

## India-European Union ties

### Why in news?

While India celebrates its 75th year of Independence, it also marks 60 years of diplomatic relations with the European Union (EU).

### How has the relationship between India and the EU evolved over the years?

- A cooperation agreement signed in 1994 took the bilateral relationship beyond trade and economic cooperation.
- The first India-EU Summit, in June 2000, marked a watershed in the evolution of the relationship.
- At the fifth India-EU Summit in 2004, the relationship was upgraded to a 'Strategic Partnership'.
- The two sides adopted a Joint Action Plan in 2005.
- The action plan aimed at strengthening dialogue and consultation mechanisms in the political and economic spheres, enhancing trade and investment, and bringing peoples and cultures together.
- The 15th India-EU Summit, in July 2020, provided a common road map to guide joint action and further strengthen the partnership over the next five years.
- The road map highlights engagement across five domains:
  1. foreign policy and security cooperation
  2. trade and economy
  3. sustainable modernization partnership
  4. global governance
  5. people-to-people relations

### What are the areas of cooperation?

- **Trade** - Bilateral trade between the two surpassed \$116 billion in 2021-22.
- The EU is India's second-largest trading partner after the U.S. and the second largest destination for Indian exports.
- There are 6,000 European companies in the country that directly and indirectly create 6.7 million jobs.
- **Green strategic partnership** - the green strategic partnership between India and Denmark aims to address climate change, biodiversity loss, and pollution.
- **India-Nordic Summit** - The India-Nordic Summit focused on green technologies and industry transformation that are vital for sustainable and inclusive growth.
- All this will act as a catalyst for enhanced cooperation between the two regions.
- **Defense** - Cooperation with the EU in the defense sector has also increased substantially.
- This is critical for India at this juncture, to reduce its hardware dependence on Russia

in the backdrop of the Ukraine conflict.

- This also helps to seek diversification of its armament imports from other regions with the latest technologies in the wake of its confrontation with China.
- India and the EU regularly conduct joint military and naval exercises which reflects their commitment to a free, open, inclusive, and rules-based order in the Indo-Pacific.
- **Maritime security dialogue** - The first maritime security dialogue between India and European Union in 2021 focused on cooperation in maritime domain awareness, capacity-building, and joint naval activities.
- France's on-time delivery of 36 Rafale fighter jets and willingness to offer Barracuda nuclear attack submarines to the Indian Navy reflects the growing level of trust in their relationships.
- Leading European defense equipment manufacturers are willing to partner with Indian companies for defense projects aligned with the 'Make in India' program.
- Another rapidly growing engagement area is the start-up and innovation ecosystem across India and Europe.
- **Science and Technology Joint Steering Committee** - focuses on areas such as healthcare, Artificial Intelligence, and earth sciences.
- In 2020, there was an agreement for research and development cooperation in the peaceful uses of nuclear energy between the European Atomic Energy Community and the Government of India.
- European partners acknowledge India as an important pillar in ensuring stability in the Indo-Pacific region.

### **What are the challenges in the relationship?**

- Both parties have differing opinions and divergent interests in some areas.
- India's reluctance to explicitly condemn Russia's intervention in Ukraine, and the country's increasing economic cooperation with Russia, have been one area of disagreement.
- India has called out the EU's double standards on the same, for the EU purchases 45% of its gas imports from Russia in 2021.
- There is also ambiguity on the EU's strategy in tackling the rise of China.
- Its muted response during the Galwan clash is a case in point.
- India's economic, political and demographic weight could be deftly leveraged by the EU to counterbalance China's influence across the region.
- However, there seems to be some hesitancy about this.

### **What is the way forward?**

- India and the EU are each political and economic poles in an increasingly multi-polar world and hence our ability to work together, therefore, can shape global outcomes.
- The EU wants to be more than just a trading bloc and is seeking alliances with like-minded countries like India.
- India and the EU should not let such divergences of views overwhelm the many areas of convergence among them.
- The proactive resumption of the ambitious India-EU free trade and investment agreement in 2021 is a step in the right direction.

## Reference

1. <https://www.thehindu.com/opinion/op-ed/a-road-map-for-india-eu-ties/article65771933.ece>

