



BY INVITATION | Tarun Das

Old Europe needs India

THE FLIGHT out of France was at 7 am. The request for a wake-up call to the Hotel was for 5 am. It never came.

The flight out of Germany was at 7.40 am. The request for a wake-up call for 5.30 am also never came.

Fortunately we, Indians, are early risers and the internal alarm worked. Flights were not missed.

These are reflections of a new concern about Europe, especially the dominant, large economies of France and Germany.

Lack of care, Lack of efficiency, Lack of productivity, Lack of growth. Not necessarily a chain but, clearly, symptoms of a new phenomenon.

The happier days of growth and better prospects of the 90s seem to be over. The painful realisation that change is needed, is slowly but steadily entering into the bloodstream of European business but, it is interesting that their reform process is also very slow to take hold.

Hence, the questions: Are reforms really happening? Are the reforms irreversible? Are the reforms

for real? (The usual questions we have heard so often about India!)

Europe is slow to realise what the US grasped several years ago. And, that is, the real commercial, profit-linked, cost-linked benefits of business partnerships with Indian companies. And, there are two clear examples.

First, the partnership with India's IT corporates, to apply information technology to the operations across companies, thus reducing costs, increasing efficiency and competitiveness. A "win-win" for all.

And, whether it is software development or business process outsourcing or sourcing different services from India, the implication is simply this: increased competitiveness for European companies.

Second, is the manufacturing sector. Company after company in the US is getting components and other products manufactured in India to the quality and specifications required. Again, enabling cost-cutting, price-cutting and market retention.

European companies are doing some of this but it is not widespread. They have yet to fully absorb the fact that such business partnerships with India saves jobs, keeps their companies going and, in fact, enables the companies to stay alive and profitable.

In many ways, Europe is far more defensive and there is no better example of this attitude, that their agriculture policy, full of huge subsidies and protected by non-tariff barriers.

There is an inability to address and resolve the agricultural issues at the cost of national growth and overall prosperity.

Prime Minister Atal Bihari Vajpayee's visit to Germany served to highlight all these issues in conferences and meetings and should show the way to a new economic partnership between German and Indian companies based on new mutualities. It served as a dignified but clear wake up call not just for Germany, but for all of Europe.

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