



THE PROGRESSIVE EXPEDITION OF INDO-SWISS PARTNERSHIP AND WHAT LIES AHEAD

The India-Switzerland bilateral relationship and strategic partnership has developed over the last 74 years and it would be fruitful to throw some light on the origins of this diplomatic and strategic bonding between the two nations and how it has evolved in sectors such as economy, trade, education, health, infrastructure, clean technology, research and development and has showcased a perfect example of a symbiotic relationship at a global level. The two democratic nations, who have never been enemies, should aspire to further strengthen the cooperation with a determined approach and combined effort to address the global challenges, explore additional opportunities to further improve bilateral engagements and gear up to testify the relationship on the occasion of 75th anniversary of a diplomatic and strategic partnership between the two nations in 2023.



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A comprehensive analysis of Bilateral Relations

The celebrations of bilateral diplomatic relations between India and Switzerland were manifested with a Treaty of Friendship signed in New Delhi on August 14, 1948. In August 2023, both sovereign nations will celebrate their 75 years of dynamic bonding which is a result of pragmatic agreements, treaties and progressive diplomatic exchanges between the two countries. The seeds of this relationship were sown around 171 years ago during India's pre-Independent era, in 1851 when Volkart, a Swiss trading company established its presence simultaneously in Basel and Bombay. Since then, the two nations have further concretised the relationship by contributing in multi-sectoral engagements in diverse areas like: Diplomatic Relations, Education, Vocational education and Training, Research and Innovation, Trade and Investment, Defence and Security Cooperation and Culture. To further elucidate the bilateral engagements in the areas mentioned above, a sector-wise analysis is given below which tries to figure out what more can be done to foster the relations between two nations as a way forward.

Diplomatic Relations

The friendship treaty of 1948 served as the gateway for both nations to establish their diplomatic missions in Berne and Delhi. Apart from diplomatic missions, there are Consulates General of Switzerland in Mumbai and Bangalore and similarly Consulate General of India in Geneva. In the timeline from 1971 to 1976 which marks the pre- and post-period of Bangladesh's struggle for Independence, Switzerland represented India's interests in Pakistan. The substance of the relations between India and Switzerland achieved new milestones with the visits of Prime Minister Narendra Modi to Switzerland in 2016 and 2018 further complimented by a visit of Swiss President Mrs. Doris Leuthard to India in 2017. These productive visits have resulted in a 'A Long Standing Dynamic Partnership'(MEA,2020) between the two nations. In addition, Switzerland in its foreign policy strategy of 2020-2023 (Swiss-Indian relations, 2022) has categorised India as a priority partner in Asia.

Education

In the education sector, India is a priority country for Swiss Government Excellence Scholarships for young researchers. To further promote and strengthen the education and research arm, an initiative was taken in 2010 by Switzerland in Bangalore known as Swissnex, which works as a junction between Swiss and Indian higher education and research institutes to act as an information nucleus vis-à-vis current developments in the field of science, innovation and education both in India and Switzerland. Since 2013, Swissnex in India has done a tremendous job, by guiding and facilitating around 500 deep science, hi-tech Swiss startups and researchers to enter the Indian market system. As a result, around 50 startups from artificial intelligence/ machine learning, fintech, material sciences, robotics and other hi-tech domains are now actively working in the Indian ecosystem. The priority areas of Swissnex include; Educational technology, Life sciences and Food innovation, Space economy, Climate-related science and Information technology. Additionally, Swissnex also conducts the Academia-Industry Training Camp co-funded by both Switzerland and India, where the top 10 Indian and Swiss applied scientists are selected and trained in the market application for their research projects. A new combination of science and arts has also been introduced to provide a platform for displaying creativity in all art forms.

Vocational education and training

With a steady dynamism in the education sector, initiatives in the field of vocational education in India are



also being encouraged with equal vigour. Few such instances are as follows; 1. Bharatiya Skill Development Campus in Jaipur, established by the Switzerland-based Rajendra and Ursula Joshi Foundation works on the principle of Swiss Dual System of Training. 2. The Indo-Swiss Centre of Excellence in Pune, a not-for-profit organisation, imparts the highest standard of skill training by applying the Swiss Vocational Education System. 3. Vocational Training Centre in Andhra Pradesh broadcasts practical experience with solar energy. 4. Switzerland's Pro Helvetia - Swiss Arts Council in New Delhi offers scholarships in Switzerland as well as in India. 5. The Universities of Berne, Lausanne and Zurich offer courses for the study of Hindi, Sanskrit and Indology. 6. Ayurveda, Yoga, Naturopathy, Unani, Siddha and homeopathy (AYUSH) along with 3 other traditional systems of medicine, i.e. Chinese, European and Homeopathy, have been federally recognised as a national diploma examination in Switzerland. 7. To further stimulate, The Zürcher Hochschule für Angewandte Wissenschaften (ZHAW; Zurich University of Applied Sciences) has decided to promote and foster scientific cooperation with key institutions in India till 2024. 8. With respect to skill development, vocational education and training the Swiss Vocational Education and Training Initiative India (SVETII) launched on the 60th anniversary of the Indo-Swiss Friendship Treaty in 2008, aims to improve the quality of apprenticeship training and share its expertise through basic as well as advance courses. This programme was quite successful and has been started as a pilot project by many Swiss and Indian companies in the states of Karnataka, Maharashtra, Gujarat, Haryana and Tamil Nadu. There has been an uninterrupted support for projects on translational medical research, medical technology, blue sky research in biotechnology, renewable energy research and systems medicine.



Technological Developments and Innovation

Apart from boosting continuous efforts in the field of education and vocational education, it's time to shift the focus on technology, development, research and innovation. With regard to, India's new national water mission, the target is to provide clean tap water to around 146 million households by 2024, this is a perfect opportunity for Switzerland to collaborate and assist India on water governance, water use efficiency, and treatment of wastewater. While addressing the University of Berne, Former President of India, Hon'ble Ram Nath Kovind stated India's ambitious plan to build 100 smart cities (MEA,2019), this is again a perfect opportunity for Swiss to use their expertise in the circular economy, resource efficiency, clean technology, green energy requirements and low carbon cement which has been developed by both nations and an important





ingredient in housing are well-suited for this plan. Another sector where both nations can prosper together is Digitalisation, an emerging area of engagement with enormous potential in the coming decades. Switzerland plays a leading role in the research and development of new technologies and is home to many innovative and world-leading technology companies. Similarly, India has a deep penetration in digitalisation and, as one of the most innovative countries in the world, Switzerland should engage with India, the leader of the Industry 4.0 revolution, in areas such as digital governance and digital self-determination. India has the world's third largest startup network with over 21,000 enterprises and presently at the forefront of a fast developing and hub of innovation. Therefore, Switzerland which invests over CHF 23 billion in research and development (R&D) annually which is around 3.15 percent of its gross domestic product and makes it one of the largest R&D investors in the world, should look forward and collaborate with India to promote scientific research, academic, technical cooperation and innovating cutting-edge technologies to the next level, manoeuvred by globally appreciated Indian innovation.

Coming to Climate Change, at present, around 80 percent of Switzerland's energy consumption is fed mainly by imported and non-renewable sources namely, oil, nuclear, hydroelectric power and natural gas, these non-renewable resources are acting as catalyst in the altering the climatic conditions globally. Hence, in order to decrease the share of imported and non-renewable sources, Switzerland, in its Energy Strategy 2050 seeks to reduce this consumption and promote the use of sustainable sources of energy. This new energy strategy aims to drastically reduce energy consumption and increase the share of renewables in Switzerland's energy basket by 2050. Moreover, Switzerland is also going to decommission its nuclear power plants at the end of their operating period. The above mentioned energy strategy 2050 can assist India as well on climate change mitigation. Switzerland has lent a helping hand to India's effort towards energy transition, enhancing energy efficiency of buildings, research and development on low carbon cement, combating the rising air pollution in big cities, encouraging solar irrigation, supporting climate resilient cities action plans to achieve its Nationally Determined Contribution goals. Since 1961, the Swiss Agency for Development and Cooperation (SDC) has contributed immensely to India's development and emphasised on a strong partnership with respect to one of the most challenging issues of present times, i.e. Climate Change. In the field of climate change adaptation, SDC emphasises on measures to be adopted in the Himalayan cities with a focus on water and spring shed management, disaster risk reduction and early warning systems. To further substantiate India's climate-compatible development, the ongoing projects are contributing towards the implementation of the Government of India's flagship national missions such as the National Mission for Sustaining the Himalayan Ecosystem, National Programme on Energy Efficiency in Buildings, implementation of the State Action Plans on Climate Change, Crop Insurance Scheme, National Clean Air Programme and contribution towards the Smart City Mission. SDC aspires to foster progressive and innovative collaboration between Swiss and Indian experts to generate and share knowledge, innovative solutions and policies.

Trade and Investment

The historical trade and investment ties between India and Switzerland date back to 1915 when Europe was in the grip of World War I (MEA, 2020) and the urgent need during this period of the war was to secure basic food and economic possibilities. Swiss Consulates were established in key locations across the globe including Bombay. Apart from this, the establishment of Integral Coach Factory established in Chennai in 1949 bought a major portion of Swiss investments in India like; electrical engineering and metals, precision industry, pharmaceuticals, banking, financial services and insurance, construction, and fast-moving consumer goods (FMCG). There is an expanding acknowledgement from both countries vis-a-vis growing economic and trade relations. For India to become a \$5 Trillion economy by 2024-25, a mutually beneficial relationship between the two nations can be instrumental in achieving this aspirational goal, which further can be substantiated with the following points; 1. India is Switzerland's fourth-largest trading partner in Asia and the largest in South Asia with annual bilateral trade between the two nations of more than US \$30 billion. 2. Around 330 Swiss companies are actively working in sectors such as engineering, services, precision instruments, chemicals and pharmaceuticals in India, on the other hand Indian companies have marked their strong presence in Switzerland in sectors such as information technology, pharmaceuticals, and machinery. 3. The Indian Embassy in Berne has initiated the Momentum of India: Swiss SMEs Programme (MISSP) to facilitate the entry of Swiss SMEs (Small and Medium enterprise) into the Indian market and to further provide impetus to this initiative, MISSP 3.0 was launched in 2021. 4. One of the significant components of trade and commerce are Exports and Imports. The export basket of India comprises textiles and garments, organic chemicals, pearls, precious stones and jewellery, non-electrical machinery and parts, leather products, shoes, cotton, plastics,

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The blueprint for sustainable growth is to go for next-generation infrastructure, smart cities and digital i- ways, powered by clean and green energy

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The second challenge is with regard to working capital as many larger production arrangements need purchase of raw materials as per seasons and over a short period of time. Without formalization through an Income Tax Registration, the MSME Adhaar Registration, and the mapping of the individual to the SHG account, Banks cannot extend working capital. This too is being resolved.

The third challenge is that housing and dwelling units in many States do not have revenue records and agricultural land cannot be offered as a collateral or mortgage, limiting the options for mobilizing formal Bank credit. The Swamitva initiative for giving revenue cards for dwelling and housing units of the Ministry of Panchayati Raj with the use of Drone based survey, Panchayat based resolution of disputes through the Gram Sabha, and the issue of revenue cards is facilitating access to formal Bank credit that requires collaterals.

The fourth challenge is that without collateral lending to an SHG was limited to Rupees Ten lakhs only by the Reserve Bank of India. In 2020, it has been enhanced to Rupees twenty lakhs by providing for a credit guarantee fund on the lines of the MSME loans for SHGs.

The fifth challenge in going to scale is not subsidies but human resources. Scaling up of businesses, setting up of Producer Companies, require quality professional, technical and finance Managers. The biggest scarcity in rural areas is the difficulty in getting good professional Managers to work with women collectives to develop a sound system of production and marketing. On an experimental basis, we extended support to Milk Producer Companies that we set up in a few districts of Madhya Pradesh and Bihar, through the National Dairy Development Board Services (NDDB Services) on a clear understanding with the Producer Company that HR support from the Livelihood Mission will be for three to five years by which time, the scale of operations of the Producer Company should be such that the salaries of the Professional Managers can come from the incomes of the Producer Company. A few have already broken even and will not need further support from the Mission. It is easier to do this in dairy which lends itself to easier collectivization and a discipline of daily milk pouring and payments. The Farmer Producer Organizations supported by the Agriculture Ministry have also provided for professional support for a few years. It is important to understand that it is not subsidies but professional support and market linkages that make the difference.

The sixth challenge is of marketing after processing. The Food Processing Ministry decided to work with NRLM SHG collectives with good social capital under the Prime Minister's Formalization of Micro Enterprises. Efforts to improve production units on the GEM portal on a large scale as also other e-marketing portals like Amazon, Flipkart, Big Basket, etc. have also facilitated the linkages. Under the Start Up Village Enterprises Programme of NRLM, over a lakh unit have already been extended higher concessional loan from the Cluster Level Funds and Bank linkage. They also provide for Community Resource Persons of Enterprise (CRP - Enterprise) who is a local, with business practices, costing, marketing, pricing and supply chain professionalism. They have been intensively trained by the Entrepreneurship Development Institute (EDI) Gandhinagar and Kudumbsree Kerala across the country. The first Evaluation of SVEP clearly indicates the success of the initiative in promoting local level enterprise for Businesses.

Many of these challenges find a place in the Case Studies in Sourav Mukherji's Study on Inclusive Business Models - Transforming Lives and Creating Livelihoods. The Dungarpur Solar Light production Unit and the assembly units of Solar Lamps in a large number of States by SHG women shows how prime movers like Professor Chetan Solanki, with the support of MNRE, and the social capital of SHGs, could take the Solar Lamp provision to scale. More power to such prime movers. Mukherji's case studies brings out the challenges of leadership and professional management to take the scale enterprises to scale.

There is continuous effort from the Union Government to take pro-active measures to formalize enterprises. Self-Help Groups, though started as a livelihood concept are essentially micro enterprises as defined for Udyam registration of the Ministry of MSME. Registration by the Self-Help Groups on the Udyam Portal is a permanent getaway to develop and enhance livelihood in entrepreneurial manner. It also creates and opens up the window to avail various facilities available to Enterprises under different Ministries including the Ministry of MSME besides getting priority sector lending.

However, the challenge is the mind set and some inhibition to join Udyam Portal. Out of 1.10 crore Enterprises registered on the Udyam Portal so far, only about 85,000 Self-Help Groups have got registered.

Access to capital for growing enterprises and for Self-Help Groups in particular is one of the biggest challenge. The second challenge is to adopt innovation, to bring design, and to follow quality standards in their products. Once the members of the Self-Help Groups start aspiring for these elements of business concepts they would start growing at a pace that would be visible in the time to come. It would also require to build partnership with institutions which are outside the traditional institutional mechanism of the Ministry of Rural Development.



coffee, tea and hand-knitted carpets. Similarly, India's import basket consists of chemicals & pharmaceuticals, machinery, transport equipment, precision engineering products and watches. 5. The other sector which holds huge significance vis-a-vis investment relations between India and Switzerland and has the ability to push the financial range of India towards the North is Foreign Direct Investment (FDI); Switzerland's FDI investment was approximately USD 4.781 billion from April 2000 to September 2019 which accounted for about 1.07% of total FDI and the 12th largest investor in India. 6. Around 100 Swiss companies are manufacturing in India to promote the Make in India initiative. 7. There are around 90 Indian companies and close to 120 business entities which are operating from Switzerland. In 2021, Dr Ralf Heckner, the Swiss envoy to India stated that *"Investments and Innovation are the two I's of Swiss-Indian relations. The theme of innovation is bringing our countries together and making our relationship in the future even more important. Our relations are marked by steady friendship and stability amid the shifting sands of international relations. I see India as a strategic partner for Switzerland in the digital era"* (Chaudhry,2021). 9. An agreement between Switzerland and India for Automatic Exchange of Information (AEOI) in tax affairs, on a reciprocal basis got executed in 2018. 10. Numerous Swiss multinational companies like Nestle, ABB, Novartis, Roche UBS and Credit Suisse are operating from India. 11. Indian investments in Switzerland from April 2017 to May 2020 have amounted to USD 1.6 billion and Switzerland has become the 5th largest beneficiary of Indian investments which shows signs of complementarity fiscal relations between the two nations. 12. Recently, India and Switzerland came up with a new agreement to manufacture robotic cleaning equipment with the state-of-the-art Swiss Engineered technology to be made in India. These devices will provide automated cleaning solutions for a wide range of applications from warehouses, shopping centres, rail, and roads to office buildings. Thus, the above mentioned points portray a healthy and progressive trade relations between two nations.



INTERNATIONAL TRADE

Defence and Security Cooperation

Switzerland cooperated to ensure bilateral fiscal transparency and supported India's membership bid for the Missile Technology Control Regime (MTCR). Prime Minister Modi stated that "Globalisation and disarmament are of extreme importance for both Switzerland and India" (Bhattacharjee, 2017). In June 2022, Switzerland for the first time was elected as a non-permanent member of the United Nations Security Council (UNSC), this membership has popped up at a time when the world is witnessing strong geopolitical headwinds, however, important roles always come with immense responsibilities. Therefore, this is a perfect opportunity for India to share the expertise of being an eight time non-permanent member of UNSC with Switzerland to promote a responsible and inclusive solution to international peace and security, (Leu,2022). Moreover, as India



has been advocating for reforms in the Security Council similarly, Switzerland also desires effective United Nations institutions. So, in order to push the reforms, Switzerland's priority in 2023 and 2024 should focus on contributing to and strengthening the UNSC's effectiveness towards greater transparency and accountability. Recently, during the consultations between the two countries, Livia Leu Swiss State Secretary for Foreign Affairs stated that; "With reliable voices, our two countries can together contribute to the global good. This engagement, in my opinion, is a result of not only our shared priorities but also our shared democratic values and foreign policy independence" (Express, 2022). A robust, effective multilateral system and disarmament are of extreme importance for both Switzerland and India.

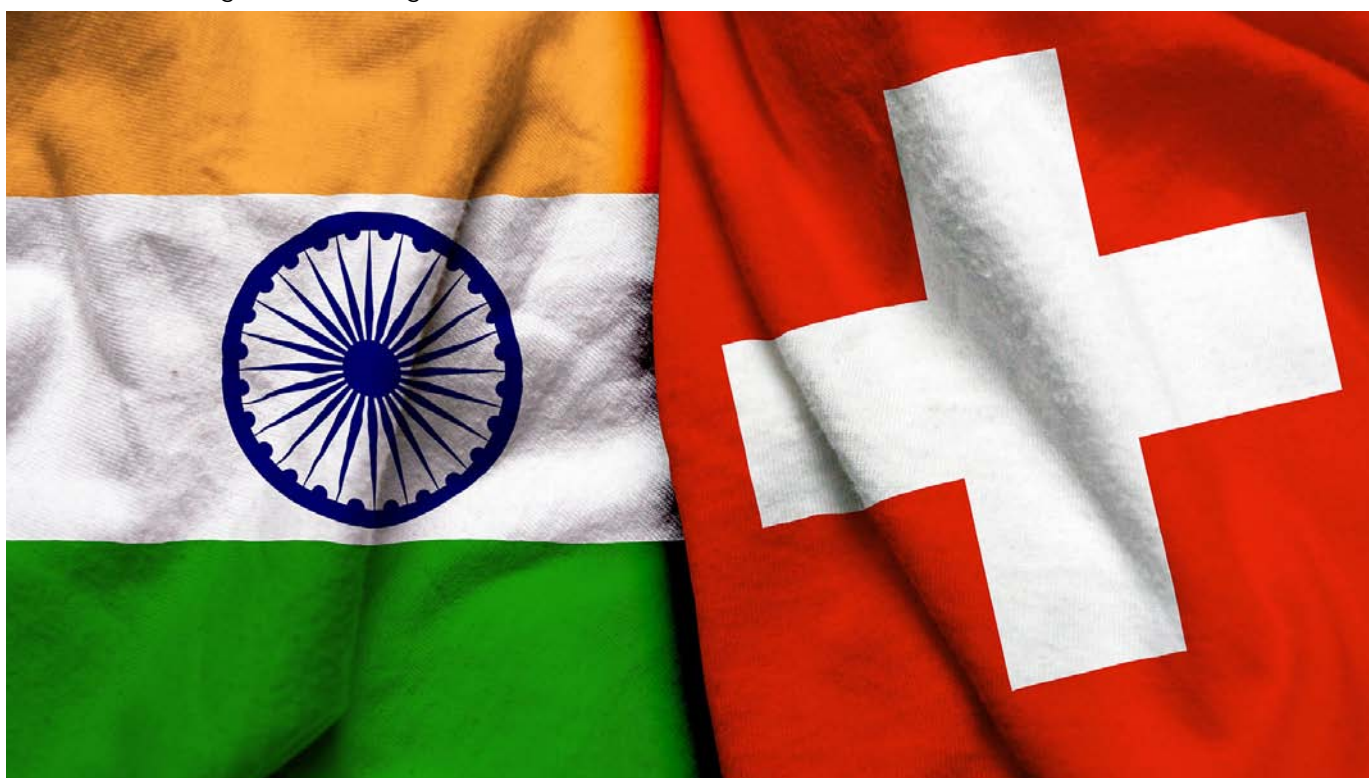
Culture

Switzerland and India have a long history of cultural linkage as well. For instance, numerous Swiss artists, architects, and researchers have contributed actively in India's development like: Le Corbusier an architect who designed the city of Chandigarh (The City Beautiful) in the late 19th and early 20th century and Alice Boner a painter, sculptor and an art historian have contributed immensely in the discovery of Indian architectural, sculptural studies as well as revived Kathakali. Contributions of Swiss architects like Mario Botta and Herzog & De Meuron who have designed structures of well-known Indian institutions cannot be missed. Another example of intensifying cultural ties between two nations is of Pro Helvetia - Swiss Arts Council which focuses on contemporary literature, visual arts and dance thus contributing to foster the cultural bond between two nations.



Way Forward

The two countries have never been enemies nor have they allied against each other in respect of any geopolitical issues. India holds high importance in Swiss foreign economic policy and is one of its key trading partners in Asia. Swiss companies have invested around USD 51 billion between April 2000 and March 2021 and created approximately 135'000 jobs in India. However, in 2020, due to the Covid-19 pandemic, there was some decline in the supply chain management and global economic disruptions but it has now gained pace and is coming back to track. Thus both nations have immense opportunities to further explore and ameliorate this relationship by investing their combined knowledge and research in sectors such as; health, advanced manufacturing, artificial intelligence, blockchain, robotics and drones, food, infrastructure, clean-tech and fin-





tech which will further push their prospects and growth of the economic spectrum to new heights in the coming decades. As India and Switzerland gear up to commemorate their 75th anniversary of diplomatic and strategic partnership in 2023, there can be no better testimony to this friendship than by working together on bilateral and multilateral engagements/platforms with pragmatic perspectives to go ahead for sustainable development and growth.

On the climate change front, as India has taken the lead in the International Solar Alliance to promote solar energy globally, Switzerland should not miss the opportunity to join and contribute to this alliance. The collaboration on Glaciology can complement each other to understand the impact of climate change on the Alpine as well as the Himalayan ecosystem. To further improve trade and economy a Free Trade Agreement and bilateral investment agreement could prove to be a win-win situation for both countries.

Conclusion

Switzerland accounts for about 24,567 persons of which over 7,164 persons are of Indian origin, a large number of Indians are professionals working in Engineering, Information technology, Pharmaceuticals and Para-medical sectors. Moreover, India's swiftly growing consumer market, and its Geostrategic location in South Asia and in the Indian Ocean Region which is of great significance, cannot be disregarded by Switzerland. The aim of both nations should be to further amplify the cooperation with an unflinching approach and combined efforts to address the global challenges for the welfare of global good. Thus the above-mentioned bilateral engagements and evolutions, points towards a more sustainable and strategic partnership that can be navigated through a comprehensive and inclusive approach for a long-term commitment toward economic growth, global peace as well as security. India's Non-Alignment and Switzerland's neutral policy compliment each other and works as a torchbearer to foster the relations further. ■

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Even as individuals become families and families become communities, and communities become nations, so eventually must the nations draw together in peace.

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– Marjorie Watts