus a breach of Swiss laws. In December, 2015, the Swiss Parliament also gave a green signal to Automatic Information Exchange treaty under which Switzerland has to exchange financial information annually with the participating nations from 2018. During the PM's visit, he urged Switzerland to start negotiations with India to allow India to be a participating state in automatic information exchange treaty. The then Swiss President, Johann Schneider-Ammann, had agreed to send a team of experts from Switzerland, led by the state secretary for International Financial matters, to India, for negotiations.

SWISS PRESIDENT'S VISIT TO INDIA—AUGUST, 2017

Swiss presidents have visited India on three occasions earlier—in 1998, 2003 and 2007. The present President, Doris Leuthard, was on a three-day visit to India in September, 2017, was given a ceremonial welcome at the Rashtrapati Bhavan. The Swiss President was accompanied by senior government officials and a large business delegation of leading Swiss companies.

During her visit, Doris Leuthard held extensive talks, covering the entire spectrum of their bilateral relationship, including ways to boost trade and investment ties. The two heads of states also deliberated on regional and global issues of mutual interest. External Affairs Minister Sushma Swaraj had also called on the Swiss president and discussed various bilateral issues. Switzerland has supported India in Make in India and Digital India programme. In 2018, India and Switzerland are going to celebrate the 70th Anniversary of India-Switzerland Friendship Treaty (signed in 1948). Switzerland will help India in clean energy skill training, railways, health and culture. Switzerland also

supports in UN Security Council and for NSG and MTCR. During the visit, the two sides concluded MoU's on railway cooperation also.

d of Part Questions

1. India and Switzerland have transformed their diplomatic ties from being ideological supporters to economic partners today. Discuss.
2. With Russia moving closer to China and an unpredictable administration in US, India and EU have much to offer to each other. Discuss.
3. India has presented itself as a defender of global order in EU. Examine the statement in the light of India's new outreach to Europe.
4. India must cement mutually beneficial ties with an evolving EU. Discuss how India must capitalize its diplomacy in Europe on the basis of the ongoing shifts in the global order.
5. France has emerged steadily since the end of the Cold War as India's most trusted international partner. Discuss.
6. India-Germany relations are not just about commerce, they are about a great civilization bonding between a great Asian state and a great European power. Examine this statement analyzing the new India-Germany partnership in the 21st century based on the shared Weltanschauung.