India and the European Union: Next Steps in Strategic Partnership

July 2020

- On July 16, 2020, Brookings India organised a Foreign Policy & Security Studies <u>webinar</u> panel discussion to analyse the outcomes from the recent EU-India Summit held on the 15 of July, as well as discuss recent trends in the EU-India relationship.
- The panel featured **Indrani Bagchi**, Diplomatic Editor at the Times of India and **Garima Mohan**, Transatlantic Fellow at The German Marshall Fund (GMF) of the United States.
- Constantino Xavier, Fellow, Foreign Policy and Security Studies, Brookings India, moderated the panel.

New Economic Avenues?

Dr. Xavier opened the discussion by asking the panelists what they thought the biggest deliverables and misses from the summit were. Indrani Bagchi highlighted the High Level Dialogue on Trade and Investment, stating that it promised to "open the bottleneck", given that there had not been any negotiations between the two sides on a Free Trade Agreement (FTA) since 2013. She also stated that in a post-COVID world, supply chains would be important, and that the challenge for both India and the EU would be to marry trade and global supply chains with rising economic nationalism. Dr. Mohan commented that the summit and its 2025 roadmap offered significant new additions to the strategic partnership, including cooperation in new security domains, but that the lack of progress even on an investments protection agreement was disappointing. Mohan further noted that, while environmental and labour norms are a central difficulty in all EU-India economic negotiations, both Brussels and Delhi may have to show greater flexibility to find a middle ground. She added that there was now new room for compromise, as the current global economic crisis presented "an opportunity for both sides to shift their red lines a little bit". Panelists highlighted concerns about India's principle of Atmanirbhar Bharat, which sent a protectionist signal to Europe.

Sectoral Potential

Panelists also discussed the new areas of cooperation between India and the European Union. Bagchi highlighted issues such as civil nuclear cooperation, 5G, artificial intelligence, educational initiatives, and climate change. Dr. Mohan agreed and added that what she found taking "the partnership forward" was the maritime security dialogue, in the context of the EU trying to test out a deeper security relations in Asia, most notably with India, Japan and other like-minded partners. On security and technology, Mohan emphasized the importance of digital connectivity for Europe and India as a viable market and technology development partner. She added that Ursula von der Leven's references to 5G and AI were a "clear nod towards China", as both sides want more trusted vendors, standards and norms based on the rule of law and transparency. Another related topic was negotiations on a Europol-CBI cooperation arrangement. Bagchi opined that it would lead to better cooperation, and that Europe was a new entrant to the world of international terror. Therefore, the cooperation would probably be based on information sharing, transnational groups, money laundering, and the issues that are raised at the Financial Action Task Force.

Convergence also because of China

Mohan highlighted that all the topics discussed in the EU-India summit had a China angle: "in New Delhi, the relationship with Brussels is measured according to how Brussels reacts to China". She stated that due to the pandemic, there are growing EU doubts about China's ability to be trusted as a crisis actor. Secondly, European attitudes are coming around to the notion that the EU and India need to work together to check Chinese influence. Bagchi cautioned, however, that the way India approaches

issues like Taiwan and Tibet would differ from how the European Union and the US think about it, given that China is a next-door neighbour for India. Regarding the mention of "Indo-Pacific" in the 2025 EU-India roadmap, Dr. Mohan mentioned that Europe had come a long way but is still overall hesitant about using the term. On India specifically, Dr. Mohan mentioned that as the partnership with China soured, Europe has begun seeing India differently, from a "peripheral player to being a central partner".

India's many Europe engagements

Bagchi noted that until a few years ago, "India did not take the EU seriously", despite having bilateral ties with European countries, which led to the lack of a trade agreement, and India not being able to convey properly its growth and aspirations. She stated that she saw 2017 as the year things "turned" for India and Europe, when India stayed and reaffirmed the Paris accord, even after the United States left. In the Indian mind, Prime Minister Modi's 2017 trips to Berlin, Paris, and Madrid signified a reset with Europe, and she stated that both parties were bringing more issues to the table now, such as security, technology, and climate change. Dr. Mohan concurred by stating that "Delhi has found the issues that they want to talk to Brussels about". But this was also reflective of India's new Europe policy, which has tailored outreach to the EU even as it also engages France, Germany and the United Kingdom, and at a third level approaches regional clusters, like the Nordic or Central and Eastern European states. Bagchi summed up the discussion by stating that there is a growing Indian "recognition that the EU is a player that should be engaged (as) a new construct in the Indian foreign policy system".

Watch the full video:

https://www.youtube.com/watch?v=dQ7aVqMf1Dk



(From L to R): Indrani Bagchi, Diplomatic Editor at the Times of India; Garima Mohan, Transatlantic Fellow at The German Marshall Fund (GMF) of the United States; Dr. Constantino Xavier, Fellow, Foreign Policy and Security Studies, Brookings India

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