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

