

INDIA'S CHANGING OUTLOOK TOWARD EUROPE

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ABSTRACT

This paper attempts to analyse the changing nature of India's relationship with Europe, focusing mainly on India's foreign policy towards Europe post-Brexit and the context of the Ukraine-Russia war. The research indicates that the association between India and Europe has strengthened over the years, with regular summits and agreements in the last two to three years. It also reveals that the ties between the two sides have not been primarily affected by Brexit or the Ukraine crisis, and talks and negotiations continue.

INTRODUCTION

India has always been an important international player actively involved in global affairs. Its relations with other countries have primarily been amicable, barring its hostile neighbourhood, where it has always tried to maintain peace and harmony from its side. This paper aims to study one such set of India's foreign relations, that is, India-Europe relations, with a particular focus on India's bilateral relations with the European Union (E.U.). It tries to analyse India's foreign policy changes towards Europe in light of current events.

The paper is divided into five sections. The methodology is followed by the first section, which gives an essential background of India-EU relations and recent developments. The second section talks about the impact of Brexit on India-Europe relations. The third section tries to explain India's response to the Ukraine crisis and its relations with Europe in the context of the war. This is followed by a section on the areas in which India and Europe can work together in future, ending with a section on conclusions.

METHODOLOGY

The analysis has been based on information from various secondary sources like newspaper articles, online journals, and E.U. and Government of India sites.

BACKGROUND OF INDIA-EU RELATIONS AND RECENT DEVELOPMENTS

2022 marks the 60th year of bilateral relations between India and the European Union (E.U.). Formal relations began in the 1960s, with India becoming one of the first countries in the world to establish diplomatic relations with the European Economic Community (EEC). Relations, especially in the sphere of trade, began to blossom in the 1990s after India adopted

the LPG (Liberalisation, Privatisation and Globalisation). EEC also transformed into the European Union following the Maastricht Treaty of 1992. In 1993, a Joint Political Agreement was signed between India and the E.U., followed by a Cooperation Agreement on Partnership and Development in 1994. The first India-EU summit was held in Lisbon in 2000; however, at the 5th India-EU summit in Hague in 2004, the relationship became a 'strategic partnership' between the two sides. In 2005, a Joint Action Plan was adopted to strengthen dialogue and consultation in the spheres of politics and economy, boost trade and investment and help bring people and cultures together. Since then, there have been rapid improvements in India-EU relations in multiple spheres, with the two sides working together on various projects, both domestic and international.

In 2007, negotiations began between the two sides on a Broad-Based Trade and Investment Agreement (BTIA). However, they were stalled in 2013 because of India's reluctance to remove barriers to free trade and because both sides could not reach a consensus on critical issues. At the India-EU summit in 2021, it was decided to resume negotiations on a Free Trade Agreement (FTA). On 17th June 2022, the negotiations were formally resumed on agreements on trade, investments and geographical indications (G.I.). The next round of talks will be held in New Delhi from 27th June to 1st July, and India and E.U. expect to conclude the negotiations by the end of 2023.

In 2020, the 'India-EU Roadmap to 2025' was also adopted to strengthen cooperation in many areas, including security, military, crisis management, foreign policy, trade and economy, and global governance. The first Maritime Security dialogue was also conducted between the two sides in January 2021. Most recently, the EU-India Trade and Technology Council was launched to increase cooperation in emerging technologies and security and build trusted partnerships.

Both India and E.U. aim to become global powers, and the strategic partnership can facilitate this. Both are among the world's biggest democracies with shared values and principles, and their bilateral relations can help them realise their true potential. India has always seen the E.U. as a free and progressive region, and a lot more can be achieved through relations with the whole of the E.U. compared with bilateral relations with specific E.U. members. Their partnership can help them have a better say in global issues and work towards establishing a more multipolar world order. It also can pave the way for substantial reform of international

institutions and Intergovernmental Organisations (IGOs) like WTO and for bringing about rules-based multilateralism.

INDIA-EUROPE RELATIONS POST BREXIT

The United Kingdom withdrew from the European Union on 1st February 2020. The U.K. had been India's leading European partner for centuries, but with Brexit situation changed drastically. India began focusing on strengthening its ties with France and Germany, its new allies in Europe. Germany has become India's most significant economic partner in the E.U., and this partnership is strategically very beneficial for India, keeping in mind its future infrastructure and renewable energy requirements. Moreover, in recent years Germany has become a favourite destination for Indian students aspiring to study abroad. There have been multiple research initiatives, too, like the Indo-German Max Planck Centre for Computational Sciences in New Delhi, which also works on new technologies.

France is gradually becoming India's leading partner in Europe, especially in defence and security. India and France are also closely working together in the International Solar Alliance, and France supports India's clean energy initiatives. The Indo-Pacific is a very strategic region where India and France have deep interests. Their relations have been mutually beneficial to both in advancing their regional roles. In September 2020, a trilateral dialogue was held between India, France and Australia to intensify cooperation in the Indo-Pacific. Indo-France cooperation in the Indian Ocean has also been reinforced by the March 2020 initiative of conducting joint patrols from the Reunion Islands. The two countries have also continually shared information regarding maritime situations and have a pact allowing naval vessels from the other country into their ports and military bases.

Economically too, Brexit has impacted India-EU relations. For years the EU had been India's largest trading partner, but with the withdrawal of Britain, it became third on the list after China and the United States. India's share in European trade also fell from 2.3% in 2019 to just 1.8% in 2021. This is another reason behind India's rapid moves to bolster relations with the E.U. in the past 2-3 years.

Strategically the partnership with the E.U. is highly beneficial to India, and India cannot afford to weaken its bilateral ties with the E.U. In 2020, the E.U. accounted for €95.5 billion in goods and services trade. It was India's second-largest export destination accounting for

approximately 15% of Indian exports in 2021. The E.U. has Foreign Direct Investment worth €87 billion in India, and the European Investment Bank (EIB) has invested €3.8 billion in various infrastructural and developmental projects in India. Around 6000 EU companies operating in India provide jobs to 1.7 million people directly and 5 million indirectly. The EU-India partnership can help India in its post-pandemic economic recovery and overall GDP growth.

India is an aspiring power. As one of the fastest-growing economies in the world, with almost one-fifth of the world's population, India strives to increase its stronghold in international affairs and sees its partnership with the E.U. as contributing to this goal and helping to enhance India's global standing and autonomy. India can use its relations with the E.U. to diversify its supply chains, thereby reducing its dependency on China. India has a hostile neighbourhood with Pakistan on one side and China on the other, and its partnership with E.U. can thus be a means to deal effectively with regional tensions. India can also work with E.U. to tackle climate change issues as the E.U. can provide the technologies and financial assistance needed for green investment and green infrastructure in India. The bilateral relationship can therefore help India achieve its goal of reaching carbon neutrality by 2070. In the health sphere, the pandemic has very well shown the need for strong bilateral and multilateral ties. The EU-India partnership can be beneficial in ensuring effective production, supply and equitable access to vaccines not just in Europe and India but across the world, something India has strived for ever since vaccine production first began. E.U. countries have world-class health facilities and hence can help India improve its health infrastructure by providing the required technical know-how, training, funding, personnel and latest technologies. The partnership can also enhance India's agency and resources to deal with terrorism, especially from the neighbouring country of Pakistan. Both the countries can also work together towards bringing about sustainable development. Through the partnership, India also aims to gain in the digital sector, including artificial intelligence and 5G. Moreover, collaborations in education like setting up universities, student exchange programmes, scholarships, professional training, etc., can improve India's educational and occupational profile and enable Indian students aspiring to study abroad to fulfil their dreams.

These domestic considerations have been majorly responsible for the rapid advances in India-EU relations post-Brexit. This includes the India-EU Roadmap 2025, the Maritime Security dialogue, the India-EU Trade and Technology Council, and the resumption of talks

on FTA, which according to a report by the European Parliament, can result in gains of between €8 and €8.5 billion to both sides from the increase in trade, the cooperation on green hydrogen and nuclear energy, the India-EU Connectivity Partnership launched in 2021, the EU-India Clean Energy and Climate Partnership which aims at increased cooperation in areas of energy efficiency including renewable energy, zero energy buildings, sustainable financing and storage and other commitments that were made during the 2021 summit like global health preparedness, protecting the earth and fostering green growth, bringing about inclusivity in the international arena and working towards a more safe and democratic world. India has continued its strategic partnership with the U.K in the post-Brexit era. In 2020, India and Britain adopted the Roadmap 2030 for cooperation over the next ten years. At a virtual meeting between PM Modi and British PM Boris Johnson in May 2021, the Enhanced Trade Partnership (ETP) was launched, which aims to bring about an FTA between India and U.K. to double the bilateral trade from the present £24 billion per year over the next ten years. The ultimate aim of the Roadmap 2030 is to establish a Comprehensive Strategic Partnership (CSP) between India and the U.K. At the COP26 conference in Glasgow, UK, India launched the Green Grids Initiative to further their International Solar Alliance. In 2021, the India-UK Migration and Mobility Partnership were also signed. The Graduate Route Visas allowed post-study work in the U.K. Talks have also been held over returning economic frauds like Vijay Mallya and Nirav Modi. Britain has also made investments worth \$1 billion in green projects in India.

INDIA'S FOREIGN POLICY TOWARDS EUROPE IN THE CONTEXT OF THE UKRAINE CRISIS

The Ukraine-Russia war has forced India into a tricky balancing act. While India has not supported the Russian invasion of Ukraine, it has also not openly condemned Russia, its long-time strategic partner. India has tried to maintain a neutral position in the war and has not joined the West in the international rebuke of Russia. Ever since the war began, India has called for an "immediate cessation of violence" and also for upholding "commitment to the principles of the U.N. Charter, international law and respect for sovereignty and territorial integrity of all states" (Panda, 8th March 2022). It has also supplied relief and medical equipment to Ukraine. However, it has not imposed sanctions on Russia and abstained from crucial United Nations votes to censure Russian violence. This has come as a shock and a disappointment to the western partners of India, especially the U.S., U.K. and E.U. They had expected India to have a more stable stance on the issue.

India has tried to uphold its strategic autonomy in the present scenario and, simultaneously, pursue an independent and non-aligned foreign policy aimed at fulfilling domestic agendas and interests through maintaining relations with several major and minor countries that might even be at odds with each other.

Remaining in the good books of Russia is extremely important for India, especially given its hostile neighbourhood. Russia is currently the largest supplier of arms and ammunition to India. India has also signed several military and defence deals with Russia, like the one for purchasing Russian S-400 missiles. Hence, openly going against Russian actions will not do India any good. Moreover, the growing closeness of Russia with China and Pakistan is not a good sign for India and Indian interests in the Indo-Pacific, especially when there are speculations that China might take inspiration from the Ukraine invasion and might try to further its interests in the South China Sea (SCS) and in the subcontinent taking advantage of the fact that the war is keeping most of the Russian focus away from the Indo-Pacific. Going against Russia in such a situation will only complicate matters for India by adding another hostile neighbour to the list. Moreover, Russia as a permanent member of the UNSC, has many times used its veto power to promote Indian interests like on the Kashmir issue and also India's claim for permanent membership of the UNSC, which prevents India from being completely anti-Russia.

However, maintaining good ties with Europe is equally important for India. Hence, India has been in continuous dialogue with the heads of the EU, France, Ukraine, Poland and others to bring a peaceful end to the conflict. Despite everything, India-EU relations do not seem to be adversely affected. E.U. President Ursula Von Der Leyen visited India in April to discuss technology, trade and security apart from the Ukraine crisis. The talks on the India-EU FTA are set to begin on the 27th June. Both sides have decided to set up the India-EU Trade and Technology Council.

Moreover, in June 2022, India and the E.U. held talks to increase cooperation on green hydrogen to reduce dependence on fossil fuels, especially from Russia. The collaboration between India's National Green Hydrogen Mission and E.U.'s 'REPowerEU Plan' aims to exchange information on clean hydrogen technologies and products and new hydrogen projects. The decision was also taken to set up a bilateral 'Financing Investment in Clean Energy Platform.' Moreover, in the context of the Ukraine crisis, India-EU held the Security

and Defence Consultations in June 2022, where cooperation in various security areas was discussed, including maritime security, development and production of defence equipment, arms export and also India's participation in Permanent Structured Cooperation (PESCO) which is a part of E.U.'s security and defence policy.

The Ukraine crisis has also resulted in Russia cutting natural gas supplies to E.U. member states, including Germany, the E.U.'s largest economy. Germany depends on Russia for around 35% of its gas imports, while Italy for around 40%. This has led to immense tensions in the E.U. circles as it might mean a shortage of gas supplies during winters when the use of natural gas increases. The war and the subsequent sanctions on Russia have shot up the oil prices in E.U. states which are major importers of Russian gas, fuelling inflation and even compelling them to buy expensive LPG from the U.S. On the other hand, the decline of exports to Europe has made Russian natural gas cheaper for other countries like India. India has acted strategically and has not imposed sanctions on Russia, benefiting from the relatively cheaper gas imports (over 29% fall in oil prices). This might be a severe cause of tension between India and the E.U. However, the importance of India as a strategic partner for Europe is likely to prevent any breakdown of relations between the two sides, encouraging dialogue and negotiations over the issue.

India's stance on the Ukraine-Russia war might lead to specific differences between India and the U.K., which had expected India to take a firmer take on the issue and accept more significant responsibilities in the international arena. The Ukraine war has the agitated U.K., and India's refusal to vote against or put sanctions on Russia might make the cooperation between the two countries, especially in defence, suffer to some extent. However, U.K.'s economic and strategic interests in the subcontinent and the desire to finalise an FTA with India as soon as possible would soften U.K.'s attitude towards India's foreign policy.

In any case, since the Ukraine crisis has diverted the attention of the West away from the Indo-Pacific and the excesses of China in the region, it becomes essential for India to maintain its strong links with the West, especially Europe, to counter the rising Chinese influence in its backyard.

The crisis in Ukraine has also forced countries to think about possible reform of the current multilateral order, and India's partnership with Europe is essential to have a stronger say

against the U.S. in this regard. India and the EU have always been strong advocates of such a reform and have promoted a rules-based multilateral order. International organisations, especially the U.N., are at the heart of E.U.'s reform agenda. It believes reforming these institutions is necessary to make them more transparent, rigorous and practical. It also encourages the upholding of international norms, agreements and rules. The formation of the informal 'Alliance for Multilateralism' by France and Germany in 2019 was based on the idea that a rules-based multilateral order ensures international peace, prosperity, and global stability. France argues for reform of the UNSC to make it more representative of the current world order and hence supports an increase in both permanent and non-permanent members of the security council. It also demands that multilateralism be inclusive; that is, it should consider the voices and concerns of women, youth and civil society. It also believes that there should be restrictions on the veto power of UNSC permanent members, especially in cases of mass atrocities. The E.U. also proposes that all countries must come together to formulate rules for sectors without multilateral agreements, like A.I., cyber, and internet data. India advocates dialogue and cooperation between countries to address global issues. India and the E.U. believe that the growing assertiveness of China in the world and its deepening rivalry with the U.S. need to be countered to preserve multilateralism. India supports a more significant role for developing countries in the world and decoupling countries with China along with bringing about gradual socialisation of China into the international system and its acceptance of the norms and rules of multilateral institutions. The need of the hour is global burden-sharing between like-minded powers just like India and the E.U. to bring about a reform of the current multilateral order.

THE WAY FORWARD

There is still much to be achieved in India-Europe relations; there is still much-untapped potential. In the sphere of trade, India needs to ease out specific restrictive measures and discriminatory practices to allow E.U. firms to operate freely in Indian markets. India has a large consumer market and an abundant workforce whose full potential can only be realised if the Indian economy is better integrated with the world economy. India's relations with Europe can also be beneficial in bringing about nuclear disarmament, primarily through the support of France and the U.K., two nuclear powers and India's key allies in Europe. Similarly, France and the U.K., as permanent members of the UNSC, can support India's fight against terrorism, especially from Pakistan in the U.N.

Although some measures have been taken, enormous efforts are still needed to ease visas and other restrictions for Indian students wishing to study in European countries. Provisions for more scholarships and financial aid are also necessary. Entrepreneurship is on the rise in India, and its relationship with Europe can help by exchanging expertise, knowledge, advanced technologies and funding to start-ups. In the health domain, too, India-Europe relations can be mutually beneficial to both sides. Western technology and expertise combined with Indian production capabilities and enormous workforce can ensure mass production of medicines and vaccines and efficient supply to India and European countries and worldwide.

CONCLUSION

The relations between India and Europe have remained mainly cordial since ties were first established between the two sides. Over the years, India has tried to use its partnership with European countries to further its domestic interests. However, there have been rapid developments in India-Europe relations in the past few years, with India trying to end its protectionism policies and integrate more fully with the global economy. It plans to use its alliance with Europe to supplement its efforts toward making India an integral and indispensable part of the world economy. The prospects of India soon becoming one of the largest economies and the most populous country in the world makes it an attractive alliance partner and a favourite destination for FDI for European countries, and India uses this to its advantage.

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