

The EU and India- Challenges to a Strategic Partnership

Author: Ananya Doundiyal

The EU is one of the largest trade partners of India. Dated back in 2004, the Fifth India-EU Summit meeting at The Hague affirmed the proposal to elevate the India-EU relationship to the level of a "Strategic Partnership" as well as a Joint Action Plan (JAP) that was embraced at the Sixth India-EU Summit meeting held in New Delhi in 2005. The Strategic Partnership, and the Joint Action Plan, highlight this relationship's importance as India is one of the few countries with which the EU has signed such an agreement. The main points of the Joint Action Plan include Strengthening Dialogue and Consultation Mechanisms, Political Dialogue and Cooperation, Bringing Together People and Cultures, Economic Policy Dialogue and Cooperation, and Developing Trade and Investment.

The EU remains India's foremost trading partner and accounted for almost 21.6% of India's total trade back in 2004. India is a captivating market for EU exports. However, the push to escalate bilateral cooperation in recent years has been more critical and necessary. This is because of the most recent India-EU Summit that was held on 15th July 2020 and 8th May 2021, remarkably enhancing the strategic dimension of the bilateral relationship.

Although, the improving economic relations have been assisted by growing solidarity on security issues as both India and the EU share a mutual commitment to democracy, human rights, a pluralistic society, and a peaceful conflict resolution. Both sides have emphasized their responsibility to promote a just international order that rests on multilateral institutions, strengthening the principles of cooperation rather than confrontation. To grapple with new security challenges such as terrorism, the proliferation of weapons of mass destruction (WMD), drug and human trafficking, and organized crime, India and the EU have been natural partners.

India's emergence as an economic power

India is one of the first countries to establish diplomatic relations with the European Economic Community in the early 1960s. Economic and trade issues still control bilateral relations. India is an interesting partner for the European Union for many reasons, but most importantly, India is difficult to ignore. India is the second most populous state with the largest democracy in the world. It stands as the world's fourth-largest economy. Suppose India is considered exceptionally promising in economic terms. In that case, its political voices, as heard at the G20 and WTO negotiations as a leader of developing and less developed countries, have made it an increasingly important international player. Undoubtedly, India is a country of great ethnic, religious, and cultural diversity. In recent times, India has been strengthening its relations with the U.S., China, and ASEAN and engaging with Pakistan to resolve their long-standing border dispute.

Since its independence in 1947, India has been a strong proponent of regional cooperation and multilateral institutions in the Asian and global arena. India has been active in settling regional disputes, including in Indochina in the 1950s, and Nehru was one of the founding fathers of the Non-Aligned Movement (NAM) in 1961. India, during the 1960s, became a representative of developing countries in the context of the United Nations (UN) and advocated a New International Economic Order (NIEO) in the 1970s. While the collapse of the Soviet Union, India's most prominent trading partner at that time, was followed by the severe financial crisis that broke up India's mixed economy. Though this paved the way for economic liberalization, India was initially

regarded as a 'loser' in the new international environment. But today, the picture has changed fundamentally. The economic reforms introduced after 1991 made India one of the world's most compelling economies. The inference of strategic partnership agreements with the US, China, Russia, Japan, France, the UK, and the EU stipulates that India is one of the primary beneficiaries of the international system that has developed since the early 1990s.

India also holds a unique position in the international system as it has always been regarded as a representative of developing countries in international organizations, including the World Trade Organisation (WTO). Moreover, India is actively establishing new alliances such as the IBSA Initiative with Brazil and South Africa, and has augmented the trilateral dialogue with China and Russia. Thus, India has a remarkable position and acts as a gateway towards the countries of the South concerning future negotiations in multilateral institutions.

EU and India Foreign Policy Compatibility

As Asia has delimited its identity and security after the end of the Cold War, India has redefined its position with Asia and at the global level while exploring the foreign policy options that have been opened in a changing world. The 1990s mark the end of the Cold War and India's remarkable economic position that has disclosed new perspectives for India's strategic ambitions. The EU is one of India's most important partners in terms of global trade and financial institutions. It is one of the largest trading partners, whereas India is the EU's 12th greatest trading associate and the second largest benefactor to the EU's GSP.

India and the EU support the multilateral system and cooperate effectively in the UN and other forums. Both countries share similar views on preventing proliferating weapons of mass destruction, another area for rising cooperation. Alongside, the EU is strongly interested in considering India as a viable global partner to cope with security challenges and shape a more just international order. Thus, for this reason, India and Europe should launch a dialogue on global governance where foreign policy is not guided by national interest but also by shared values, such as democracy and human rights. While the fight against terrorism is another area for closer EU-Indian ties, several proposals have been set on the table for closer cooperation. India has a keen interest in reforming the global institutions that help them intensify the country's international standing. This has, thus, opened up new avenues for cooperation with the EU.

India and the EU need to strengthen their consultation mechanism to exist with the challenge of failing states. Both countries already hold regular exchanges on human rights. However, there is still scope for widening the dialogue to include the following issues: the role of the International Criminal Court (ICC), the abolition of the death penalty, gender discrimination, child labor, human rights, and religious freedom, among others. Thus, the EU can offer its unique experience as an example of building peace and forging partnerships. Also, Indian foreign policy is still guided by a strong sense of strategic autonomy that will put the degree of engagement with the EU and other great powers in perspective. However, Indian foreign policy still sets a more substantial prominence on pursuing national interests than on the promotion of democracy as well as human rights. Also, India and the EU interact regularly at the Foreign Ministers' level. The 23rd India-EU Ministerial Meeting was held in Brussels on 30 January 2013. The meeting's main discussion areas were bilateral relations and international and regional issues of mutual interest. Also, the Indian foreign policy towards Europe has been marked by various ebbs and flows. The early years, informed heavily by the experience of colonialism, were marked by questions and suspicion around the kind of role an integrated Europe would play in the world. The enlargement of the EU

and the creation of structures around foreign policy in Brussels made India realize the role the EU could play as an essential pole in a multipolar world. In the future, it would be interesting to watch how Europe articulates its policy towards the region and how much of a valuable partner it could be to Indian goals.

Areas of cooperation between India and The EU

The EU-India strategic partnership is built on a robust economic relationship, with the EU being one of India's most significant sources of Foreign Direct Investment (FDI). India and the EU are also negotiating a bilateral broad-based trade and investment agreement since 2007, which can significantly amplify the commercial relationship if implemented. As stated in their joint action plans, India and the EU have generated collaborative working groups on the environment dealing with thwarting pollution, waste minimization, protection of biological diversity, sustainable forest management, environmental education, and others. India and the EU are "natural allies." In the recent EU-India Leader's Summit held in Portugal, both declared not only shared interests but also shared "principles and values of democracy, freedom, the rule of law, as well as human rights" that helped in bracing the partnership. Also, both the EU and India recognize the danger posed by China to the existing global order, and the EU's declaration of China as a systemic rival point to a shared threat perception.

According to Garima Mohan, the scope of India-EU ties has also broadened significantly from the trade and technologies portfolios that formed the basis of the partnership in the 1990s and early 2000s. This is abridged in the EU- India partnership, which in the last two years has launched a dialogue on maritime security, started regular foreign, security, and defence consultations, set up a working group on 5G, launched an artificial intelligence taskforce, and digital investment forum revived the human rights dialogue, signed an infrastructure connectivity partnership to provide alternatives to China's belt and road initiative (BRI), initiatives dialogue and climate change and issued the joint statement on Afghanistan. This is a significant shift from a few years ago when it would not have seemed plausible to see India having security dialogues with the EU.

Some of these crucial areas of cooperation need to be understood in detail.

Trade and Economic Issues

While the EU is India's largest trading partner and one of the primary sources of foreign inward investment, on the other hand, India is only the 14TH trading partner of the EU, behind countries such as China, Brazil, and South Africa. The trade, as well as investment, are below potential in both cases. The EU and India surely need to take action on many fronts, such as greater market opening and economic reform on the side of India. Trade, Investment, Competition, and Industrialisation are the main factors as India has become a significant source of outsourcing for the European Industry. The EU and India both share similar views in real and ideological terms. However, to reap the full economic benefits of a strategic partnership between the two, the removal of tariff barriers to trade, eradication of non-tariff barriers to trade, specific measures that are needed to ensure success at the WTO negotiations, and the necessary steps to encourage FDI into the Indian Economy is to be taken into consideration. At the same time, India's rapid economic growth and its expanding middle class offer a solid base for future economic cooperation with the EU. The EU is the world's largest exporter and importer of goods and services. To intensify their economic relations, the EU and India had agreed on an EU-India Free Trade Agreement (FTA), whose negotiations started in June 2007. These FTA negotiations have been a 'sticking point'

throughout the history of the partnership but have also made significant advances. Recently, India and the EU announced the resumption of negotiations, which included several concessions from both sides to return to the negotiating table.

As per Garima Mohan, two interrelated factors can explain the 'broadening' of India's partnership with Europe. Firstly, India's foreign policy establishment has begun to realize that Europe could be an essential partner in building India's domestic capacities and resilience, which are needed for achieving New Delhi's domestic and foreign policy goals, including competition with China. The partnership highlighted above has focused on increasing trade and investments and on, green partnerships and responding to climate change, new technologies, and, most importantly, defence manufacturing. The second factor is "the change in European perceptions" and tensions in the Europe-China relations, which is leading many European countries to diversify their partnerships. As per Garima Mohan, China-related challenges have perhaps created "overlaps" in the foreign policy goals of India and Europe for the first time.

Co-operation in the Indo Pacific

European policy in the last two years has transitioned rapidly from barely even using the term Indo-Pacific to reaching a new broad consensus that "the economic and political weight of the region makes it a key player in shaping the international order" and that the "future of the EU and the Indo-Pacific are inextricably linked given the interdependence of their economies and common global challenges (Joint Communication to the European Parliament and the Council). Despite the EU not having an important military role, its Indo-Pacific strategy has much to complement India's regional goals as its main focus is on infrastructure investments, resilience supply chains, and emerging technologies. The EU also desires an enhanced naval presence in the region and focuses more on the Indian Ocean via rising security cooperation with India, Japan, Indonesia, Singapore, and Vietnam. Europe has recognized India's central importance in the Indo-Pacific, viewing it as a critical potential partner, seeking to (a) reduce dependence on China and (b) have a stake in ensuring regional stability in the Indo-Pacific.

Energy, Environment, and Peace Keeping

The EU and India are the primary energy importers and have secured safe, affordable, and sustainable energy supplies that are crucial to both. Along with developing a civil nuclear partnership with India, the India-US relationship has created greater mutuality of interests. This has taken the shape of bilateral agreements, as only a few EU countries possess the relevant technologies. Climate change is one of the most significant challenges of the EU. At the same time, India faces a difficult task in adopting the required standards, as its main priority is to provide development and growth for its expanding population. India is an immensely attractive export and investment destination whose potential is recognized by EU firms. India has always had a keen interest in reforming global institutions that have enhanced the country's international standing. It has opened new avenues for cooperation within the EU. The EU and India had a long tradition in UN peacekeeping operations and post-conflict reconstruction. Since the 1960s, India has participated in most UN peacekeeping missions and supported international crisis management in regional conflicts. The EU has, however, a low profile in India. It is because the EU is perceived as a trading bloc and not as a significant political actor. Also, the EU presence can be enhanced by greater participation and outreach among think tanks, researchers, and the media. Thus, the EU seeks to create a multipolar world in which it aims to engage India because of its economic growth.

Divergence in the India-EU Partnership

The EU and India have undoubtedly scripted the future together. Both have been strategic partners since 2004 and are committed democracies. But, with the witnessing of negotiations over trade, climate change, or geopolitics, the EU and India have ended up on opposing sides. The divergence of the EU-India partnership is not restricted purely to the realm of commercial interests. Still, labor and environmental standards have been quite the bugbear in the EU's trade dealings with India and some other players of the Global South. The fundamental disagreements between the EU and India have also appeared in geostrategic and high politics, mainly over the position the two have adopted over Russia and Ukraine. The EU has urged India to take a firm line to condemn the Russian invasion. At the same time, India abstained from the United Nations Security Council and The UN General Assembly. But, in doing so at the UN General Assembly, India ended up in an odd corner of abstaining parties along with China and Pakistan. Therefore, democratic India's abstention over the Russia-Ukraine war has illustrated the divergence between the EU and India.

Conclusion

While formally labeled as strategic, the EU-India partnership is more often than not described as reluctant and lukewarm. To look into the strategic relationship between the countries has significantly altered their outlook on global life and each other. The EU seeks to create a multipolar world where it identifies India and China as emerging Asian Countries and wants to engage with India because of its economic growth. India is an emerging power with a strong national consciousness and an identity rooted in territoriality and sovereignty. It aims to enhance its soft power with hard power while borrowing certain aspects of the US approach.

In contrast, as a post-modern actor, the EU has sought to construct a new collective identity based on soft power. Over the past three years, the strategic strengthening of Indo-EU dialogue has marked a significant turning point. It has also underlined a clear commitment to move forward on major issues of common interest to move beyond piecemeal politics and give the bilateral relationship a more strategic and long-term focus. As India has become increasingly active on the international stage, its interest in the European Union is also growing with the willingness to forge a better relationship. The negotiations for a bilateral India-EU free trade agreement suspended since 2013 were formally relaunched in May 2021 to strengthen cooperation. The EU-India trade increased by more than 70% between 2009 and 2019, and India has become an interesting alternative for diversifying European supply chains. Exports and investment have also been central to India's post-pandemic economic recovery.

While the EU-India bilateral relationship has yet to reach its full potential, the rise in political momentum in recent months has confirmed the strategic importance of strengthening bilateral economic and geopolitical ties, mainly in the context of the growing importance of the Indo-Pacific region. Also, the European Union's response and its new strategy for the region have been essential to avoid the risk of the "peripheralization" of Europe in the long term because major new economic, connectivity, research, and development issues have been concentrated in this area.

Thus, at the global level, the EU is the most successful example of regional integration and durable peace between countries. Still, 'the idea of Europe' resonates differently in different regions. But, the biggest challenge in the assessment of the EU as a global economic, political, and security actor lies in the fact that it is constantly evolving. However, India and the EU should enter a strategic dialogue that will go beyond articulating normative principles and lead to concrete action.

Thus, translating the potential for cooperation into reality will require strategic vision and political sagacity. Therefore, the EU must respect India's strategic autonomy and freedom to set its security priorities; India cannot surrender its strategic interests. Thus, the India-EU strategic partnership's challenge is balancing norms and realism.

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