

EU-INDIA RELATIONS

Gaining strategic traction?

Edited by

Amaia Sánchez-Cacicedo

With contributions from

Kanti Bajpai, Olivier Blarel, Amit Garg,
Rohan Mukherjee, Karthik Nachiappan,
Jagannath Panda, Marta Torres Gunfaus



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CHAILLOT PAPER / **181**
February 2024

European Union Institute for Security Studies (EUISS)

100, avenue de Suffren
75015 Paris

<http://www.iss.europa.eu>
Director: Steven Everts

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Print

ISBN 978-92-9462-297-6
CATALOGUE NUMBER QN-AA-24-001-EN-C
ISSN 1017-7566
DOI 10.2815/881801

PDF

ISBN 978-92-9462-296-9
CATALOGUE NUMBER QN-AA-24-001-EN-N
ISSN 1683-4917
DOI 10.2815/110238

Published by the EU Institute for Security Studies and printed in Belgium by Bietlot.
Luxembourg: Publications Office of the European Union, 2024.
Cover image credit: Dhruvansh Soni/Unsplash

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Acknowledgements

The editor would like to thank Gearóid Cronin for his superb editorial work, as well as Christian Dietrich and Simmi Saini for their excellent contribution and support with the infographics. She is also grateful to the contributors for their patience and responsiveness throughout the various stages of the editorial process.

The editor

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EXECUTIVE SUMMARY

Despite good intentions on both sides, the EU-India bilateral relationship has lacked traction until recently. In the past few years however there have been notable milestones. The launch of the EU-India Trade and Technology Council (TTC) in April 2022 following Ursula von der Leyen's visit to India as chief guest for the Raisina Dialogue is one example. More recent developments are joint naval exercises conducted off the coast of Guinea or both partners' official participation in the India-Middle East-Europe Economic Corridor (IMEC) launched in September 2023. The EU-India relationship contains untapped potential which has been amplified post-Brexit.

The EU and India must carefully position themselves *vis-à-vis* the antagonistic relationship between the United States and China, while redefining their partnership in relation to Washington and the developing world. The EU appears to be shifting from its traditional focus on strategic autonomy⁽¹⁾ towards strategic interdependence⁽²⁾ while Prime Minister Modi has placed *Aatmanirbhar Bharat* ('self-reliance') and continued strategic autonomy at the centre of India's policies⁽³⁾. International relations have become increasingly transactional, yet the normative dimension cannot be neglected. Both the EU and India are having to review their interests and capabilities amidst a changing international system which presents unprecedented

challenges to the existing rules-based order. The latter is currently under strain and grappling with the attempt to divide the world into two opposing blocs of 'likeminded' and 'non-likeminded' states.

When arguing the case for closer alignment between the EU and India, there is a need for pragmatism. This *Chaillot Paper* explores how new opportunities for cooperation might be seized while highlighting underlying differences in outlook across critical issue areas. In the various chapters both European and Indian experts analyse specific dimensions of EU-India cooperation and examine how common ground might be leveraged through specific actions moving forward. This should allow EU and Indian policymakers to overcome the difficulties caused by mismatched expectations and identify potential areas of convergence.

The paper begins by highlighting diverging worldviews and the challenges of normative alignment between the EU and India. New Delhi's acquiescence with Russian's invasion of Ukraine exemplifies these divergences. Policymakers on both sides need to keep the big picture in mind while taking stock of specific policies: clearly the geostrategic dimension of the EU-India relationship is now too important to allow the Ukraine issue to hobble the partnership. In fact, the main stumbling

(1) For the EU, strategic autonomy as a concept has evolved with time. While it was originally tied to gaining independence in the security and defence realms, over time it has acquired a stronger geopolitical connotation in an increasingly hostile political environment. See European Parliamentary Research Service (EPRS), 'EU Strategic Autonomy 2013-2023: from Concept to Capacity', European Parliament, 8 July 2022 ([https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2022\)733589](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2022)733589)).

(2) Strategic interdependence is understood in this paper as being premised on the need to secure each actor's sovereignty while engaging with a much more fluid network of partners and coalitions focused on shared interests, rather than on an ideological or a values-based approach.

(3) For India strategic autonomy means that on the fundamental issues – national security, world trade, climate change – New Delhi will cooperate and engage with all those that it can work with, taking only its interests into account. It will cautiously partner with the great powers rather than take sides between powers. See Menon, S., *India and Asian Geopolitics: The past, present*, Penguin Random House India, Haryana, India, 2021 and Singh, J., 'India in a changing world', *World Affairs: The Journal of International Issues*, Vol. 4, No 2, 2000, p. 14. See also 'Aatmanirbhar Bharat' (<https://aatmanirbharbharat.mygov.in/>).

blocks in the EU-India relationship lie precisely amidst divergences in worldviews and normative alignment. Whatever tangible potential for cooperation exists must be addressed within these parameters.

The paper further explores how the EU-India relationship has hitherto been characterised by a narrow focus on trade and economic-related issues. This has hindered both actors from moving forward as strategic partners until now. But current geopolitical realities have forced a shift in gears. The growing importance of economic security and supply chain resilience has led both sides to pay attention to the strategic dimension of the EU-India relationship. They now realise that they will need to expand their focus beyond trade and explore the potential for cooperation in connectivity and supply chains, critical technologies, security and defence, as well as in climate change and energy. There are additional areas of interest for the future, such as space.

The first section of the paper comprises two chapters that provide an overarching perspective by focusing on worldviews and normative (dis-)alignment between the two sides. In chapter one Kanti Bajpai starts by presenting an overview of the divergence in worldviews between India and the EU conceptualised as civilisational entities, as well as geopolitical actors and cosmopolitan powers. This does not make their cooperation impossible but means that it will necessarily be a gradual and at times tentative process. Both actors need to discuss their core political values, what they understand by strategic autonomy and strategic interdependence, as well as the provision of global public goods and security.

In chapter two Rohan Mukherjee looks at normative differences and potential areas of convergence between India and the EU. The author stresses the need for Europeans to understand New Delhi's views of the international order. Simultaneously, he identifies India's quest for status recognition at the high table of international politics as a key enabler in EU-India relations. In the meantime, commitment to economic openness, multilateralism and

territorial integrity provides scope for both partners' potential normative alignment.

The second section of the paper comprises four chapters focusing on critical issue areas. In the first of these Jagannath Panda explores new areas of mutual interest between India and the EU beyond the realm of trade, namely connectivity, supply chain resilience and critical raw materials. The author contends that India recognises the EU as performing a valuable balancing role in the evolving world order while the EU acknowledges India's vast economic potential and declared commitment to sustainability. This can allow for shared opportunities beyond bilateral trade, such as through mushrooming connectivity initiatives across the Bay of Bengal and the broader Indo-Pacific, including IMEC, with the support of third trusted partners. Cooperation on securing the supply of critical raw materials and thus reducing both actors' respective dependence on China is also discussed.

In chapter four, Karthik Nachiappan deals with critical and emerging technologies, highlighting India's advancements in this field and its extensive investment in digital public infrastructure, as well as in the data economy and the semiconductors industry (the latter being of interest to the EU too as attested by the signing of an EU-India MoU on semiconductors within the TTC). Nachiappan draws particular attention to the diverging approaches to data governance and digital standards between the EU and India. Despite these normative differences, opportunities for cooperation in artificial intelligence (AI), 5G/6G, personal data and cybersecurity exist for the EU to support India's digital transformation. Both actors see the power of the digital economy as a public good.

In the next chapter Olivier Blarel looks at the security and defence relationship between the EU and India, which had historically been put on the backburner in favour of economic interests. The author highlights how internal reforms initiated by both sides and their evolving geopolitical priorities have led to a stronger security relationship. This includes shared geo-economic interests linked to securing

maritime routes and the free flow of trade along sea lines of communication (SLOCs) which are enabling stronger maritime cooperation. Moreover, India has shown an interest in stepping up cooperation in co-development and co-production of defence equipment as a new dimension of the bilateral relationship.

In the final chapter Amit Garg and Marta Torres Gunfaus look at how each actor's approach to equity and social justice is key to articulate a common EU-India agenda on climate change and energy. They further address divergences in climate ambitions, policies and delivery timeframes, with specific recommendations for cooperation on resource optimisation, technological and financial cooperation. Climate change financing needs particular attention, as well as the alignment of trade requirements with global decarbonisation. The authors point to how EU and Indian perspectives on climate change and energy, as well as both actors' different development trajectories and expectations, can be reconciled if effective and reciprocal cooperative action is pursued, notwithstanding the tensions that have accompanied the EU's recently launched Carbon-Border Adjustment Mechanism (CBAM).

The road ahead for EU-India relations will not be a straight path but rather one with many twists and turns. A focus on a pragmatic way forward within critical issue areas, while keeping different worldviews and normative divergences in check, can help ensure a smoother ride.



**EU-INDIA
WORLDVIEWS AND
NORMATIVE
(DIS-)ALIGNMENT**

CHAPTER 1

DISSONANT EU-INDIA WORLDVIEWS

Is cooperation possible?

by
KANTI BAJPAI

INTRODUCTION

India and the EU have rediscovered each other. While the two sides have maintained diplomatic relations for over sixty years (since India established relations with the European Economic Community in 1962), it would be fair to say that they have been on different sides strategically for much of those six decades and have differed on a range of issues. Yet recent developments, such as the launch of the Trade and Technology Council (TTC) – which the EU has hitherto only established with the United States – and the ‘EU–India Strategic Partnership: Roadmap to 2025’, unveiled in 2020, are more positive signs of a ‘likeminded’ relationship. What will the future hold? Will the two partners continue to disagree more than they agree or vice versa?

At her meeting with Prime Minister Narendra Modi on 25 April 2022, EU Commission

President Ursula von der Leyen declared that ‘for the European Union, the partnership with India is one of our most important relationships for the coming decade and strengthening this partnership is a priority’⁽¹⁾. In his concluding remarks on 13 May 2023 at the close of the EU–Indo–Pacific ministerial meeting, Foreign Minister Subrahmanyam Jaishankar noted that ‘a strategically more aware Europe should not limit its consciousness geographically.’ In the Indo–Pacific region, he added, ‘the EU will naturally seek like-minded partners. India is certainly among them’⁽²⁾. Days later, on 16 May 2023, during the first meeting of the TTC, the two sides stated that ‘rapid changes in the world’s geopolitical environment highlight the need for an even deeper strategic partnership between India and the European Union. As vibrant democracies, open market economies and pluralistic societies India and the European Union share fundamental values and have a common interest in

(1) European Commission, ‘Statement by President von der Leyen with Indian Prime Minister Modi’, 25 April 2022 (https://ec.europa.eu/commission/presscorner/detail/en/statement_22_2642).

(2) Ministry of External Affairs, Government of India, ‘Concluding Remarks by External Affairs Minister, Dr. S. Jaishankar at the EU–Indo–Pacific Ministerial’, 13 May 2023 (<https://www.mea.gov.in/Speeches-Statements.htm?dtl/36548>).

ensuring security, prosperity and sustainable development in a multipolar world’⁽³⁾.

These statements suggest that both sides see the potential for a broad strategic convergence or alignment of interests. Their words have been matched by various initiatives to strengthen ties including the resumption of negotiations over a Free Trade Agreement (FTA), the launch of the TTC and the start of talks on both an Investment Protection Agreement and an Agreement on Geographical Indications. The EU-India Roadmap to 2025 envisages cooperation on connectivity, global health, the environment and human rights, parliamentary exchanges, coordination on regional security, including with a ‘Free and Open Indo-Pacific’ initiative, reform of the UN Security Council (UNSC), and cooperation between investigative agencies. However, despite shared economic – and, increasingly, geopolitical – interests, political compatibilities and promises to cooperate, so far little real cooperation in key areas has occurred.

This chapter suggests that at least part of the problem is that the two actors’ worldviews are at odds. If so, cooperation will inevitably be slow, halting and limited, and it is important to manage expectations along the way for a longer-term EU-India partnership. For now, the two sides should focus their cooperative efforts on three areas: discussions on core political values, as well as the meaning of strategic autonomy and strategic interdependence; global public goods – the environment, health, peacekeeping, disaster management, internet/AI governance, reformed multilateralism;

and security, including cybersecurity, terrorism, nuclear proliferation, and critical supply chains⁽⁴⁾.

IRRECONCILABLE WORLDVIEWS?

While monitoring day-to-day policymaking is valuable, the risk is that we miss the big picture. This chapter examines the dominant worldviews in India and Europe⁽⁵⁾. The first worldview concerns India and Europe as civilisational entities⁽⁶⁾. The second concerns

Tensions between the EU and India will not necessarily prevent cooperation but will slow it down.

India and the EU as geopolitical actors seeking ‘strategic autonomy’ and increasingly ‘strategic interdependence’, respectively. The third relates to India and the EU as cosmopolitan powers. At any given time, the three worldviews are often simultaneously at play in both India and the EU. This analysis suggests that despite the positive statements and declarations

made in public, there is a deeper substructure of tensions which cannot be wished away. Tensions will not necessarily prevent cooperation but will slow it down.

Civilisational entities

It is increasingly common to come across references to India as a civilisational state. For instance, on 11 May 2022, India’s foreign minister tweeted: ‘PM Modi has been more security & development focused, promoted

(3) Ministry of External Affairs, Government of India, ‘India-EU Joint Statement 1st Meeting of the Trade and Technology Council’, 16 May 2023 (https://www.mea.gov.in/bilateral-documents.htm?dtl/36553/India_EU_Joint_Statement_1st_Meeting_of_the_Trade_and_Technology_Council).

(4) ‘Joint Statement EU-India Leaders’ Meeting’, 8 May 2021’ (<https://www.consilium.europa.eu/media/49523/eu-india-leaders-meeting-joint-statement-080521.pdf>).

(5) The terms ‘Europe’ and ‘EU’ are used interchangeably in this chapter.

(6) According to the author, in international relations a worldview expresses how a society perceives itself, the future of world history, and its relationship with friendly and rival Others.

people-centric diplomacy and projected our civilizational state'⁽⁷⁾. At a G-20 event in December 2022, the minister noted that 'as a civilizational state, it was imperative that India is not only conscious of its heritage and culture but brings those perspectives to bear on contemporary issues'.⁽⁸⁾

There are two influential, contending notions of Indian civilisation. The first is associated with Jawaharlal Nehru, India's prime minister after independence. According to this view, India is a bridging civilisation between East and West, between great powers, and between regions (especially West, South and East Asia). As a multi-religious society, it is also a bridge between various religions.⁽⁹⁾ In short, one might say its power is the power of reconciling the seemingly irreconcilable. In international affairs, India's bridging role was historically typified by non-alignment.

The second notion is the Hindutva view that ostensibly inspires the present Indian government. According to this perspective, India is (and must be) a Hindu state. Its territory encompasses all the most sacred sites of Hinduism, and it is where most Hindus reside. It is the 'holy land' and homeland of Hindus, and it is unified by a sacred geography and common cultural practices⁽¹⁰⁾. It is also one of the great civilisations of the world, destined to take its place among the leading powers. The Hindutva-inspired aspirational role of India is that of a *vishwaguru* (world teacher)⁽¹¹⁾.

Europe, too, regards itself as a distinct great civilisation, and it also has two dominant

streams of civilisational thinking – Europe as the child of the Renaissance and Enlightenment; and Europe as the heartland of Christianity. Europe sees itself as a great humanist civilisation, perhaps the greatest in history. Europe's humanism means respect for individuals as rational agents pursuing their interests and making ethical choices based on reason (rather than tradition or religion). In international affairs, this implies that Europe should support individual rights and the defence of reasoned choice everywhere.

Many Europeans also see Europe as a primarily Christian civilisation, although this remains a largely privately held view. Given the secular values of European countries and the presence of non-Christian immigrant populations, post-1945 Europe is uncomfortable with saying that it is a common Christian home. Yet Europe's Christian heritage, arguably, has informed the process of European integration and affects its external relations.

Realist geopolitical powers

In seeking to position itself in a world characterised by increasing competition between the major powers, India is being drawn to a realist worldview that can be traced back to Kautilya, the putative author of the ancient treatise on statecraft, the *Arthashastra*⁽¹²⁾. Contemporary Indian strategists affirm the inspiration of the *Arthashastra* but go beyond Kautilya to advocate three major grand strategies: hard, liberal, and prudential realism⁽¹³⁾.

(7) Dr. S Jaishankar, Twitter post, 11 May 2022 (<https://twitter.com/DrSJaishankar/status/1524337747896541185>).

(8) G20 Information Centre, 'Address by External Affairs Minister at the G20 University Connect Event', 1 December 2022 (<http://www.g20.utoronto.ca/2023/221201-jaishankar.html>).

(9) This is evident in Nehru's speeches but also animates Nehru's writings. See Nehru, J., *The Discovery of India*, Penguin, New Delhi, 2004.

(10) Savarkar makes the point about India and the holy land and homeland of Hindus. Savarkar, V.D., (pseud. 'A Mahrata'), *Essentials of Hindutva*, V.V. Kelkar, Nagpur, 1923.

(11) See Bajpai, K., 'Indian conceptions of order and justice: Nehruvian, Gandhian, Hindutva, and Neo-Liberal', in Foot, R., Gaddis, J.L. and Hurrell, A. (eds.), *Order and Justice in International Relations*, Oxford University Press, Oxford, 2003, pp. 248–253. See also Sullivan de Estrada, K., 'What is a Vishwaguru? Indian civilizational pedagogy as a transformative global imperative', *International Affairs*, Vol. 99, No 2, 2023, pp. 433–455.

(12) Kautilya, *The Arthashastra*, translated by L.N. Rangarajan, Penguin Classics, London, 1992.

(13) Bajpai, K., 'Indian realisms and grand strategic choices', in Bajpai, K. (ed.), *How Realist is India's National Security Policy?*, Routledge, London, 2023, pp. 21–36.

Hard realists are suspicious of alliances and strategic partnerships, urge India to be militarily self-sufficient, and insist that the use of force is a legitimate instrument of foreign policy. Liberal realists argue that India should join strategic partnerships (but not alliances), be prepared to use force, and lead a coalition of the Global South to shape global norms and institutions to protect Indian interests. Prudential realists want India to put its own house in order, avoid confrontation with rivals (especially China), and construct strategic partnerships with the United States and Western powers. However, the three perspectives all invoke 'strategic autonomy', a term that connotes self-interest and independence in security decision-making. Strategic autonomy is currently tied to Prime Minister's Modi's *Atmanirbhar Bharat* approach to the economy and arms acquisitions⁽¹⁴⁾.

The EU's realist geopolitical worldview varies between Atlanticists, proponents of strategic autonomy, and supporters of strategic interdependence. Atlanticists would align closely with the United States in facing rivals such as Russia and China in a new Cold War. Proponents of strategic autonomy argue that the EU should be prepared to make decisions on major issues and international relationships more independently and even out of sync with the US if necessary. Europe might also invest more in its collective military capabilities. Finally, those who

Europe's focus seems to be inclining increasingly towards the notion of strategic interdependence.

support the idea of strategic interdependence urge the EU to diversify its relations with various centres of power, particularly a range of middle powers. As things stand, Europe's focus seems to be inclining increasingly towards the notion of strategic interdependence⁽¹⁵⁾.

Cosmopolitan/ internationalist powers

Finally, India espouses a cosmopolitan worldview most clearly articulated in the thinking of Mahatma Gandhi and Nobel laureate Rabindranath Tagore, both of whom were deeply suspicious of nationalism and the use of force. In this view, Indians, like other peoples, are part of a great world ecumene, with obligations extending across national boundaries⁽¹⁶⁾.

Gandhi's and Tagore's cosmopolitanism has lost adherents and is increasingly regarded as utopian. Yet internationalism in India still has some support, although more instrumentally as an element of soft power and status seeking. Whatever the source of India's internationalism, whether moralistic or instrumental, it translates into support for various good causes⁽¹⁷⁾.

The EU's cosmopolitanism is captured by the bloc's notion of itself as a 'normative power'⁽¹⁸⁾. As such, the EU is supposedly bound

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- (14) The term 'strategic autonomy' was first used by India's External Affairs Minister in 2000. See Singh, J., 'India in a changing world', op cit.
- (15) Aydıntaşbaş, A. et al., 'Strategic Interdependence: Europe's New Approach in a World of Middle Powers', ECFR, 3 October 2023 (<https://ecfr.eu/publication/strategic-interdependence-europes-new-approach-in-a-world-of-middle-powers/>) and Youngs, R., 'The awakening of geopolitical Europe?' Carnegie Europe, 28 July 2022 (<https://carnegieeurope.eu/2022/07/28/awakening-of-geopolitical-europe-pub-87580>).
- (16) Mallavarapu, S. and Bajpai, K., 'Introduction', in Bajpai, K. and Mallavarapu, S. (eds.), *India, the West and International Order*, Orient Blackswan, New Delhi, 2019, pp. 20-25 and pp. 36-37.
- (17) See speech of S. Jaishankar, External Affairs Minister, downloaded from 'Need For Reformed Multilateralism: Dr S Jaishankar, Union Minister for External Affairs at DSML 2020', The Energy and Resources Institute (TERI), New Delhi, n.d. (<https://www.teriin.org/video/need-reformed-multilateralism-dr-s-jaishankar-union-minister-external-affairs-dsml-2020>) and Press Trust of India (PTI), 'Jaishankar reiterates India's deep commitment to multilateralism in meeting with UNGA president,' *The Indian Express*, 20 September 2022 (<https://indianexpress.com/article/india/jaishankar-india-deep-commitment-multilateralism-meeting-unga-president-8161322/>).
- (18) Manners, I., 'Normative power Europe: a contradiction in terms?' *Journal of Common Market Studies*, Vol. 40, No 2, 2002, pp. 235-58. See also: Manners, I., 'EU's normative power in changing world politics,' in Gerrits, A. (ed.), *Normative Power Europe in a Changing World*, Netherlands Institute of International Relations, Clingendael, The Hague, 2009, pp. 9-24.

internally by carefully negotiated norms based on reasoned ethical principles. Accordingly, it attempts to follow those norms in the conduct of external relations, even if this means foregoing short-term tactical benefits that would result from the pursuit of *realpolitik*. Specifically, this means that the EU should support key liberal norms including democracy, human rights, rule of law, and economic openness but also broader norms of sustainability and multilateralism.

IMPLICATIONS OF DIFFERENTIATED WORLDVIEWS FOR THE EU-INDIA RELATIONSHIP

First, both see their civilisations as being globally important. Proponents of Hindutva imagine India as a leading power and conceive of international leadership in didactic terms drawing on the country's Hindu heritage – India as the teacher of the world. By contrast, Europe's humanistic-secular rather than religious view of its civilisation is preponderant. Drawing on their dominant civilisational tradition, Europeans, too, believe they have much to teach a multi-cultural and conflicted world.

Given the dominance of Hindutva and humanism in India and Europe, respectively, the two sides will inevitably be uncomfortable with each other. Europe's humanism focused on individual rights and reason sits uncomfortably with Hindutva's communitarian view of social life where the individual

is ultimately subordinate to the community. Even if Europe's Christian political identity were dominant, the two sides would not be particularly compatible: Hindutva and Christian Europe would be competing great religious civilisations.

Secondly, India and the EU emphasise strategic autonomy and strategic interdependence, respectively. They want to limit their military-diplomatic dependence on the United States and economic dependence on China. However, both recognise that the US is a strategic 'back-stop'. The US and India have become 'trusted technology partners' as part of the US-India Initiative on Critical and Emerging Technologies (iCET). Modi's official visit to Washington in June 2023 aimed to deepen the US-India Comprehensive Global and Strategic Partnership. The US and the EU, for their part, have a long-standing TTC and have greatly enhanced their security partnership via NATO since the start of the war in Ukraine. Both actors are aware that deterrence and defence against superior military foes could well require American support: India in its confrontation with China, and Europe facing Russia. Nevertheless, acceptance of the United States' role is much stronger in Europe. India by contrast is ambivalent over its membership of the US-led Quadrilateral Security Dialogue (QUAD), even after the most recent flare-ups in the ongoing border dispute with China, in 2020 and 2022.

Beyond this, India and the EU differ over the implications of strategic autonomy and strategic interdependence. India

has still not used the word 'war' to characterise the Russian attack on Ukraine, and while Europe has moved to decouple from Russia in key domains, India has deepened its links with Moscow. Indian oil imports from Russia increased eleven-fold in 2022-23 (from the previous year), and India is still reliant

Both Europe and India see their civilisations as globally important.

on key Russian arms even though purchases are falling⁽¹⁹⁾. Foreign Minister Jaishankar has been particularly outspoken in response to EU objections to India's Russia/Ukraine policy: 'Europe has to grow out of the mindset that Europe's problems are the world's problems but the world's problems are not Europe's problems'⁽²⁰⁾.

Thirdly, while both India and the EU espouse cosmopolitanism and its obligations, they also differ in their view of how this translates into the political sphere. The BJP-led government supports electoral democracy (elections brought it to power) but it is wary of political liberalism. India is increasingly criticised for its failings in this regard. Fear of foreign criticism and even interference in its domestic politics has meant that India refuses to criticise other countries' internal practices. Europe has by no means a perfect record on individual and collective rights, but most European countries uphold political liberalism at home, and the EU's cosmopolitanism includes a commitment to supporting liberal values all over the world.

THE WAY FORWARD

Against this backdrop, how can the EU and India move forward? First, a candid dialogue on core values may help. India is not going to become a liberal power any time soon. Nor is the EU going to jettison its liberalism. Both will have to accept their differences and deal with them prudently bearing in mind their shared geostrategic interests. India's recent aggressive defence of its diplomacy on the war in Ukraine is short-sighted as is Europe's criticism of India for its neutral stance on the war

and for the robust economic ties New Delhi maintains with Moscow.

Second, India and the EU should discuss what strategic autonomy and strategic interdependence mean to them respectively. Neither side wants to be pressured into taking sides between China and the United States in a conflict over Taiwan. Neither wants to see US dominance replaced by Chinese dominance. Both have an interest in economic and energy security. India cultivates Russia primarily in an effort to stop Moscow's drift towards China; energy imports and arms transfers are a secondary concern. The EU is wary of Russia because it is geographically contiguous and has expansionist ambitions. India should remember that Russia is not necessarily a friend forever; and the EU should remember that Russia is not necessarily a permanent rival.

Third, the most obvious areas of convergence and cooperation beyond trade concern:

1. global public goods – environmentalism, public health, peacekeeping, disaster management, internet governance (and now AI governance) – and a reformed multilateral order; and
2. key security challenges including cyberattacks, terrorism, nuclear proliferation and the disruption of critical supply chains.

These are important issues in themselves, and cooperation in these domains would be materially beneficial. Clearly, India and the EU would do well to discuss collaboration to add breadth and ballast to the relationship.

(19) Kumar, R., 'India inks deal to ramp up Russian oil imports', *The New Indian Express*, 30 March 2023 (<https://www.newindianexpress.com/nation/2023/mar/30/india-inks-deal-to-ramp-up-russian-oil-imports-2560840.html>) and 'Russia is still India's largest arms supplier, says report', BBC News, 14 March 2023 (<https://www.bbc.com/news/world-asia-india-64899489>).

(20) Quoted in Press Trust of India (PTI), "'Europe has to grow out of mindset that its problems are world's problems': Jaishankar", *The Wire*, 3 June 2022 (<https://thewire.in/government/europe-has-to-grow-out-of-mindset-that-its-problems-are-worlds-problems-jaishankar>).

CHAPTER 2

NORMS IN FLUX

EU-India relations on the global stage

by
ROHAN MUKHERJEE

INTRODUCTION

In their public statements, India and the EU both defend a rules-based order and currently describe themselves as likeminded partners. Both have also integrated this narrative into joint documents such as the ‘EU-India Strategic Partnership: A Roadmap to 2025’ and the ‘EU-India Connectivity Partnership’. The EU’s and India’s positions on the Hamas-Israel war have been similar: both initially stated that Israel had a right to self-defence but soon called for de-escalation and the need to respect international humanitarian law. However, there are substantial differences when it comes to broader normative alignment between India and the EU, as illustrated by India’s acquiescence in Russia’s invasion of Ukraine.

This normative dissonance between the EU and India can be extrapolated to other countries in the Global South. Much comes down to differences over norms such as democracy, human rights and humanitarian intervention that underlie the post-Cold War international order; over who can claim ownership over that order; and over how it should accommodate the changing global balance of power and authority. India is a pivotal actor in this context. As a rising power, it increasingly plays a decisive role in international affairs. New Delhi’s view of the international order appears to be increasingly at odds with the West and more

in line with that of the countries of the Global South, as the wrap-up leaders’ meeting at the close of India’s G20 Presidency Summit in September 2023 showed.

There may also be cause for optimism regarding common normative ground between India and the EU. There are areas of potential normative agreement – such as economic openness, multilateralism, and territorial integrity – that can show the way forward for EU-India relations.

HISTORY OF EU-INDIA NORMATIVE ALIGNMENT

As highlighted in the previous chapter on worldviews, there are substantial normative differences between the EU and India. This has historically been the case with regard to their respective views on international order, sovereignty and intervention, as well as democracy and multilateralism.

Differences over international order and status

Russia's invasion of Ukraine has exposed the rift in approaches to the international order between the West and the Global South. On the one hand, the United States, the EU, and their allies such as Japan and South Korea have held the line on sanctions and resolved to arm and fund Ukraine for as long as it takes to reach an acceptable settlement⁽¹⁾. On the other hand, China and India have avoided condemning Russia and dramatically increased trade in energy and other commodities with Moscow⁽²⁾; Egypt and South Africa are reported to have either considered selling or actually sold arms to Russia⁽³⁾; Brazil and Indonesia have offered peace plans that legitimise Russia's claims on Ukrainian territory⁽⁴⁾; and a group of African countries have undertaken a peace mission to Kyiv and Moscow to seek an end to the conflict⁽⁵⁾.

With regard to the EU and India, Russia's violation of sovereignty, territorial integrity and the right to self-determination sets dangerous precedents and risks the erosion of norms that have contributed to both actors' security and prosperity. While the EU's predicament as an immediate neighbour of Russia's is obvious, this is not the case for India. There are,

however, broader implications that risk putting India on a slippery slope regarding issues of territorial integrity. Put simply, China's increasing assertiveness towards neighbouring countries – and aggression towards India along their disputed border – becomes harder to counter without normative agreement on the central tenets of international order in Asia and beyond.

As a rising power, India values not just security and prosperity but also symbolic goals such as status⁽⁶⁾. This means being treated as an equal member of the Western great power club – the United States and its European allies – that dominates the international order and enjoys rule-making privileges within it. Indian leaders seek recognition and representation equal to the West in the core institutions of the international order. India has called for reform of the United Nations Security Council (UNSC), greater voting rights

in international financial institutions (IFIs), formal recognition as a nuclear power in the nuclear non-proliferation regime, and more equitable mitigation and adaptation responsibilities in global climate negotiations⁽⁷⁾. Until these issues are addressed, India will refrain from shouldering heavy responsibilities for a global order over which it feels little ownership. On Russia, therefore, India prefers to maintain a studious silence rather than acting

India argues that it is time for international institutions to reflect the radically different composition of the international community.

- (1) Polity, J., Fedor, L. and Pickard, J., 'Joe Biden says US will provide Ukraine funding for 'as long as it takes'', *Financial Times*, 8 June 2023 (<https://www.ft.com/content/ebe3fb32-ec99-4a9a-a757-51e2203223be>).
- (2) Mukherjee, R., 'China and India weren't critical of Putin's war. Did that change?' *The Washington Post*, 26 September 2022 (<https://www.washingtonpost.com/politics/2022/09/26/putin-ukraine-china-india-xi-mod/>).
- (3) Hill, E. et al., 'Egypt secretly planned to supply rockets to Russia, leaked U.S. document says', *The Washington Post*, 11 April 2023 (<https://www.washingtonpost.com/national-security/2023/04/10/egypt-weapons-russia/>); 'US accuses South Africa of providing arms to Russia', *The Guardian*, 11 May 2023 (<https://www.theguardian.com/world/2023/may/11/us-accuses-south-africa-of-providing-arms-to-russia-reports>).
- (4) Malleret, C., 'Ukraine criticises Brazil's peace efforts and invites Lula to see invasion's effects', *The Guardian*, 18 April 2023 (<https://www.theguardian.com/world/2023/apr/18/ukraine-lula-brazil-peace-effort-russia>); Kapoor, K., 'Indonesia proposes demilitarised zone, UN referendum for Ukraine peace plan', Reuters, June 2023 (<https://www.reuters.com/world/indonesia-proposes-demilitarised-zone-un-referendum-ukraine-peace-plan-2023-06-03/>).
- (5) Pilling, D., Olearchyk, R. and Seddon, M., 'African leaders begin peace mission to Ukraine and Russia', *Financial Times*, 16 June 2023 (<https://www.ft.com/content/f7e92707-069d-4d40-8937-2f96290e7516>).
- (6) Mukherjee, R., *Ascending Order: Rising powers and the politics of status in international institutions*, Cambridge University Press, Cambridge, 2022.
- (7) Sidhu, W.P.S., Mehta, P.B. and Jones, B., *Shaping the Emerging World: India and the multilateral order*, Brookings Press, 2013.

decisively to protect international norms from further erosion.

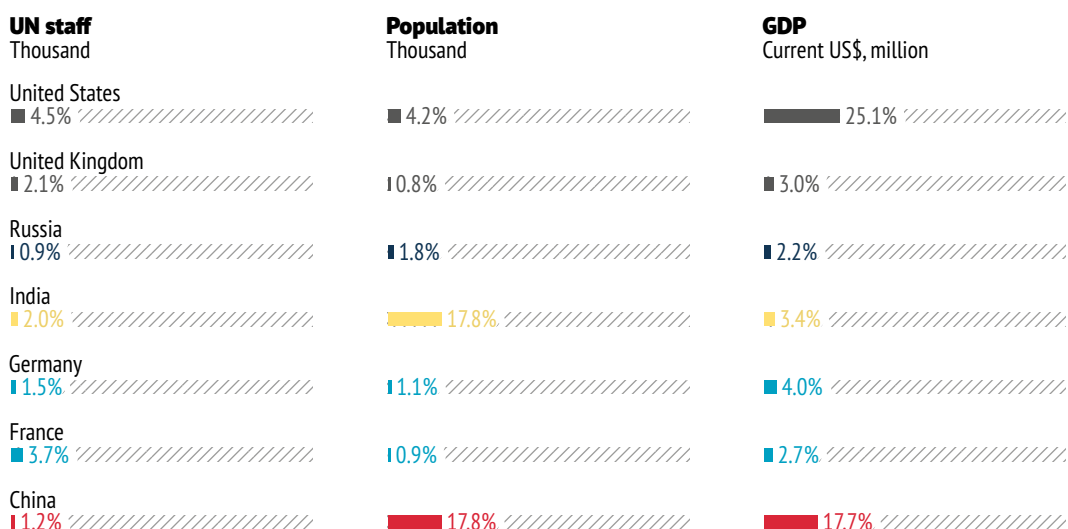
India's status claims are based on representation rather than on the international order's founding principle, which privileges the victors of World War II. Given that a large majority of countries today did not have sovereign status at the time of the creation of the new world order in 1945, India argues that it is time for international institutions to reflect the radically different composition of the international community. During the 2023 Voice of the Global South Summit, Indian External Affairs Minister Subrahmanyam Jaishankar described the United Nations as a 'frozen 1945-invented mechanism' with 'some powers ... singularly focused on their own advantage, to the exclusion of the well-being of the international community'⁽⁸⁾.

US allies in the West and in Asia have also enjoyed privileged positions within an order that

is ostensibly open and free. For example, citizens of the US, EU and Japan have exclusively held the top leadership positions in IFIs such as the World Bank, the International Monetary Fund (IMF) and Asian Development Bank respectively. Similarly, the United States, France and the United Kingdom have historically dominated the staffing of senior executive positions in the UN system⁽⁹⁾. Faced with an order that is fair and open only on paper, India is quick to point out the hypocrisy of the great powers. This is not to say that India sees itself as an especially virtuous actor – although it might often position itself as such – but that the contest between rising and established powers is ultimately a contest over the privilege of hypocrisy, or the recognized right to not just shape international norms but also violate them with impunity. In this regard, India is not so different from China, a rising great power that enjoys higher status than India but still resents the hypocrisy prevalent at the top of the international order⁽¹⁰⁾.

(Dis)proportionate weight at the UN

UN national representation vs. demographic and economic weight, 2022

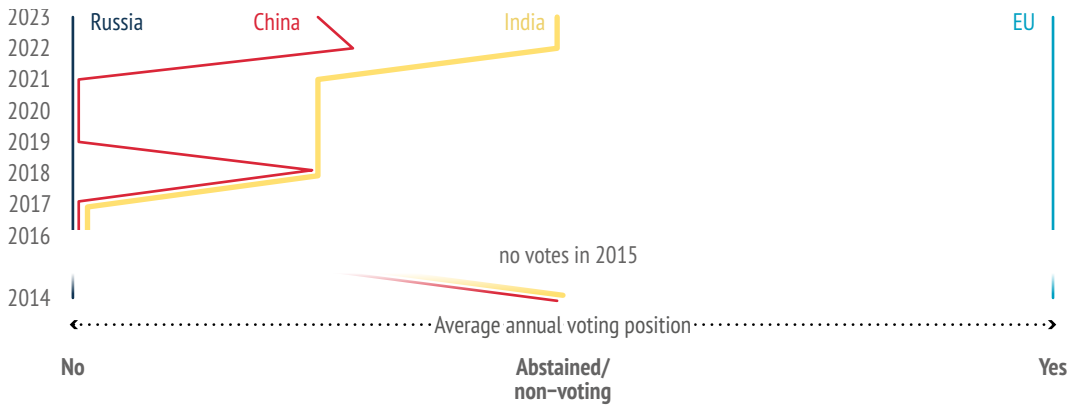


Data: World Bank, 2024; UN, 2024

- (8) Bhattacharjee, K., 'General Assembly divided over UN reforms, says Csaba Korosi', *The Hindu*, 30 January 2023 (<https://www.thehindu.com/news/national/general-assembly-divided-over-un-reforms-says-csaba-korosi/article66451621.ece>).
- (9) Fung, C., and Lam, S., 'Staffing the United Nations: China's Motivations and Prospects', *International Affairs*, Vol. 97, No 4, 2021, pp. 1143–1163.
- (10) Mukherjee, R., 'China's status anxiety', *Foreign Affairs*, 19 May 2023 (<https://www.foreignaffairs.com/china/united-states-china-status-anxiety>).

Shifts in UN voting patterns on Ukraine

Divergent voting behaviour by India and the EU on Ukraine. India diverges from Russia and China post-2022



Data: UN Digital Library, 2024

It is noteworthy that in moments of crisis in the order, India’s response has focused not on reinforcing norms but on reform and representation. In the aftermath of the Iraq invasion, in September 2003, the then Indian prime minister Atal Bihari Vajpayee argued ‘the recent crises warn us that until the UN Security Council is reformed and restructured, its decisions cannot reflect truly the collective will of the community of nations’⁽¹¹⁾. Similarly, Foreign Minister S. Jaishankar has called for ‘reformed multilateralism’ in the aftermath of Russia’s invasion of Ukraine. Meanwhile, at the UN General Assembly, India is one of only nine countries to abstain on all six votes that have taken place to condemn Russia since February 2022. New Delhi’s message is clear: while India values the norms on which the current order is based, they are not India’s to defend, especially in what the Global South largely sees as a European conflict.

Contrasting approaches to sovereignty and intervention

That India values state sovereignty is clear from its positions on multilateral military intervention at the UNSC. Like China, India has been described as a ‘sovereignty hawk’ that views sovereignty as absolute and inviolable⁽¹²⁾. Meanwhile, European countries and Canada, among other Western countries, have adopted a more contingent understanding of sovereignty predicated on the responsibility of states to protect citizens from grievous harm (exemplified by the *Responsibility to Protect* – R2P- norm). As the world transitions away from the so-called unipolar moment, India has watched the West successfully push for an unprecedented number of humanitarian interventions, many implemented under the Chapter VII mandate of the United Nations Charter, that is, without the consent of target countries – for example, in Bosnia and Herzegovina (1995), Darfur (2005), Libya (2011), Mali (2012), and other cases.

Indian representatives at the UN have repeatedly counselled restraint and caution lest

(11) ‘Address by Shri Atal Bihari Vajpayee Prime Minister of India at the 58th Session of the UN General Assembly’, Permanent Mission of India to the United Nations, 25 September 2003 (<https://www.un.org/webcast/ga/58/statements/indiengo30925.htm>).

(12) Ollapally, D., ‘India: The ambivalent power in Asia’, *International Studies*, Vol. 48 , Nos 3-4, 2011, p. 216.

peacekeeping morph into regime change or otherwise entail adverse effects for target countries, which are invariably in the Global South. In return, Western observers have labelled India – alongside China and Russia – an ‘enabler’ of dangerous regimes⁽¹³⁾. The same label is applied today to countries such as India and Brazil that do not align with the West against Russia⁽¹⁴⁾. It is, of course, inconsistent for India to be a sovereignty hawk while not doing more to defend the sovereignty of Ukraine. This inconsistency suggests that India’s position is not so much due to any substantive normative commitments than it is to India’s resistance to Western domination of the international order. Indeed, India has frequently echoed China’s and Russia’s calls for a ‘multipolar world order’, one in which the West does not retain the kind of power and privilege it enjoys today.

The EU itself has realised the impending reality of a ‘multipolar international order’ and the growing influence of emerging powers as evidenced by the recent BRICS expansion, the inclusion of the African Union (AU) as a G20 member, and the emergence of new IFIs such as the Chinese-led Asian Infrastructure Investment Bank (AIIB) and the BRICS’ New Development Bank. Debt sustainability and debt restructuring issues, compounded by the rise of new versus traditional donors, are now not only discussed between the IMF and the Paris Club, but also with G20 members and borrowing countries.

Divergent perceptions of democracy and multilateralism

Other norms such as democracy and multilateralism are also at stake. While Indian leaders and the voting public are proud of their democracy, they are deeply sceptical of democracy promotion abroad⁽¹⁵⁾. This reticence is unsurprising given India’s absolutist position on sovereignty. Not only is India less willing than the West to countenance sovereignty violations for humanitarian ends, it is also less willing to perpetrate such violations. In this regard, India’s post-Cold War approach deviates from its Cold War approach, when India was more willing to use force for humanitarian and political ends⁽¹⁶⁾.

India was also a champion of multilateralism during the Cold War. Today, India still values multilateralism but primarily as a means to achieve global leadership. For example, when the US under the Trump administration withdrew from the 2015 Paris Agreement on Climate Change and sought to delegitimise the UN system more broadly, India became more active in conferring with vulnerable states on the climate agenda and Modi firmly reiterated the value of the UN for global order⁽¹⁷⁾. Contemporary India is thus transactional and instrumental in its approach to multilateralism, valuing it less as an end in itself and more as the terrain on which to vie for membership of the great power club.

India has frequently echoed China’s and Russia’s calls for a ‘multipolar world order’.

(13) ‘The Enablers’, *New York Times*, 14 February 2012 (<https://www.nytimes.com/2012/02/15/opinion/the-enablers.html>).

(14) Inagaki, K., ‘Volodymyr Zelenskyy confronts Vladimir Putin’s enablers at G7 summit’, *Financial Times*, 21 May 2023 (<https://www.ft.com/content/3a6bba72-11f5-489d-8ce7-bde33c8f413a>). This headline was later changed to ‘Zelenskyy seeks to win over Brazil and India at G7 summit’.

(15) Kumar, M. ‘A reformist rising power: Exploring narratives of dissatisfaction in India’s rise to prominence’, presented at SNIS Conference, St Gallen, 14 June 2023.

(16) Famously, in the Bangladesh War of 1971, in the Sri Lankan civil war from 1987–1990, and to stop an attempted coup in the Maldives in 1988. Mukherjee, R, ‘Embattled Sovereignty: India, the UN and humanitarian intervention’, Centre for the Advanced Study of India, University of Pennsylvania, 11 February 2013 (<https://casi.sas.upenn.edu/iit/rmukherjee>).

(17) Ministry of External Affairs, Government of India, ‘India and United Nations’, 1 June 2020 (https://mea.gov.in/Portal/ForeignRelation/India_UN_2020.pdf).

For the EU, however, multilateralism appears to be an existential matter. Leading European powers supported the US in setting up the Bretton Woods institutions and in perpetuating a post-Cold War liberal order. The concept of the EU as a ‘normative power’, popular in the 2000s, has been brought into question over the past decade. The EU’s values-based policies have not granted it the influence it seeks in world capitals, which would prefer to see a more geopolitically active EU. There is thus an inherent tension between the EU’s material interests and how far the application of its norms will allow it to achieve its goals.

The upcoming implementation of the CBAM is a case in point. While EU officials perceive it as a means to create an environmental level playing field, emerging and developing economies view it as a trade protectionist tool that will limit market access to EU countries⁽¹⁸⁾. Similarly, the EU’s Generalised Scheme of Preferences Plus (GSP+), which aims to remove import duties on vulnerable developing countries, includes environmental, socio-economic and political conditionalities that often undermine the scheme’s purpose. It is unsurprising that many former or potential beneficiaries of the scheme tend to view it as a coercive tool rather than an incentive.

THE WAY FORWARD

The war in Ukraine has brought to the surface differences between the EU and India that had until now been papered over for the sake of countering China’s rise. Although the latter endeavour will continue, there may also be cause for optimism regarding common normative ground. Among the norms that underpin the so-called liberal international

order, India (along with most Asian countries) is most comfortable with free markets – domestic economic development remains one of India’s greatest priorities.

Although the global turn to industrial policy, de-risking, export controls and economic security has undermined global economic openness, there remains considerable scope for India and the EU to further develop trade and investment ties. Both the EU and India seek more market share as they implement their respective grand strategies centred on economic security and supply chain resilience.

Even if the global economy is no longer open, cooperation within blocs can still operate according to norms that the EU and India hold in common.


Similarly, although India and the EU undoubtedly disagree on the importance of democracy and human rights as global norms, they can agree

that territorial integrity and multilateralism should be highly valued in the international order. To address present and future geopolitical challenges, they can develop a mutual understanding of possible multilateral means to preserve the territorial integrity of states and resolve international armed conflicts. For example, they might jointly explore the possibility of multilateral or minilateral diplomacy on the Russia-Ukraine war that operates outside the gridlocked confines of the UNSC. Most importantly, the EU and its allies should recognise India’s status claims and demands for reformed multilateralism in institutions such as the UNSC and traditional IFIs, whose core purposes find support in both the EU and India.

History suggests that although each rising power may be dissatisfied with the prevailing international order in its own way, rising powers harbour a common desire for recognition

(18) See Pleeck, S. and Mitchell, I., ‘The EU’s carbon border tax: How can developing countries respond?’ Centre for Global Development, 15 November 2023 (<https://www.cgdev.org/blog/eus-carbon-border-tax-how-can-developing-countries-respond>).

and equal status with the great powers. Gaining membership of the great power club as embodied in the core institutions of the international order is a strong incentive for rising powers to cooperate with prevailing rules and arrangements. Although it might be too late to accommodate China's status concerns today, the US has certainly shown a willingness to positively engage with India's expectations. It would be prudent for the EU to take a similar approach, lest the international order end up with not one but two highly dissatisfied rising powers. This would undermine any prospect of likeminded alignment between India and the EU in the long term.



CRITICAL ISSUE AREAS

CHAPTER 3

TRADE, CONNECTIVITY AND SUPPLY CHAINS

by
JAGANNATH PANDA

INTRODUCTION

In the decade and a half since 2007 when the EU and India first started their FTA negotiations, the world economic order has undergone a sea change. During that period, Europe has also sought to position itself as a strategic actor seeking to create a secure and rules-based Indo-Pacific through its 2021 Strategy for Cooperation in the Indo-Pacific (SCIP). The release of the Global Gateway strategy in December 2021 holds the potential to leverage China's increasingly controversial Belt and Road Initiative (BRI)—Italy's recent withdrawal from the project constitutes another major blow to the venture. Relying on partner states like India to be a 'gateway' to Asia's infrastructure markets is a natural evolution of the EU's focus on the region. Proof of this is the MoU signed by the EU and India, among others, as a prelude to the launch of IMEC in September 2023.

In recent years India has come to recognise that Europe will not just be a 'likeminded' natural partner in its multi-aligned foreign policy but can perform a valuable balancing

role in the emerging, increasingly multipolar world order. Whether bipolarity returns with a vengeance, or a truly multipolar order comes into existence, the EU's importance for India is bound to rise. As the world's fastest-growing economy in 2023⁽¹⁾, India presents immense potential, making it a compelling partner *vis-à-vis* a sustainable and technologically advanced Europe.

This is therefore a good opportunity to take a fresh look at the EU-India relationship, which has long focused solely on trade and economic issues. EU-India cooperation in this domain—which should be further stepped up – but also in the areas of technology, connectivity, and critical raw materials can revitalise the new economic order and foster inter-regional linkages.

This chapter highlights how deeply intertwined economic and security interests in a context of changing dynamics in the Indo-Pacific can result in new opportunities for more solid EU-India cooperation. It will also cover how connectivity projects and ventures into supply chain resilience and critical raw materials contribute to their economic and

(1) Tan, C., 'IMF raises growth forecast for India, which is set to be fastest growing major economy in 2023,' CNBC, 26 July 2023 (<https://www.cnbc.com/2023/07/26/imf-raises-2023-economic-growth-forecast-for-india.html>).

green ambitions. India recognises that the EU plays a valuable balancing role in the evolving world order, and the EU sees India as a strategic partner with vast economic potential.

A STRATEGIC AGENDA DRIVEN BY ECONOMICS

Since establishing a ‘Strategic Partnership’ in 2004 and launching a ‘Joint Action Plan’ in 2005, EU–India ties have experienced ups and downs. The initial goal was to redefine engagement as ‘equal partners’ but a lack of impetus on both sides prevented the ambitious goals from being realised. However, as transatlantic relations worsened under the Trump administration’s ‘America First’ policies, Europe began earnestly pivoting to Asia. In doing so it aimed to diversify its global trade partnerships and advance EU Member States’ aspirations towards strategic interdependence, particularly by engaging with Asian economies like Japan and India. India’s own long-standing pursuit of strategic autonomy, combined with its steady growth and rapidly changing geopolitical circumstances, presented new opportunities for building practical convergence. To this end, the 2018 ‘Joint Communication on Elements for an EU Strategy on India’ and the 2021 ‘EU–India Connectivity Partnership’ paved the way for a focused approach to their ties.

This *rapprochement* coincided with Narendra Modi’s government’s second term in office,

and its emphasis on a multi-directional outreach (through policies like Connect Central Asia, Link West, Act East, Neighbourhood First, and Security and Growth for All in the Region [SAGAR]) within and beyond Asia. Modi’s second term further saw India reassessing its trade and investment policies and shifting from market-driven liberalism to a more strategic approach. In addition to a perceived inward shift as evidenced by the *Atmanirbhar Bharat*, the Modi government introduced several schemes to stimulate foreign direct investment (FDI). These encourage selective increases in industrial tariffs and reshoring of key manufacturing processes, such as electronics, through production-linked incentives (PLIs)⁽²⁾. Although questions have been raised over India’s rising protectionist trend, citing its decision to opt out of the trade pillar of the US-led Indo-Pacific Economic Framework (IPEF) and the Chinese-led Regional Comprehensive Economic Partnership (RCEP), these policies are aimed at diversifying and modernising India’s economy to enhance its global competitiveness⁽³⁾.

Trade: a staple of EU-India relations

The EU is India’s second-largest trading partner after the US and the second-largest destination for Indian exports; while India is the EU’s tenth-largest trading partner, accounting for 2 % of EU total trade in goods⁽⁴⁾. The volume of India’s bilateral trade with the EU reached a historic high of 43.5 % annual growth in 2021–22⁽⁵⁾. This high growth level has laid the foundation for a constructive re-configuration of strategic ties. As New Delhi

(2) Poitiers, N., Bery, S., Chowdhry, S. and García-Herrero, A., ‘EU–India trade relations: assessment and perspectives’, European Parliament, September 2021 ([https://www.europarl.europa.eu/RegData/etudes/IDAN/2021/653646/EXPO_IDA\(2021\)653646_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2021/653646/EXPO_IDA(2021)653646_EN.pdf)).

(3) Economic Advisory Council to the Prime Minister, ‘The Competitiveness Roadmap for India@100’, 30 August 2022 (https://eacpm.gov.in/wp-content/uploads/2022/09/Competitiveness_Roadmap_for_India_at_100.pdf).

(4) Delegation of the EU to India and Bhutan, ‘First EU–India Trade and Technology Council focused on deepening strategic engagement on trade and technology’, 16 May 2023 (https://www.eeas.europa.eu/delegations/india/first-eu-india-trade-and-technology-council-focused-deepening-strategic_en?s=167#:~:text=This%20first%20Ministerial%20Meeting%20follows,April%202022%20in%20New%20Delhi.)

(5) Indian Ministry of Commerce & Industry, ‘India–EU conclude 1st round of negotiations for India–EU Trade and Investment Agreements’, 2 July 2022 (<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1838839>).

aims to enter a golden era, or *Amrit Kaal*⁽⁶⁾, and become a fully-fledged middle-income economy by 2047, the EU has been prioritised as a key trading partner and investor. Moreover, the EU SCIP and the Global Gateway, as well as the respective Indo-Pacific strategies of key Member States, have highlighted how economic interests are interwoven with security concerns.

In June 2023, Brussels laid out a strategy to enhance economic security, in an effort to counter disruption caused by the Ukraine war, the Covid-19 pandemic, hostile external economic policies, cyberattacks, foreign interference and disinformation, as well as increasing geopolitical tensions. Under this strategy, the EU aims to bolster partnerships with ‘likeminded’ countries to foster more resilient supply chains and strengthen the international rules-based economic order. Here, greater cooperation with India, bilaterally with Member States and institutionally with the EU, can be critical with not just Russia but also China in mind.

The establishment of the TTC seeks to leverage capacities and bolster both parties’ respective strategic autonomy and interdependence by reducing their reliance on great powers. Importantly, the TTC complements the EU’s Digital Partnerships initiative within its Indo-Pacific strategy. The TTC further tackles shared challenges at the nexus of trade, technology and security through collaboration in working groups. As India works on strengthening its digital capabilities across sectors like finance, medical care and public

infrastructure, there is broad scope for the TTC to foster deeper collaboration via technology exchange and capacity building.

Concurrently, in June 2022, the EU and India resumed parallel trade negotiations on an FTA, Investment Protection Agreement and Geographical Indications Agreement. An FTA would support India’s efforts to integrate itself further into the global economy, expand investments, explore new markets, and secure critical supply chains. Officially, both sides are projecting their willingness to pursue balanced, fair and comprehensive talks. Yet the negotiating partners are still miles away from consensus on certain aspects of the FTA, including most prominently, agriculture⁽⁷⁾. Moreover, broader challenges including the extent of technological governance norms or the EU’s new CBAM regulation, as well as other sustainability requirements that will incur additional costs for India, have to be overcome⁽⁸⁾.

Connectivity and supply chains – a growth multiplier?

The EU Global Gateway has given renewed momentum to the ‘EU-India Connectivity Partnership’. A key goal is to build quality infrastructure in the Global South, including in Asia, supporting public and private investments in physical infrastructure across the digital, energy and transport sectors. As the largest donor of development aid in the world as well as the biggest contributor of climate

The TTC complements the EU’s Digital Partnerships initiative within its Indo-Pacific strategy.

(6) Articulated by Indian PM Narendra Modi in 2021, ‘Amrit Kaal’ refers to his vision of a new India for the next 25 years. The idea has since been used widely by the government, including as a guiding force for Indian budgets, with the aim of building a ‘technology-driven and knowledge-based economy’.

(7) Hilpert H.G., Rudloff. B. and Wagner, C., ‘Negotiations on a Free Trade Agreement between India and the EU: Ambitions, expectations, obstacles, and incentives’, *SWP Comment*, Stiftung Wissenschaft und Politik, 11 February 2023 (https://www.swp-berlin.org/publications/products/comments/2023C11_FTAIndia_EU_Web.pdf).

(8) Scott, M. and Moens, B., ‘Trade tensions simmer ahead of EU-India summit’, *Politico*, 15 May 2023 (<https://www.politico.eu/article/trade-tension-simmer-ahead-of-eu-india-summit/>).

finance⁽⁹⁾, the EU can be counted upon as a reliable partner in India's domestic growth and developmental planning through the support it provides to its initiatives on green hydrogen and digital connectivity. In fact, digital connectivity was identified as a central pillar of the EU-India partnership at the June 2023 India-EU Connectivity Conference focused on Northeast India⁽¹⁰⁾.

The inaugural EU-India Connectivity Conference set the stage for fostering connectivity investments in India's northeastern region and its immediate neighbours (Bangladesh, Bhutan, and Nepal)⁽¹¹⁾. There is great potential for the EU to extend its outreach through engagement with the India-led Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation (BIMSTEC). This can support the EU's quest for access to the Indian Ocean and allow India to bring another trusted partner into its regional waters. Japan is also an active stakeholder in India's northeast, and an EU-India-Japan trilateral does not seem out of bounds. There is also a direct potential for cooperation with the Association of Southeast Asian Nations (ASEAN). Stepping up India's and the EU's engagement with long-standing partners, like Japan, ASEAN or South Korea, would be a welcome move.

The Gulf remains a region of common interest for both actors.

The India-Middle East-Europe Economic Corridor, officially launched in September 2023 within the framework of India's G20 presidency and as a flagship project of the G7-led Partnership for Global Infrastructure and Investment (PGII), provides connectivity

potential for both actors⁽¹²⁾. IMEC brings together India, as well as Gulf countries, the US and European powers. The aim is to create an Eastern Corridor that links India with the Gulf region and a Northern Corridor that links the Gulf region with Europe; it includes rail, ship and road routes, as well as a potential hydrogen pipeline from India. It is too early to unpack the consequences of the Israel-Hamas War and their impact on IMEC. However, it is likely that while the Eastern Corridor linking the Gulf with India may still go ahead, the additional linkage to the Northern leg seems a less certain prospect due to the need for Israel to be on good terms with Jordan and Saudi Arabia.

There is also room to link the EU Global Gateway with existing multilateral partnerships in the Indo-Pacific, such as the growing development component of the QUAD (originally a security partnership) or the I2U2 Group, in both of which India participates. Within a 'QUAD-Plus' framework, the EU can emerge as a dialogue partner with QUAD members.

The Gulf remains a region of common interest for both actors. Thus, the I2U2 initiative and India's ongoing discussions with Gulf Cooperation Council (GCC) countries for connectivity projects can be leveraged in the EU's interest too.

Following the Covid lockdowns of 2020-2021, creating and sustaining resilient supply chains has been at the forefront of Indian and European economic agendas: emerging technologies and climate consciousness play a predominant role. As a result, the issue of

(9) European Commission, 'International development aid' (https://economy-finance.ec.europa.eu/international-economic-relations/international-development-aid_en#:~:text=The%20EU%20is%20the%20largest,offers%20grants%20to%20developing%20countries).

(10) Ministry of External Affairs of India, 'India - EU Connectivity Conference (June 01-02, 2023)', 3 June 2023 (<https://www.mea.gov.in/press-releases.htm?dtl/36645/India+-+EU+Connectivity+Conference+June+01022023>).

(11) Delegation of the EU to India and Bhutan, 'EU-India Global Gateway conference', 31 May 2023 (https://www.eeas.europa.eu/delegations/india/eu-india-global-gateway-conference_en).

(12) An MoU on IMEC was signed by the EU, France, Germany, India, Italy, Saudi Arabia, the UAE and the US in September 2023. Minister of External Affairs, Government of India, 'Partnership for Global Infrastructure and Investment (PGII) and India-Middle East-Europe Economic Corridor (IMEC)', 9 September 2023 (https://www.mea.gov.in/press-releases.htm?dtl/37091/Partnership_for_Global_Infrastructure_and_Investment_PGII_IndiaMiddle_EastEurope_Economic_Corridor_IMEC#:~:text=An%20MOU%20on%20IMEC%20was,%2C%20Italy%2C%20France%20and%20Germany).

The EU's and India's expanding strategic agenda

Increasing room for joint action beyond trade

—○ EU
 —○ EU-India
 —○ India

Trade and Technology

EU-India Trade and Technology Council

Economic Security

Make in India

Industrial Policy of Common European Interest (IPCEI)

Atmanirbhar Bharat

Foreign Investment Screening

Minerals Security Partnership (MSP)
India joined in 2023

International Procurement Instrument

Production-linked Incentives (PLIs) scheme

Critical Raw Materials Act

Economic Security Strategy

Domestic connectivity initiatives & policies

Neighbourhood First

Connect Central Asia

Act East

Link West

Security and Growth for All in the Region (SAGAR)

Indo-Pacific Oceans Initiative (IPOI)

EU Strategy for Connecting Asia and Europe

EU Strategy on Central Asia

EU-India Connectivity Partnership

Strategy for Co-operation in the Indo-Pacific (SCIP)

Global Gateway

India-Middle East-Europe Economic Corridor (IMEC)



agreeing on the development of international standards for such an architecture is key. Keeping tech-supply chains in mind, India-EU cooperation under the TTC complements India's ongoing focus on critical and emerging technologies under Indo-Pacific minilateral groupings (like QUAD) and bilateral partnerships like the India-US iCET initiative.

MOVING FORWARD: NEW TERRITORY WORTH EXPLORING

Moving forward, a key area on which the EU and India should jointly focus is the demand for critical raw materials (CRMs). The strategic importance of critical materials such as lithium, nickel, platinum group metals and rare earth metals, including for green technologies such as solar PVs or wind turbines, means that this could be an area of serious discussion between the EU and India. This is particularly pertinent for the EU which depends on China for 98 % of its rare earth supply, 93 % of its magnesium and 97 % of its lithium imports⁽¹³⁾. In June 2023, the EU adopted a CRM Act to diversify supply, strengthen the circularity of the supply chain, and support research and innovation on resource efficiency⁽¹⁴⁾.

India is heavily reliant on critical raw materials imports due to its lack of capacity in manufacturing.

This should lead to further debates on how both sides could collaborate in important sectors such as digital technology, space, renewable energy, and defence with a view to creating a strategy for a progressive EU-India partnership. Notably, China controls a large share of CRM deposits and processing and remains the most 'cost-competitive' solar PV component manufacturer worldwide⁽¹⁵⁾.

For India, the security imperative to mitigate dependence on China is immense because of the fragile border situation. Despite being a rich source of rare earths, India is heavily reliant on CRM imports due to its lack of capacity in manufacturing. New Delhi's release of its first-ever report on critical minerals in 2023 demonstrates its evolving agenda on the issue⁽¹⁶⁾. India seeks to broaden its horizons by partnering with mineral-rich and technologically advanced countries, and through minilateral ventures like the Supply Chain Resilience Initiative (SCRI) between India, Japan and Australia. Similar initiatives could be undertaken with the EU as part of an effort to secure access to sought-after technology.

To reduce the risk of imports of raw materials 'from quasi-monopolistic third country suppliers'⁽¹⁷⁾, the EU is seeking to diversify and build new 'likeminded' partnerships and participate in alliances like the US-led Minerals Security Partnership (MSP). In June 2023, Modi's state visit to the US facilitated New Delhi also joining the MSP, providing an additional avenue for India-EU collaboration in

(13) European Commission, 'Speech by President von der Leyen on EU-China relations to the Mercator Institute for China Studies and the European Policy Centre', Brussels, 30 March 2023 (https://ec.europa.eu/commission/presscorner/detail/en/speech_23_2063).

(14) Council of the EU, 'Critical raw material act: Council adopts negotiating position', 30 June 2023, (<https://www.consilium.europa.eu/en/press/press-releases/2023/06/30/critical-raw-material-act-council-adopts-negotiating-position/>).

(15) International Energy Agency, 'Executive summary', *Special Report on Solar PV Global Supply Chains*, 2022 (<https://www.iea.org/reports/solar-pv-global-supply-chains>).

(16) Ministry of Mines, *Critical Minerals for India: Report of the Committee on Identification of Critical Minerals*, New Delhi, June 2023 (<https://mines.gov.in/admin/storage/app/uploads/649d4212ccebo1688027666.pdf>).

(17) European Commission, 'Critical raw materials: ensuring secure and sustainable supply chains for EU's green and digital future', Press Release, 16 March 2023 (https://ec.europa.eu/commission/presscorner/detail/en/IP_23_1661).

securing CRM supply chains and ensuring their respective markets remain well-supplied. Bodies like the European Raw Materials Alliance (ERMA) and the European Rare Earths Competency Network (ERECON) can further coordinate their work with India to find innovative systemic solutions to reduce demand and induce resilience to supply shocks.

In the broader scheme of things, India's multi-domain engagement with the EU via the TTC and a potential FTA is a promising start to strengthen both parties' respective capacities, whether in trade, infrastructure, critical and emerging technologies or supply chains. It will be important for India and the EU to avoid getting stuck in patterns of past interaction and seize new opportunities by engaging in more equitable negotiations. Such progress will certainly help the EU and India reconfigure their bilateral relationship.

Enhancing EU-India ties further requires a comprehensive approach involving strategic recalibration, deft policy manoeuvring, as well as a judicious allocation of resources. To address this, policymakers should prioritise diplomatic initiatives, economic collaboration and cultural exchanges. Historical disagreements can be mitigated through Track II diplomacy, facilitating people-to-people interactions and fostering understanding. Facilitating knowledge transfer through academic and research collaborations, mirroring successful models like the European Research Area (ERA), can contribute to long-term sustainable ties.

Cultivating attitudes that are more accommodating and receptive to each other's perspectives will be critical to achieving cooperation and consensus. For Europe, this means refraining from taking the moral high ground in a way that assumes a deficiency in India's normative, long-term outlook concerning trade, climate change and sustainable development. Conversely, India must ensure it does not resort to a protectionist-nationalist attitude, continue to modernise its domestic economic landscape – for example, with regard to labour laws and environmental sustainability standards – and be more open to compromise. The challenge for New Delhi is to see the EU

beyond the trappings of the enduring Global North-Global South divide by embracing its sustainability-oriented norms and leveraging its capacities. Building an inclusive, representative partnership, rather than an exclusive club of technologically or economically developed countries, should become a priority for both the EU and India.

CHAPTER 4

DIGITAL AND TECHNOLOGY

by
KARTHIK NACHIAPPAN

INTRODUCTION

During Narendra Modi's historic visit to Paris in July 2023, both countries agreed to deploy India's Unified Payments Interface (UPI) system in France. It was a landmark moment given the UPI's centrality to India's digital transformation which can now be leveraged to increase India's geo-economic clout and bring Europe and India closer digitally.

Unquestionably, India's thriving digital economy means that New Delhi is a key strategic 'swing state' on technology issues as geopolitical tensions intensify around how major powers develop, govern and deploy technologies. How India tilts – whether towards an open and interoperable global digital sphere or a more controlled authoritarian digital bloc – could have major implications for international politics. Digital partnerships with other countries, jurisdictions and international frameworks also matter deeply for India. India's future hinges on acquiring and regulating technologies that empower and harness the talents of its large and predominantly young population while deterring their use against the country's strategic objectives.

This chapter argues that although normative differences exist between both sides on digital and technology regulation, particularly issues like AI, 5G/6G, personal data and cybersecurity, opportunities exist for the EU to invest and help build the nuts and bolts of India's digital transformation. This is particularly the

case with regard to developing India's 5G/6G infrastructure, semiconductor industry, and the promotion of India's digital public infrastructures that could constrain the power of Big Tech through state-led open-source digital architectures. The EU's solid expertise in digital and technology regulation can provide synergies despite India's modest progress in this area. There is also a strong EU interest in India's digital and technology potential as the 2023 MoU on semiconductors (part of the TCC) shows. For this to happen, however, both sides should focus on the pragmatic and practical aspects of cooperation, and put less emphasis on normative considerations.

The chapter surveys India and the EU's digital trajectory by covering issues like data, cybersecurity, digital competition, artificial intelligence, 5G/6G telecom networks and semiconductors to map how and where the EU and India can collaborate to support mutual interests.

A HISTORY OF EU-INDIA DIGITAL AND TECHNOLOGICAL RELATIONS

EU-India digital ties have been limited. Until the EU-India TTC, both parties have largely focused on regulating and governing digital economies and technologies separately. This reflects the fact that their respective interests and priorities differ in key areas, as explained below.

On personal data regulation, the EU's digital approach is defined by the centrality of user rights or a 'human-centred' approach. This paradigm includes policies and measures that guarantee data protection rights and standards through the General Data Protection Regulation (GDPR). The GDPR's extraterritorial scope and relevance applies to organisations and firms that handle and process the personal data of EU citizens and residents, with significant implications for global data governance.

Unlike the EU, India's data governance model emphasises security and control, not user and community rights. However, the recently enacted Digital Personal Data Protection (DPDP) Act in August 2023⁽¹⁾ facilitates data transfers between India and 'trusted' jurisdictions, a category which remains undefined. That said, New Delhi still insists data collected domestically be deployed to advance public interests with state agencies directing that process⁽²⁾.

India's data governance model emphasises security and control, not user and community rights.

The championing of 'data sovereignty' or the sovereign right of all countries to regulate data as they see fit, without external interference, has pitted the Indian government against Big Tech firms that still reap enormous profits from personal data generated worldwide⁽³⁾.

In India, Big Tech platforms operate by specific rules, using and verifying information to provide citizens with various services. As a result, managing this public-private interface through clear personal data rules becomes critical to ensure tech companies and state authorities do not amass or abuse network power through their largely unrestricted access to user data. In Europe, the power of Big Tech companies is being curtailed by regulation that seeks to empower users and place them in control of their data and digital history. Recently, the EU has enacted two ambitious laws: the

Digital Services Act (DSA) and the Digital Markets Act (DMA) that set out content rules for social media applications, online marketplaces and various app stores.

Both the EU and India launched their respective seminal cybersecurity strategies back in 2013. The EU further regulated its cybersecurity activities through the 2019 Cybersecurity Act. Subsequently the EU released a renewed Cybersecurity Strategy in 2020. India launched its first National Cybersecurity Policy in 2013, updating it in 2020. Before these initiatives, the EU and India met for the first cyber policy consultation in 2011; this meeting was eventually upgraded to a Strategic Cyber Dialogue within the framework of their bilateral Security Dialogue in 2015 that included issues ranging from enhancing stability in cyberspace

- (1) The DPDP Act 2023 was passed by the Lok Sabha on 11 August 2023. Once in effect, it will replace the relevant provisions of the Information Technology Act, 2000, Information Technology (Amendment) Act, 2008, and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011. See 'India Enacts New Privacy Law: The Digital Personal Data Protection Act', Lawflash, Morgan Lewis, 28 August 2023 (<https://www.morganlewis.com/pubs/2023/08/india-enacts-new-privacy-law-the-digital-personal-data-protection-act>).
- (2) Nachiappan, K., 'The international politics of data: When control trumps protection,' Observer Research Foundation, 26 October 2022 (<https://www.orfonline.org/expert-speak/the-international-politics-of-data/>).
- (3) Joshi, D., 'Interrogating India's quest for data sovereignty', Seminar India, July 2020 (<https://ssrn.com/abstract=3648047>).

through norms of responsible state behaviour, confidence-building measures (CBMs) and capacity building to tackling cybercrime. In addition, India and specific EU Member States have bilaterally discussed cyber security issues⁽⁴⁾.

Both sides have similar interests in terms of deterring cross-border cyberattacks and advancing a global, interoperable and safe internet while pushing for robust international rules that support such objectives. Yet, greater cooperation on cyber issues is hampered by distinct normative approaches on digital regulation. India has strongly advocated for preserving and strengthening sovereign authority at the UN Group of Governmental Experts (GGE) and the Open-Ended Working Group (OEWG) which seek to establish rules on how states should behave online⁽⁵⁾. So far, India's international cyber postures reveal apathy towards or disregard of norms that constrain state behaviour online, although these rules may help protect India's critical information and communications technology (ICT) sector from cyberattacks. India is not a signatory to the Budapest Convention on Cybercrime adopted by the Council of Europe in 2001 because the document was drafted without its participation, rendering the Treaty discriminatory. It favours a UN-led process to replace the Mutual Legal Assistance (MLA) regime under the Budapest Convention instead.⁽⁶⁾

The EU's 2020 Cybersecurity Strategy focuses on protecting essential infrastructures and services like hospitals, energy grids and

railways⁽⁷⁾. It also aims to enhance the EU's collective capabilities through a joint cyber unit that responds to and deters cyberattacks. The EU's cyber diplomatic efforts have focused on the Budapest Convention as the main instrument of choice for fighting cybercrime at a global level. The EU has further endorsed non-binding norms, rules and principles for responsible state behaviour online and promoted the development and implementation of regional cybersecurity CBMs through the Organisation for Security and Co-operation in Europe (OSCE). EU officials have otherwise backed the UN GGE's and OEWG's work and actively supported the application of existing international law in cyberspace⁽⁸⁾. This broad position also extends to the EU's bilateral Cyber Dialogues with partners like India where information and good practices are exchanged *vis-à-vis* responsible state behaviour in cyberspace.

In terms of AI, India's policy calls for deploying machine learning to advance its future growth prospects, particularly applying AI in areas like agriculture, health, law enforcement, transportation and education⁽⁹⁾. Given the lack of a robust data protection framework and ethical AI guidelines, as well as low private sector participation, New Delhi's approach has pivoted on the government's efforts to drive AI development⁽¹⁰⁾. The EU's AI approach epitomised by the AI Act introduced in December 2023 is focused on bolstering rules around data quality, transparency, human oversight and accountability. Brussels appears keen to address questions concerning

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- (4) EU Cyber Direct, 'EU-India Cyber Consultations: Managing Crisis in Cyberspace', 27-28 October 2020 (<https://eucd.s3.eu-central-1.amazonaws.com/eucd/assets/hjFccfrk/eu-india2020-1026-final.pdf>).
- (5) Chawla, G., 'The legal contours of India's sovereign cyberspace', Seminar 731, July 2020 (https://www.india-seminar.com/2020/731/731_gunjan_chawla.htm).
- (6) EU Cyber Direct, 'Compare EU and India', 9 January 2024 (<https://eucyberdirect.eu/atlas/country/european-union/compare/india>).
- (7) European Commission, 'New EU Cybersecurity Strategy and new rules to make physical and digital critical entities more resilient', 16 December 2020 (https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2391).
- (8) Delegation of the European Union to the United Nations in New York, 'EU Statement - United Nations Open-Ended Working Group on ICT: General exchange of views', 13 December 2021 (https://www.eeas.europa.eu/delegations/un-new-york/eu-statement---united-nations-open-ended-working-group-ict-general-exchange-views_en).
- (9) Marda, V., 'India and Global Artificial Intelligence Governance', Seminar 731, July 2020 (https://www.india-seminar.com/2020/731/731_vidushi_marda.htm).
- (10) 'Responsible AI #AIForAll' NITI Aayog, Government of India (<https://www.niti.gov.in/sites/default/files/2021-02/Responsible-AI-22022021.pdf>).

the ethical use and implications of AI across sectors⁽¹¹⁾.

India's 5G preferences initially boiled down to picking the most economic option – namely, the Chinese conglomerate Huawei – to build India's future telecom infrastructures. However, the economic benefits of going with Huawei became entangled with geopolitical considerations after Sino-Indian relations plummeted following the Galwan border crisis in 2020. India has used its growing technological clout to retaliate against China; besides banning Tik Tok and other popular Chinese apps from the Indian market, New Delhi has also frozen Chinese investment in Indian start-ups and unicorns and used coercive tax measures against Chinese telecom and tech companies in India. It has all but removed Chinese vendors from its 5G landscape, relying on European and domestic telecom providers⁽¹²⁾.

India aims to roll out 6G services in the country in 2030, having received the green light from the International Telecommunication Union (ITU) to launch a domestic 6G network. In 2023 New Delhi released the 'Bharat 6G Vision' to drive the development and deployment of 6G technology to power India's growth. Unlike 5G, India appears intent to not rely on adopting technologies developed by other countries but to drive the development and standardisation of 6G through robust domestic efforts and specific external partnerships.

India has used its growing technological clout to retaliate against China.

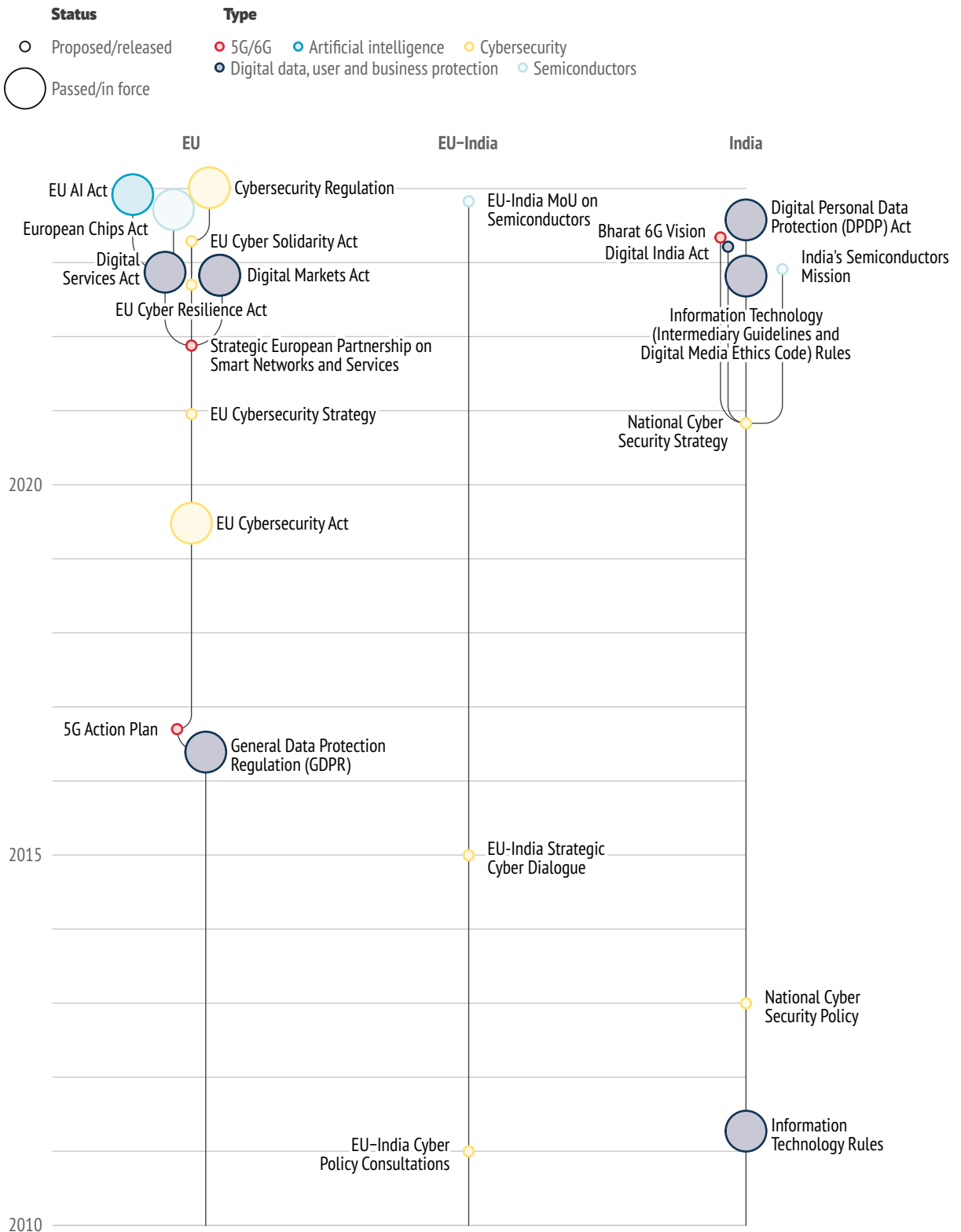
In contrast, the EU is considering Huawei to participate in building its future telecom networks despite security risks. This position appears to be driven by Huawei and China's strong economic links in Europe. Europe is Huawei's largest market outside China with European consumers relying on Chinese 4G and 5G services⁽¹³⁾. That said, the EU appears to be taking the risks posed by Chinese telecom suppliers seriously, such as is the case of Germany which is reassessing its relationship with Huawei. On 6G, the EU has adopted a legislative proposal for a strategic European partnership on the Smart Networks and Services Joint Undertaking (SNS JU) with a public R&I investment of €900 million over the budget period 2021-27⁽¹⁴⁾. The latter will coordinate research on 6G technology under Horizon Europe as well as 5G deployment initiatives. In addition, the EU agreed on a common '6G Outlook' with the US during their last round of negotiations within the EU-US TTC in 2023.

Like with 5G, India has revamped its approach on semiconductors, providing financial and institutional support to boost chip research and development⁽¹⁵⁾. Delhi's flagship \$10 billion Semicon India programme provides incentives and capital to help companies develop expertise in chip design and manufacturing⁽¹⁶⁾. Yet, this attempt to revive domestic semiconductor production follows failures in 2005 and 2017 when bureaucratic snafus and business constraints hobbled production. One

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- (11) European Parliament. 'EU AI Act: first regulation on artificial intelligence', 19 December 2023 (<https://www.europarl.europa.eu/news/en/headlines/society/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence>).
 - (12) Kewalramani, M., 'Going slow on 5G,' Seminar 731, July 2020. See also Rajeev, N., Joshi, Y. and Nachiappan, K., 'India's tryst with 5G technology: Debates, decisions and developments over Huawei', ISAS South Asia Scan, NUS, 15 August 2023 (<https://www.isas.nus.edu.sg/papers/indias-tryst-with-5g-technology-debates-decisions-and-developments-over-huawei/>).
 - (13) Cheng, C., 'Is the EU finally headed towards a ban on Huawei?', 7 September 2023 (<https://chinaobservers.eu/is-the-eu-finally-headed-towards-a-ban-on-huawei>).
 - (14) European Commission, 'Europe puts forward proposal for Joint Undertaking on Smart Networks and Services towards 5G', 23 February 2021 (<https://digital-strategy.ec.europa.eu/en/news/europe-puts-forward-proposal-joint-undertaking-smart-networks-and-services-towards-6g>).
 - (15) Kotasthane, P. and Gargeyas, A., 'Harnessing trade policy to build India's semiconductor industry', Hinrich Foundation, 24 May 2022 (<https://www.hinrichfoundation.com/research/wp/tech/trade-policy-build-india-semiconductor-industry/>).
 - (16) Kaur, D., 'The semiconductor market in India could be worth more than US\$64 billion by 2026', Techwire Asia, 11 May 2023 (<https://techwireasia.com/2023/05/the-semiconductor-market-in-india-could-be-worth-more-than-us64-billion-by-2026/>).

EU and India boom in the tech and digital worlds

Semiconductors as a first start in joint action



Data: European Council, 2024; Government of India, 2024; UNIDIR, Cyber Policy Portal, 2024

key difference from previous attempts is New Delhi's production linked incentives policy (PLI) and the initiative shown by several Indian states willing to subsidise and incentivise semiconductor production⁽¹⁷⁾. The EU, too, seeks to address the continent's long-standing semiconductor supply issues and boost chip production through the 2023 European Chips Act. The initiative seeks to reverse chip disparities by providing large-scale investment to spur production, support chip R&D and innovation, and address gaps in semiconductor supply chains⁽¹⁸⁾.

THE WAY FORWARD

Differences on core principles linked to regulating digital and technology issues between the EU and India could hinder progress as discussions enter specific areas. The core tenet driving the EU's digital efforts has been the 'human-centred' approach that empowers individuals and user rights relative to the interests of other actors, especially the state and Big Tech.

In contrast, New Delhi places the Indian state at the heart of its digital trajectory, emphasising the responsibilities and obligations of the government to use digital technologies to drive development. User rights are not a priority for New Delhi despite a constitutional right to privacy. The Indian government's desire to control and manage data through

laws, initiatives and decrees could create rifts with the EU which prioritises user rights and privacy.

Thus, the EU and India have little convergence *vis-à-vis* negotiating rules and standards on data, cybersecurity and AI due to their distinct preferences regarding state and individual rights. Gaps also exist in terms of the EU's and India's attitudes to Big Tech and how they should regulate and manage their vast digital economic footprint. The EU prefers to use legal tools to control and curb Big Tech while India prefers to use arbitrary, occasionally coercive measures, to make Big Tech adhere to its laws. The importance and integrity of markets appear secondary to Indian policymakers relative to the EU where laws are being drafted and passed to ensure the smooth functioning of the market.

That said, three areas of prospective cooperation appear promising. First, EU telecom companies can support the development of India's telecom infrastructure, including broadband access to help India diversify from Chinese firms like Huawei. One option is for the EU to invest in developing open radio access network infrastructures (O-RAN)⁽¹⁹⁾. So far, O-RAN has made fitful progress in Europe due to costs and security risks. Europe's leading telecom firms (DT, Tim, Orange, Vodafone and Telefonica) have led O-RAN discussions with no clear pathway to accelerate development given resistance from existing vendors who oppose O-RAN rollout⁽²⁰⁾. India could be an ideal

The core tenet driving the EU's digital efforts has been the 'human-centred' approach.

(17) For instance, a Singapore-based investor signed a MoU with the Tamil Nadu government to develop a wafer factory, while an Israeli company committed \$3 billion to build a semiconductor fab operation in Karnataka. See Mishra, U. 'Tamil Nadu: Singapore company's plans for a semiconductor chip manufacturing complex in the state', *Swarajya Magazine*, 5 July 2022 (<https://swarajyamag.com/context/tamil-nadu-singapore-companys-plans-for-a-semiconductor-chip-manufacturing-complex-in-the-state>); 'Israeli firm to invest \$3 billion in semiconductor plant in Mysuru', *The Hindu*, 1 May 2022 (<https://www.thehindu.com/news/national/karnataka/big-ticket-investment-comes-to-mysuru/article65373671.ece>).

(18) Timmers, P., 'How Europe aims to achieve strategic autonomy for semiconductors', 9 August 2022 (<https://www.brookings.edu/articles/how-europe-aims-to-achieve-strategic-autonomy-for-semiconductors/>).

(19) O-RAN decentralises telecom network development that allows several vendors to supply technologies for the network instead of relying on a single vendor like Huawei Cisco. 'What is Open RAN?', CISCO (<https://www.cisco.com/c/en/us/solutions/what-is-open-ran.html>).

(20) Dyer, K., 'Europe's Open RAN Five wants the ecosystem to pick up the pace', 21 February 2023 (<https://the-mobile-network.com/2023/02/europes-open-ran-five-wants-ecosystem-to-pick-up-the-pace/>).

market for O-RAN given the need to reduce the cost of deploying networks to improve digital connectivity.

Second, the EU must negotiate accessible pathways for frictionless data-sharing between India and Europe as per the new DPDP Act. For this to happen, however, a sober mutual assessment of the implications of cross-border data flows must occur since doubts persist on whether India's new framework provides adequate protection for EU data congruent with the GDPR. The proposed Data Protection Authority (DPA) was removed from the new data protection law, which should allay European concerns: EU officials had expressed misgivings over the DPA's sweeping mandate and exemptions granted *vis-à-vis* handling and processing of personal data ⁽²¹⁾. The law also cancels mandatory data localisation, while authorising Indian officials to negotiate and sign data-sharing agreements with 'trusted' countries and jurisdictions. This power will likely be exercised given the strategic relevance of certain jurisdictions – like the EU or the United States – to New Delhi. It remains to be seen if differences can be bridged.

And third, the EU and India can advance digitalisation in third countries through India's highly successful DPI model. Specifically, the EU and India can leverage the Modular Open-Source Identity Platform (MOSIP), a private open-source platform that governments can use to build digital identity systems in developing countries ⁽²²⁾. The system can help deliver entitlements digitally, facilitate digital payments, and provide opportunities for e-commerce innovators to develop new applications and services. However, it is vital such systems operate in tandem with policies that protect user rights and clearly demarcate the role and responsibilities of the state on data governance.

New Delhi is gingerly crafting a digital partnership with the EU. During the first round of the EU-India TTC negotiations in May 2023, issues like quantum computing, AI, semiconductors, digital skills and DPI were discussed. The focus on semiconductors appears timely; both India and the EU are attempting to diversify their semiconductor supply and have launched ambitious domestic initiatives (the EU Chips Act and India's PLI scheme) to boost manufacturing. Irrespective of how the TTC progresses, opportunities exist for the EU and India to support mutual digital trajectories as long as they focus on the practical, not the normative, aspects of their nascent digital partnership.

(21) Interview with EU official in India, July 2023, New Delhi.

(22) MOSIP is conceived and operated by the International Institute of Information Technology, Bangalore (IIIT-B) and funded by the Bill & Melinda Gates Foundation, Sir Ratan Tata Trust and Omidyar Network. See 'MOSIP' (https://mosip.io/mosip_project).

CHAPTER 5

MARITIME COOPERATION IN SECURITY AND DEFENCE

by
OLIVIER BLAREL

INTRODUCTION

In 2021, India and the EU held their first Maritime Security Dialogue followed by a maiden joint naval exercise in the Gulf of Aden. The following year, the two convened inaugural Security and Defence Consultations in Brussels, which raised India's interest in bringing cooperation in co-development and co-production of defence equipment into the realm of bilateral security cooperation. In October of 2023, the EU and India conducted joint naval exercises off the coast of Guinea.

These achievements mark a turning point in a relationship which has until recently conspicuously neglected traditional security despite the signing of a Strategic Partnership in 2004. Trade negotiations and the focus on economics have long been the stumbling block of the bilateral partnership, preventing a spillover to new spheres, including security and defence. The situation now is the opposite, where economic ties are spearheading security cooperation linked to joint economic security concerns. The protection of maritime routes and the free flow of trade along critical sea lines of communication (SLOCs) is the founding pillar of this partnership. The projected IMEC unveiled in September 2023 on the sidelines of the G20 Summit in New Delhi gives a greater relevance to this growing security cooperation.

This chapter first provides a historical background explaining why traditionally security did not feature prominently as a consideration in EU-India relations. It then delves into the internal reforms initiated by both sides and their evolving geopolitical priorities which have laid the ground for a greater security *rapprochement*, with a strong focus on the maritime dimension. The chapter will finally examine the recent progress made in EU-India defence and security cooperation and the potential for this to expand in new areas such as the joint production of military equipment.

TRADITIONALLY TENUOUS SECURITY LINKS

Until recently, the EU had neither the institutional tools nor the strategic interest necessary to foster a substantial security partnership with India. For its part, New Delhi had reservations about cooperating with a distant political and security actor that it failed to fully comprehend.

When the EU-India Strategic Partnership was signed in 2004 at the fifth EU-India Summit,

neither Brussels nor New Delhi saw the deepening of security cooperation as central in their overall ties. The EU did not have the tools or the strategic cohesiveness to significantly deepen ties with India. The latter also had reservations, as Indian decision-makers did not consider the EU as a full-fledged security actor, conflating it with NATO. They also long harboured apprehensions regarding a perceived priority given by the EU to its partnership with China.

Despite the entry into force of the Lisbon Treaty in 2009, which empowered the EU as an international security actor, the Security and Defence package remained a 'sleeping beauty' until the adoption of Permanent Structured Cooperation (PESCO) in December 2017 amid a changing geopolitical landscape, notably Russia's growing assertiveness on the international stage. Alongside this package, the EU launched the EU Global Strategy in 2016 and the Strategic Compass in 2022, both of which promoted a prospective international security role for the Union and provided a blueprint for implementing its ambitious action plan. The goal of attaining strategic autonomy in the security and defence sphere is enshrined in these documents. This development is noteworthy in the context of the EU bilateral relationship with India. New Delhi also values the concept of strategic autonomy, which can be traced back to its non-aligned diplomacy during the Cold War, albeit over the years this posture has increasingly transformed into multi- or issue-based alignment.

NEW FOCUS ON THE INDO-PACIFIC

The release of the EU's Strategy for Cooperation in the Indo-Pacific (SCIP) in September 2021 constituted a watershed moment in the EU's ambition to exert its influence in the security realm, beyond the economic sphere. The document recognises the strategic importance of the region, particularly the need to secure the SLOCs as crucial for the EU's commercial supply lines and strategic imports. The Strategy elevates the partnership with India to the rank of priority⁽¹⁾ and stresses the importance of the Indian Ocean as a key trade corridor. It further denotes the EU's shift towards strategic interdependence. The 2023 revised EU Maritime Security Strategy (EUMSS) and Action Plan consolidates the intent to boost cooperation with likeminded and strategic partners to deepen understanding of trade dependencies on key ports and SLOCs, in addition to building capabilities for maritime governance and for the protection of critical maritime infrastructure.

The EU's new interest in the security dimension of the Indian Ocean Region (IOR) in fact existed prior to the unveiling of the SCIP. The implementation of the first leg of the Critical Maritime Routes in the Indian Ocean (CRIMARIO) EU project from 2015 to 2019 attests to this. The initiative has funded several programmes related to maritime domain awareness and capacity building in maritime security and safety for the benefit of African states on the IOR littoral. Launched in 2020 and set to run until 2025, its successor CRIMARIO II is expanding the geographical scope of the projects to South and Southeast Asia. This demonstrates the EU's renewed proactive and security-oriented commitment towards the Indo-Pacific region, and more specifically

(1) Mohan G., 'Where does Europe fit in India's Indopacific Policy?', Sasakawa Peace Foundation, March 2022 (<https://spfusa.org/publications/where-does-europe-fit-in-indias-indo-pacific-policy/>)

the IOR, and places the EU-India Strategic Partnership at the core of the SCIP.

From an Indian standpoint, New Delhi's security focus has historically been on countering an external threat on its land borders⁽²⁾. This focus has shifted as illustrated by the growing assertion of India's maritime presence in the IOR. While early signs of India's strategic shift can be traced in its evolving official Maritime Doctrines (2004, 2009 and 2015), Prime Minister Modi's articulation of his strategic vision of the Indian Ocean, Security and Growth for All in the Region (SAGAR) in 2015 provides the overall conceptual framework for this new maritime emphasis. New Delhi casts itself as the pre-eminent power in the Indian Ocean and as a legitimate net security provider.

New Delhi has further invested in the means to uphold its self-proclaimed constabulary role. Its Navy has been continuously deploying assets in the Gulf of Aden in anti-piracy operations since 2008 with similar objectives to those of EUNAVFOR *Atalanta*. It has donated naval assets and monitors radars from Mauritius and Madagascar, while embedding military and civil personnel in IOR states' armed forces and coast guards. India has also extended humanitarian aid to the insular and coastal states through its various SAGAR missions from May 2020 to December 2021. During the 4th East Asia Leaders' Summit in 2019, New Delhi proposed its Indo-Pacific Oceans Initiative (IPOI) under the umbrella of SAGAR. The IPOI too seeks to create partnerships with likeminded countries across the Eastern shores of Africa to the Western Pacific Ocean through a non-treaty-based, cooperative and collaborative approach to meet common challenges in the region. Since its inception,

China's proactive policy in the region challenges New Delhi in its own backyard.

certain European powers have agreed to actively participate, such as France as lead of the Maritime Resources pillar or Italy as co-lead with Singapore of the Science, Technology and Academic Cooperation pillar⁽³⁾. Notwithstanding, India's newfound maritime ambitions can be best understood as a reflection of its willingness to compete with China's growing footprint in the IOR.

China's overt assertiveness since Xi Jinping's ascent to power in 2013 and the consequent intensification of US-China competition have played a significant role in encouraging New Delhi and Brussels to shed their past reservations and enhance their security cooperation. The fatal border encounter which occurred between Indian and Chinese patrols in Ladakh in June 2020 created shockwaves in India. This territorial dispute has further reverberated to the bilateral relationship as a whole and pitched the two Asian giants into a power struggle for geopolitical influence, notably among the IOR states. While China holds the higher ground and military superiority on the mountainous border, India benefits from a natural advantage in the Indian Ocean.

Yet China's proactive policy in the region has eroded this superiority and challenges New Delhi in its own backyard. China's diplomatic and military presence in the IOR has significantly increased over the past decade. The establishment of a military base in Djibouti in 2016 and the continuous deployment of naval assets, including submarines, as well as the funding of dual port facilities as part of the Belt and Road Initiative (BRI) allows China to stake a permanent presence in the IOR. These military activities are backed by diplomatic

(2) All the conflicts waged by independent India have been predominantly terrestrial battlefields against its immediate neighbours, along its Pakistan and China borders. The allocation of resources between the armed forces largely in favour of the Army at the expense of the Navy demonstrates this terrestrial emphasis.

(3) Agnihotri, Captain K., 'The Indo-Pacific military capability development challenges: Collaboration is the key', National Maritime Foundation, 20 June 2023 (<https://maritimeindia.org/the-indo-pacific-military-capability-development-challenges-collaboration-is-the-key/>).

manoeuvres. In November 2022, Beijing held its first China–IOR Forum, to which India and the EU were not invited. Such Chinese diplomatic outreach challenges India’s influence in a region it considers essential to its national security⁽⁴⁾. Likewise, China’s foray into the region and Beijing’s increasingly aggressive posture have raised concerns regarding the vulnerability of the EU’s trade routes.

As a result, while seeking to engage more strongly with its smaller South Asian neighbours, New Delhi has also leveraged its *rapprochement* with Western countries and other QUAD members to reverse this dynamic. India acceded to reignite the QUAD format in 2017 by inviting Australia to join the 2020 Malabar naval exercise. The EU, for its part, held its first naval exercise with China in 2018. Since then, relations have deteriorated as illustrated by the low expectations that accompanied the recent EU–China Summit. A factsheet on EU–China relations released by the European External Action Service (EEAS) describes the state of play thus: ‘EU–China bilateral relations have deteriorated, notably related to a growing number of irritants [...]. The balance of challenges and opportunities presented by China has shifted over time’⁽⁵⁾. In contrast, a nascent security partnership between the EU and India is ripe with potential, partly due to the joint interest in counterbalancing China.

In an impressive turnaround, the Roadmap to 2025 endorsed during the 2020 EU–India Summit places security cooperation at the forefront. The roadmap calls for security consultations, military–to–military interactions as well as the establishment of a dedicated

maritime security dialogue among other recommendations. The maritime domain has become the launchpad for security cooperation between India and the EU. India has run its own counter–piracy operations alongside EU–NAVFOR off the coast of Somalia leading to regular counter–piracy consultations. These interactions morphed into the maritime security dialogue first held in 2021, followed by the first EU–India naval exercise held in the Gulf of Aden.

The maritime domain has become the launchpad for security cooperation between India and the EU.

The EU SCIP extends the concept of Co–ordinated Maritime Presence (CMP) to the north–western Indian Ocean, following its successful implementation in the Gulf of Guinea⁽⁶⁾. This represents a concrete step by the EU in implementing its Strategy which contributes to projecting the EU as a capa-

ble and reliable maritime security provider in the IOR. The geographical overlap with India’s own maritime area of interest and the similarities between the EU’s CMP and the Indian Navy’s Mission Based Deployment (MDB) concept opens avenues for stronger operational coordination. The Indian MDB concept aims to deploy mission–ready ships, aircraft and submarines beyond the immediate neighbourhood across SLOCs and chokepoints along the IOR to guarantee Indian presence there.

Building on the exploratory inaugural dialogue, the second maritime security dialogue held in 2022 identified maritime domain awareness, capacity building and joint naval activities as three areas of cooperation. The third EU–India maritime security dialogue took place in October 2023 in Brussels, emphasising the focus on maritime domain awareness, as well as on illicit maritime activities, maritime

(4) Grare, F. and Reuter, M, ‘The battle for the Indian Ocean: How the EU and India can strengthen maritime security’, ECFR Policy Brief, 3 August 2023 (<https://ecfr.eu/publication/the-battle-for-the-indian-ocean-how-the-eu-and-india-can-strengthen-maritime-security/#the-weakness-of-the-regional-response>).

(5) EEAS, ‘EU–China relations factsheet’, 7 December 2023 (https://www.eeas.europa.eu/eeas/eu-china-relations-factsheet_en).

(6) Adopted in 2022, this flexible framework allows Member States to voluntarily allocate naval and aerial resources for the EU’s missions in Maritime Areas of Interest (MAI).

India and the EU in the Indian Ocean

Maritime initiatives and presence

- EU presence
- Indian presence
- Joint naval exercises EU-India
- Key choke points



EU initiatives in the Indian Ocean

○ CRIMARIO

EU-funded maritime capacity-building initiative: information sharing initiatives, capacity building and training, focus on Maritime Domain Awareness (MDA)

○ CRIMARIO II

EU-funded cooperation in the areas of maritime security and safety, and illegal, unreported and unregulated (IUU) fisheries

○ MASE

EU-funded Regional Maritime Security Programme: Includes IOC Members (Comoros, Madagascar, Mauritius, Réunion and Seychelles), Djibouti and Kenya to share information and co-ordinate actions at sea

law enforcement and capacity building⁽⁷⁾. Although nascent, this framework opens new horizons, especially if the EU continues to invest in the SCIP. It can also be beneficial for the states in the IOR if it can provide practical and non-intrusive tools, tailored to the capacities and resource needs of the beneficiary states⁽⁸⁾.

As part of the EU-India consultations in 2022, the Indian side demonstrated its willingness to place co-production and co-development of military equipment at the forefront of bilateral security cooperation. This is in line with India's *Atmanirbhar Bharat* push in the defence industry, among other initiatives. This process of 'indigenisation' in the defence sector has accelerated in the past few years with the adoption of bold measures⁽⁹⁾. New Delhi intends to become a manufacturing hub for European defence companies with a view to then exporting this co-developed and co-produced equipment to third countries. Hence, India aims not only to acquire self-sufficiency but also to become a net defence exporter, in contrast to its profile as a top arms importer in recent years⁽¹⁰⁾.

THE WAY FORWARD

The worsening US-China rivalry has had a kinetic effect on the India-EU partnership, creating the necessary space for it to thrive. The misgivings which lingered for the first fifteen years of the strategic partnership are slowly being dissipated. The relationship has since

evolved and now encompasses both the security and defence realms which were hitherto neglected.

Expanding their respective strategic autonomy has been the cement of the EU-India partnership, with the EU's growing focus on strategic interdependence. Yet, the EU must acknowledge the specificities of New Delhi's understanding of strategic autonomy, based on two pillars:

1. self-sufficiency, particularly in the defence production sector, and
2. the maintenance of a stable and balanced multipolar world order.

In this vein, India has highlighted its interest in participating in PESCO projects⁽¹¹⁾. The reality however is that there are serious technical and legal obstacles standing in the way of this happening. So far, third states involved in PESCO projects are NATO members with close and historical ties with the EU bilaterally and with its Member States individually; they must also have a Security of Information Agreement with the EU, which is not the case of India. Notwithstanding, the EU must be mindful of India's needs when it comes to sharing industrial know-how and military technologies, as well as its willingness to pursue a singular and autonomous foreign policy, which does not always align with EU interests.

An area of cooperation which has allegedly not yet been covered by the bilateral EU-India consultations is military-to-military staff talks. As technical and operational interactions

(7) Ministry of External Affairs, Government of India, 'Third India-EU Maritime Security Dialogue', 5 October 2023 (<https://www.mea.gov.in/press-releases.htm?dtl/37164/Third+IndiaEU+Maritime+Security+Dialogue>).

(8) The Indian Ocean region is home to 33 states and 2.9 billion people. The bulk of these are in Asia but some are also part of Africa and Oceania, including several territories under European powers' jurisdiction. Baruah, D.M., Labh, N. and Greely, J., 'Mapping the Indian Ocean Region', Carnegie Endowment for International Peace, 15 June 2023 (<https://carnegieendowment.org/2023/06/15/mapping-indian-ocean-region-pub-89971#:~:text=The%20twenty%2Dthree%20additional%20littoral,Thailand%2C%20Tanzania%2C%20and%20Yemen>).

(9) Among these measures are the publication of import embargo lists and the liberalisation of the foreign direct investment policy by allowing the level of investments to increase from 49 % to 74 %. See Ministry of Defence, Government of India, 'Aatmanirbhar Bharat Initiative in Defence Production', 1 April 2022 (<https://pib.gov.in/Pressreleaseshare.aspx?PRID=1812297>).

(10) See 'Trends in International Arms Transfers, 2022', SIPRI Fact Sheet (https://www.sipri.org/sites/default/files/2023-03/2303_at_fact_sheet_2022_v2.pdf).

(11) Embassy of India, Brussels, Press Release, 11 June 2022 (<https://indianembassybrussels.gov.in/pdf/PR.pdf>).

have been carried out informally, the EU-India partnership would gain by fostering greater synergy. For such interactions to come to fruition, the EU would need to convince Indian decision-makers about the reality of its integrated defence policy.

Against the background of rising Sino-American competition and increasing polarisation in international relations, the EU and India can become credible and autonomous net security providers to third states, thus forging a partnership in line with New Delhi and Brussels' respective Indo-Pacific strategies. Russia's full-scale invasion of Ukraine has brought war back to Europe's doorstep, thereby testing the Union's engagement with regional powers in the Indo-Pacific. The fact that India's non-committal stance *vis-à-vis* Ukraine has not had an adverse impact on the EU-India partnership shows the solidity of the relationship. Bearing in mind their respective limitations, namely the EU's ongoing efforts at defence integration and India's strategic hesitations, the prospect of growing security cooperation between India and the EU will strengthen the latter's Indo-Pacific outreach.

CHAPTER 6

CLIMATE AND ENERGY TRANSITIONS

by

AMIT GARG AND MARTA TORRES GUNFAUS

INTRODUCTION

Climate change and clean energy are at the top of both the EU's and India's agenda: the European Green Deal⁽¹⁾ has set the goal of achieving climate neutrality by 2050 at the latest, while India aims for net zero by 2070 through the implementation of several policies, including the Lifestyle for Environment (LiFE) movement which promotes a sustainable way of living. The EU has also put clean energy at the heart of its Global Gateway project. Prime Minister Narendra Modi adopted the Sanskrit words *Vasudhaiv Kutumbakam* ('One Earth-One Family-One Future') as the motto of India's recent G20 presidency, signifying India's commitment to promoting inclusivity as well as unity and cooperation among nations in tackling global challenges. The linkage between climate change, environmental degradation and security is now a serious concern for both India and the EU.

Here we address commonalities and challenges for India and the EU in the area of climate change and clean energy policies. The aim is to identify common space for co-designing

mutually beneficial cooperative approaches driven by the Sustainable Development Goals (SDGs). Equity and social justice are key to both actors' respective discourses, which can help articulate a common agenda. In addition, there is potential for specific cooperative approaches on clean energy transitions, such as resource optimisation, financial and technological cooperation, developing a 'common ground taxonomy' for green finance or a fair market playing field. The use of non-market instruments/mechanisms to foster industrial low-carbon development offers another avenue of potential collaboration.

This chapter starts by exploring the EU and India's common emphasis on equity and social justice, and how it has unfolded historically and in practice. Moving forward, we propose key elements to channel this common interest grounded on climate-compatible pathways. Lastly, we identify specific joint actions that could be instrumental in achieving this objective. We conclude that the EU and India can overcome their differing perspectives on climate justice and equity if they make a concerted effort to pursue cooperation despite existing divergences, such as over the EU's

(1) European Commission, 'The European Green Deal: Striving to be the first climate-neutral continent' (https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en).

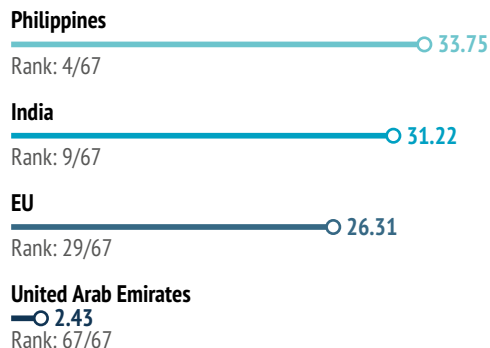
recently launched CBAM⁽²⁾, and, more importantly, by building on each actor's development paths and expectations.

DIVERGENT APPROACHES TO CLIMATE AND CLEAN ENERGY TRANSITION

Both the EU's and India's climate policy discourses refer to the concepts of justice and equity⁽³⁾. These principles are also central to the current climate negotiations guided by the 2030 United Nations' SDGs and broader efforts to eradicate poverty and reduce inequalities in the world. This framing is central for climate politics and builds on the role India has been playing in promoting global equity and as a testing ground for policies that integrate climate considerations into development planning⁽⁴⁾. India has one of the lowest per capita energy consumption rates in G20 countries; therefore, even though it relies on coal – the dominant domestic resource⁽⁵⁾ – for 70 % of its electricity generation, its greenhouse gas per capita emissions are today also among the lowest worldwide. Looking ahead, India has increased its non-fossil energy targets to 50 % of total power capacity by 2030 and pledged to

Climate Change Performance Index (CCPI)

India ranks above the EU on CCPI GHG emissions score



Data: CCPI, 2024

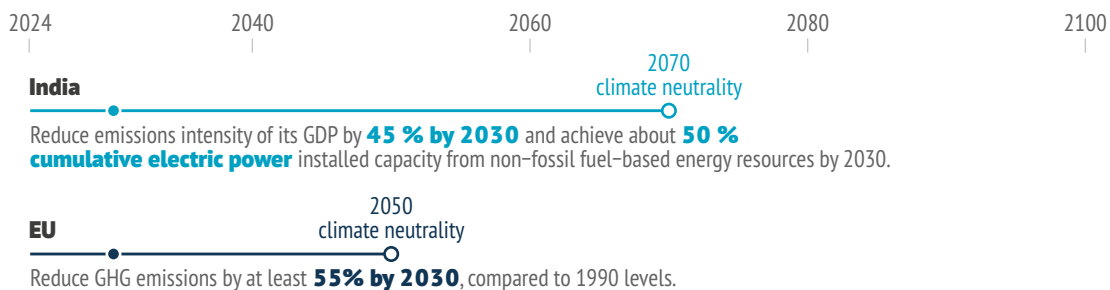
cut its emissions to net-zero by 2070⁽⁶⁾. Like most national climate targets, this is perceived as fair domestically, but as insufficient by certain external actors, including the EU. New Delhi's renewable energy targets raise major internal energy justice concerns as energy requirements for growth and development seem to expand fossil-based electricity generation⁽⁷⁾. Yet, from an Indian standpoint, the Centre and its various states are committed to inclusive renewable energy transitions across sectors⁽⁸⁾.

As part of its 2030 Climate Change and Energy Framework, the EU aims to reduce its greenhouse gas (GHG) emissions by at least

- (2) CBAM is an EU tool that aims to put a price on the carbon emitted during the production of carbon-intensive goods entering the EU, thus encouraging cleaner industrial production in non-EU countries. Taxation and Customs Union, European Commission, 'Carbon Border Adjustment Mechanism' (https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en).
- (3) Equity requires fairness in sharing transition burdens between generations, as well as between and within countries. Climate justice emerged from the idea that historical responsibility for climate change lies with the wealthy and powerful countries – and yet it disproportionately impacts the poorest and most vulnerable countries. See 'In-depth Q&A: What is Climate Justice?', *Carbon Brief*, 4 October 2021 (<https://www.carbonbrief.org/in-depth-qa-what-is-climate-justice/>).
- (4) Dubash, N.K., Khosla, R., Kelkar, U. and Lele, S. 'India and climate change: Evolving ideas and increasing policy engagement', *Annual Review of Environment and Resources*, Vol. 43, No. 1, 2018, pp. 395–424.
- (5) International Energy Agency (IEA), 'India Energy Outlook 2021 – Analysis', February 2021 (<https://www.iea.org/reports/india-energy-outlook-2021>).
- (6) 'COP26: India PM Narendra Modi pledges net zero by 2070', BBC News, 2 November 2021 (<https://www.bbc.co.uk/news/world-asia-india-59125143>).
- (7) Stuti, H., Peddibhotla, A. and Bazaz, A., 'Analysing intersections of justice with energy transitions in India – A systematic literature review', *Energy Research & Social Science*, Vol. 98, 2023, p. 103–10.
- (8) Dubey, B., Agrawal S. and Sharma, A.K., 'India's renewable energy portfolio: An investigation of the untapped potential of RE, policies, and incentives favoring energy security in the country', *Energies*, 2023.

EU and India GHG emissions targets and climate neutrality

Divergent NDCs and climate-neutral goals



Data: UNFCCC, 2024; EU Commission, 2024; Indian Ministry of Environment, Forest and Climate Change, 2024

55 %⁽⁹⁾. The EU states that ‘the global energy transition needs to be embedded in a just, sustainable and climate resilient development pathway’⁽¹⁰⁾. The EU Member States have also been a major catalyst of the Just Energy Transition Partnerships (JETPs), emphasising the ‘just’ and ‘partnership’ dimensions to address concerns regarding the UNFCCC climate deals. Domestically, a major objective of the European Green Deal is to ensure that the transition is fair and leaves no-one behind. The EU has therefore established a Social Climate Fund to support EU citizens most at risk of energy or mobility poverty. It provides direct income support to vulnerable households and supports measures that reduce emissions-related costs in the transport and building sectors.

Practical challenges

Thus, both New Delhi and Brussels agree on the need to make the energy transition inclusive and fair but have not yet found a way to operationalise it. India currently advocates for ‘multiple pathways’ towards energy transition to emphasise the importance of

climate-compatible technologically-agnostic visions of the future, perceived by some as a threat to the attainment of global climate ambition goals. The EU, on the other hand, puts mitigation at the centre of JETP by seeking the highest short-term emissions reduction. This, however, is perceived as an imposition and a threat by developing countries who fear that this could negatively affect their development ambitions.

Notwithstanding, both the EU and India have signed and ratified the 2015 Paris Agreement, which became effective in November 2016. The Agreement proposes a framework where national pathways are defined by the countries themselves, guided by the global goals of resilience and climate neutrality. The Agreement encourages countries to define their own long-term low-emissions development strategies (LT-LEDS), the conditions that need to be satisfied in the short term to enable the countries to achieve their long-term development and climate change goals. What is needed multilaterally, and for India and EU bilaterally, is to identify priority areas based on the latest country-specific LT-LEDS. This should disentangle how the costs and benefits

(9) European Commission, ‘2030 Climate & Energy Framework’ (https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2030-climate-energy-framework_en#ref-2030-climate-and-energy-framework---key-targets).

(10) Submission by Sweden and The European Commission on behalf of the European Union and its Member States, Tech., ‘Sixth Technical Expert Dialogue (TED6), Ad Hoc Work Programme on the New Collective Quantified Goal on Climate Finance (NCQG)’, 20 May 2023 (https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202305111621---SE-2023-05-10%20EU%20submission%20TED6%20NCQG.pdf?_gl=1*rcvwh5*_ga*NzQ3NzEyNjUwLjE2ODExMjg5MTQ.*_ga_7ZZWT14N79*MTY4Njg5NDMyMC44MC4xLjE2ODY4OTY3MTcuMC4wLjA).

of both mitigation and resilience are shared among countries, and enable both partners to cooperate internationally towards these transitions.

Implications of EU-India divergences

While India may seek to align with the global needs for environmental protection, it has not found solutions that effectively address concerns relating to poverty reduction. India's LT-LEDS is shaped by the imperative to ensure that it produces sufficient energy to meet the country's development needs⁽¹¹⁾. India's total energy supply per capita in 2022 was estimated at 16,020.8 MJ/capita, less than an eighth of Germany's⁽¹²⁾. Meeting development needs is expected to require steep increases in overall and per capita energy use, even as India enhances its energy efficiency, increases its non-fossil energy capacity and seeks to achieve a resilient energy system⁽¹³⁾.

The Intergovernmental Panel on Climate Change (IPCC) recommends combining mitigation policies with lifestyle changes that can be supported by transformations in infrastructure and use of technology⁽¹⁴⁾. India, as an emerging economy, should strive towards a robust consumer market with much lower per capita energy consumption than achieved historically, to guarantee global economic growth. Prime Minister Modi's government has embraced this idea by calling upon the global community to support the LiFE initiative: an

international mass movement geared towards 'mindful and deliberate utilisation, instead of mindless and destructive consumption' to protect and preserve the environment⁽¹⁵⁾.

The need for societies to decarbonise is at the heart of international calls for clean energy transitions. The focus on the 'phasing down' of coal is justified from a global scientific perspective⁽¹⁶⁾. However, national concerns emerge when the focus is placed on domestic coal consumption while other countries appear to have *carte blanche* to use other fossil fuels, such as gas in Europe and oil all over the world. The need to combine climate, energy, transport and taxation policies is embedded in the EU vision to make Europe the first carbon-neutral continent. The emphasis is on competitiveness and efficiency across its policies that will guarantee the effective implementation of the European Green Deal. It is noteworthy that one third of the €1.8 trillion worth of investments from the Next Generation EU Recovery Plan are allocated to this initiative⁽¹⁷⁾. More importantly, one of the key targets of the Green Deal is to decouple economic growth from resource use.

These differences in approach between the EU and India mean that both parties need to forge a common vision on lifestyles and consumption patterns.

(11) UNFCCC, 'India LT-LEDS' (https://unfccc.int/sites/default/files/resource/India_LTLEDS.pdf).

(12) International Energy Agency (IEA), Energy Statistics Browser, 'India' (<https://www.iea.org/data-and-statistics/data-tools/energy-statistics-data-browser?country=INDIA&fuel=Energy%20supply&indicator=TESbyPop>) and Germany (<https://www.iea.org/data-and-statistics/data-tools/energy-statistics-data-browser?country=GERMANY&fuel=Energy%20supply&indicator=TESbyPop>).

(13) UNFCCC, 'India LT-LEDS' (https://unfccc.int/sites/default/files/resource/India_LTLEDS.pdf).

(14) IPCC, Sixth Assessment Report, 20 March 2023 (<https://www.ipcc.ch/assessment-report/ar6/>).

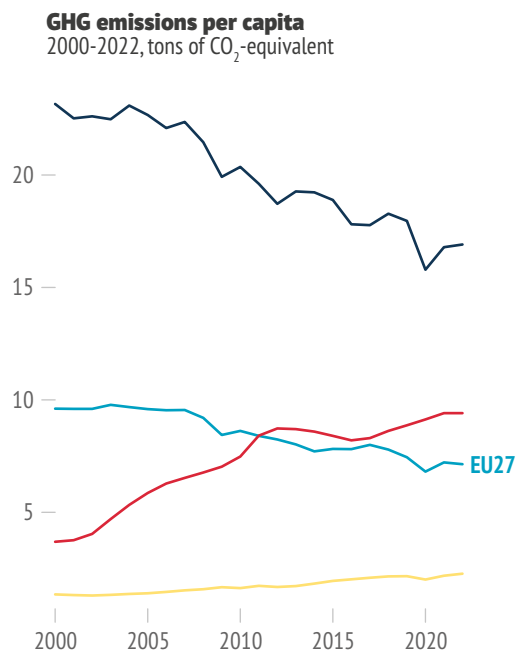
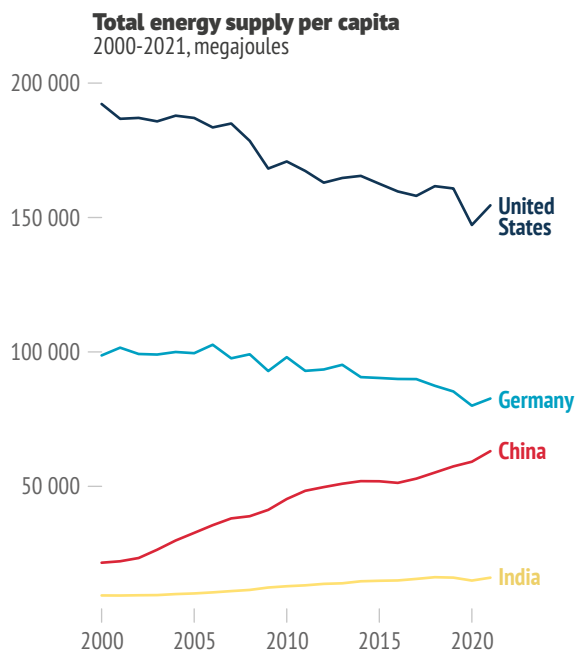
(15) Government of India, Lifestyle for Environment (LiFE) (<https://missionlife-moecc.nic.in/>).

(16) Spencer, T. et al., 'The 1.5°C target and coal sector transition: at the limits of societal feasibility', *Climate Policy*, Vol. 18, No 3, 2017, pp. 335-351; Malik, A. et al., 'Reducing stranded assets through early action in the Indian power sector', *Environmental Research Letters*, March 2020; Vishwanathan, S.S. and Garg, A., 'Energy system transformation to meet INDC, 2°C and well below 2°C targets for India', *Climatic Change*, Vol. 162, 2020.

(17) European Commission, 'The European Green Deal', op. cit.

Trajectory of energy supply and GHG emissions per capita

Traditional and rising powers are going in opposite directions



Data: IEA, Energy Statistics Data Browser, 2024; CCPI, 2024

THE WAY FORWARD

Building on common interests centred on equity and social justice, two options emerge:

1. identifying a common space for an SDG-driven approach to fight climate change;
2. co-designing mutually beneficial cooperative approaches.

An SDG-driven approach means leaving behind mitigation-only approaches. The Organisation for Economic Co-operation and Development (OECD) recommends more coherence between climate and development agendas to increase the effectiveness of financial support⁽¹⁸⁾. Research finds that exploiting synergies generates incentives for both donors and recipients, while supporting effective implementation⁽¹⁹⁾. Climate finance has largely focused on mitigation⁽²⁰⁾, while adaptation finance has been more entwined with development finance⁽²¹⁾. Germany has been the main

(18) OECD, 'Recommendation of the Council on Policy Coherence for Sustainable Development', 11 December 2019 (<https://policycommons.net/artifacts/3806652/recommendation-of-the-council-on-policy-coherence-for-sustainable-development/4612568/>).

(19) Gomez-Echeverri, L., 'Climate and Development: Enhancing Impact through Stronger Linkages in the Implementation of the Paris Agreement and the Sustainable Development Goals (SDGs)', *Philosophical Transactions of the Royal Society A: Mathematical, Physical and Engineering Sciences*, Vol. 376, 2018 (<https://doi.org/10.1098/rsta.2016.0444>); Gupta, D. and Garg, A., 'Sustainable development and carbon neutrality: Integrated assessment of transport transitions in India', *Transportation Research Part D: Transport and Environment*, Vol. 85, August 2020.

(20) UNFCCC, 'Biennial assessment and overview of climate finance flows' (<https://unfccc.int/topics/climate-finance/resources/biennial-assessment-and-overview-of-climate-finance-flows>).

(21) Klein, R. et al., 'Integrating mitigation and adaptation into climate and development policy: Three research questions', *Environmental Science & Policy*, Vol. 8, No. 6, 2005, pp. 579–588; Duus-Otterström, G., 'Allocating climate adaptation finance: examining three ethical arguments for recipient control', *International Environmental Agreements*, Vol. 16, No. 5, 2016, pp. 655–670.

European bilateral donor of climate finance to India since 2014⁽²²⁾. Further alignment of finance with recipient countries' priorities will allow for greater ownership. Specific joint actions related to resource optimisation, common ground taxonomy for green finance, financial and technological cooperation, and co-developing a fair playing field that allows for optimal global decarbonisation are examined below.

Specific joint actions

With regard to *resource optimisation*, India and the EU could build a common vision on how to jointly optimise their respective natural endowments and organise key value chains. Electrification of transport is happening across the two geographies and likely to speed up further as more electrification targets (India) and CO₂ emission performance standards for new cars and vans (EU) are under implementation. In India, railway lines are targeted for electrification by 2025⁽²³⁾, all two- and three-wheelers by 2030⁽²⁴⁾, 30 % of cars by 2030, and city buses in phases rising to a market size for buses alone of USD 2 billion by 2028⁽²⁵⁾. For electric vehicles (EVs), batteries and critical mineral availability pose challenges. Yet there is ample scope for collaboration on various fronts including R&D on new materials for batteries, manufacturing for domestic uses and export, as well as expanding electrification, including in the shipping and aviation sectors.

Aligning finance flows to climate-compatible pathways, the Common Ground Taxonomy

(CGT) – which is a collection of common green technologies approved within a jurisdiction, including the EU, Indonesia, ASEAN, the UK and Singapore – can reduce information asymmetry for global investors and multilateral agencies. Projects based on technologies mentioned in the CGT should be prioritised for low-cost financing globally and guide India–EU partnerships. India could follow most of the EU green taxonomy provisions provided finance flows are channeled through these. Multilateral Development Banks (MDBs) could reduce processing time and documentation requirements for such projects. Transaction costs for project developers could also be reduced. CGT should also attract mitigation and adaptation financing to promote early-stage technologies. CGT could be further promoted through shared R&D efforts across the EU and India, shared Intellectual Property Rights (IPRs), jointly developed technologies and a financial pool with support from the EU and MDBs.

Investing in CGTs and strengthening the role of MDBs in addressing perceived risks are some of the concrete ways forward for *technological and financial cooperation* between the EU and India. These were the subject of official deliberations during India's recent G20 presidency. MDBs, with their expertise in project financing in many emerging markets and developing economies (EMDEs), can play a critical role in reducing information asymmetries and attracting more investment from the climate sector towards climate financing⁽²⁶⁾. The EU can further assist MDBs to design specific guarantees, e.g. insurance-based

(22) UNFCCC, 'India: Third Biennial Update Report to the UNFCCC', Tables 5.1–5.3, 2021, pp.340–50 (https://unfccc.int/sites/default/files/resource/INDIA_%20BUR-3_20.02.2021_High.pdf).

(23) Ministry of Railways, Government of India, 'Mission 100% Electrification', 2021 (https://indianrailways.gov.in/railwayboard/uploads/directorate/secretary_branches/IR_Reforms/Mission%20100%25%20Railway%20Electrification%20-%20Moving%20towards%20Net%20Zero%20Carbon%20Emission.pdf).

(24) Srivastava, P. et al., 'Forecasting penetration of electric two-wheelers in India' (https://www.niti.gov.in/sites/default/files/2022-06/ForecastingPenetration-ofElectric2W_28-06.pdf).

(25) Centre for Energy Finance (CEEW), 'Financing India's transition to electric vehicles', December 2020 (<https://www.ceew.in/cef/solutions-factory/publications/CEEW-CEF-financing-india-transition-to-electric-vehicles.pdf>); 'India's plans for 50,000 e-buses on its roads gets US support', *The Economic Times*, 10 December 2023 (<https://economictimes.indiatimes.com/industry/renewables/indias-plan-for-50000-e-buses-on-its-roads-gets-us-support/articleshow/105874584.cms?from=mdr>).

(26) McHugh, C. et al., 'Maximizing the developmental value of MDB callable capital: a new research agenda,' ODI, 6 June 2023 (<https://odi.org/en/insights/maximising-the-developmental-value-of-mdb-callable-capital-a-new-research-agenda/>).

and swap-based instruments, to reduce macroeconomic risks of emerging economies and a continuous flow of climate finance⁽²⁷⁾.

There exist vast differences in the risk profile of OECD countries and EMDEs. Therefore, the primary focus should be to de-risk climate financing through innovative blended instruments such as committing first-loss capital by MDBs or establishing an EU-India financing hub that could address transformations across sectors. The US and European countries received around 63 % of funding from venture capitals (VCs) during 2010–2022. China and India, on the other hand, received 25 % and 3 % VC funding, respectively⁽²⁸⁾. VC funding is mainly skewed towards mobility, energy storage and renewables globally⁽²⁹⁾. Sectors such as industry, buildings, land use, agriculture, water and waste, emit around 45 % of GHGs in India, employing a significant workforce, yet receive much less attention⁽³⁰⁾.

Co-developing a *fair playing field that allows for optimal global decarbonisation* is another key issue. The EU CBAM regulation officially entered into application in its transitional phase on 1 October 2023 and is seen internally as a measure to restore fair competition. However, it has been challenged by existing international trade regimes and attracted criticism among major developing countries, including India, on the grounds of protectionism and unilateral climate action. Mutual trust and cooperation should prevail.

There is an opportunity to deepen EU-India cooperation in supporting transitions in energy-intensive industrial sectors.

The EU needs to find ways to establish a dialogue with EMDEs and align trade requirements to the needs of global decarbonisation. There is an opportunity for India and the EU to deepen their cooperation in supporting transitions in energy-intensive industrial sectors, such as the steel sector. Two different initiatives that already exist are LeadIt and the Climate Club⁽³¹⁾. The aim would be to work out a formula to waive CBAM fees in the case of green products, for instance, for green steel. This could contribute to creating a common fair playing field and a larger global market, to everyone's benefit. Policy restrictions such as the CBAM could thus be reimaged for products manufactured through identified green early-stage technologies.

Such initiatives could initially be introduced bilaterally, like in the context of the US and EU talks on steel and aluminium. Eventually, the aim would be to agree internationally as

part of a more inclusive process where key powers willing to play a role in global value chains play a part in setting the rules. A second option could be to apply carbon taxes in Purchasing Power Parity (PPP) terms across geographies, which could be perceived to be fairer than a common EU tax level imposed in absolute terms. A third option could be to grant a Viability Gap based-CBAM waiver to

products from developing countries to provide the latter with longer transition periods. These options would require changes in trade regulations and a continuous dialogue between the EU and India.

(27) Climate Action, European Commission, 'International Climate Finance' (https://climate.ec.europa.eu/eu-action/international-action-climate-change/international-climate-finance_en#:~:text=The%20EU%2C%20its%20Member%20States,%E2%82%AC23.04%20billion%20in%202021).

(28) Roston, E. and Rathi, A. 'How the world is spending USD 1.1 trillion on climate technology', Bloomberg, 24 April 2023 (<https://www.bloomberg.com/graphics/2023-climate-tech-startups-where-to-invest/>).

(29) PwC, 'State of Climate Tech 2022' 3 November 2022 (<https://www.pwc.com/gx/en/services/sustainability/publications/overcoming-inertia-in-climate-tech-investing.html>).

(30) IPCC, Sixth Assessment Report, 20 March 2023, op cit.

(31) Hermwille, L., et al., 'A climate club to decarbonize the global steel industry', *Nature Climate Change*, Vol. 12, 2022, pp. 494–496 (<https://doi.org/10.1038/s41558-022-01383-9>) and European Commission, 'Statement by President von der Leyen at the launch of the Climate Club', 1 December 2023 (https://ec.europa.eu/commission/presscorner/detail/es/statement_23_6247).

Moving forward, divergences in approach remain between the EU and India relating to climate justice and equity. These are particularly tangible when it comes to the practical steps to be taken to reconcile environmental protection and the need to pursue economic development while transitioning. Similarly, looking at climate change mitigation exclusively through a decarbonisation lens is problematic for an emerging economy like India. Nonetheless, these differing perspectives on climate justice and equity are reconcilable. Both actors want a cleaner and sustainable world and are willing to contribute to such both domestically and internationally in ways commensurate to their weight in global geopolitics. Future collaboration requires an approach based on needs, for which climate-compatible country pathways can be foundational, together with solutions based on cooperative initiatives as outlined in this chapter.

CONCLUSION

HOW TO GAIN TRACTION?

This *Chaillot Paper* has covered a wide array of issue areas where EU-India relations have the potential to deepen and grow – and indeed where there is a pressing need to move forward. Policy- and decision-makers are navigating an increasingly transactional world whose defining features are new emerging poles, shifting geopolitical alignments and power transition dynamics. The post-World War II world order is being radically called into question, with new rising actors contesting international norms that had hitherto been taken for granted. Global uncertainties have reached unprecedented levels following the Covid-19 pandemic and two ongoing wars in the heart of Europe and the Middle East, respectively.

Where does this leave the EU and India? India epitomises the aspirations of a rising Asian power while Europe must come to terms with a decaying liberal world order, as it was conceived by European leaders and their US and Soviet counterparts in the aftermath of World War II. Both partners need one another: India needs the EU as a reliable balancing force against China, while the EU needs to forge closer ties with the most populated country in the world, strategically located in the Indo-Pacific and with solid economic growth predictions for the years to come. There is no escaping this reality in today's transactional world.

The bilateral relationship also has a non-material dimension to it, namely the EU's and India's respective worldviews and normative red lines. These are very much part of the

picture when seeking to gain traction moving forward. Fulfilling each other's economic and material needs is no longer sufficient. The EU and India must reach mutual understanding and a degree of consensus in this domain. Both actors need to understand where each partner is coming from and, more importantly, the place they seek to occupy amidst the reconfiguration of the international order. The quest for international status and intent to become and/or remain decision-makers as opposed to decision-takers cannot be underestimated.

It is therefore imperative that we take tangible steps and concrete actions across the spectrum of issue areas identified in this volume. Specifically, this implies that the EU may need to

reconsider the way it intends to implement the CBAM, given the importance of the trade relationship with New Delhi and India's crucial role in climate change and energy debates. Similarly, should India seek to engage the EU in unpacking its innovative digital public infrastructure plans across developing economies, it will have to consider EU criteria when setting its digital standards based on the EU's expertise in this

realm. Such linkages are common when pursuing constructive and fruitful cooperation, particularly across unexplored territory. The EU and India have already lost too much time focusing solely on trade. The reality of today's geopolitics demands that this change.

Cooperation on securing supply chain resilience, critical and emerging technologies or security issues is at the heart of the EU's and India's bilateral relations with other partners.

Both actors need to understand where each partner is coming from and the place they seek to occupy in the international order.

Such is the case of India with Japan and Australia on connectivity and supply chains, respectively, or the US and the EU when it comes to critical and emerging technologies. Why should such cooperation not be replicated between the EU and India? Both sides have been far too accommodating with a bilateral relationship which has been static for too long. The tide is now shifting. The EU and India could eventually become key maritime partners in the Indo-Pacific: the horizon must be expanded. This paper has sought to provide a set of useful recommendations which can inform policymaking and allow EU-India relations to flourish in the future.

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ABBREVIATIONS

AI Artificial intelligence	GCC Gulf Cooperation Council	MDB Multilateral Development Bank
AIIB Asian Infrastructure Investment Bank	GGE Group of Governmental Experts	MJ megajoule
ASEAN Association of Southeast Asian Nations	GHG Greenhouse gas	MoU Memorandum of Understanding
AU African Union	GSP+ Generalised Scheme of Preferences	MSP Minerals Security Partnership
BJP Bharatiya Janata Party	iCET Initiative on Critical and Emerging Technologies	NATO North Atlantic Treaty Organization
BRI Belt and Road Initiative	IFI International financial institution	NDC Nationally determined contribution
BRICS Brazil, Russia, India, China and South Africa	IMEC India–Middle East–Europe Economic Corridor	OECD Organisation for Economic Co-operation and Development
CBAM Carbon–Border Adjustment Mechanism	IMF International Monetary Fund	OEWG Open–ended working group
CBMs Confidence–building measures	IOR Indian Ocean Region	O-RAN Open radio access network infrastructures
CGT Comon Ground Taxonomy	IPCC Intergovernmental Panel on Climate Change	PESCO Permanent Structured Cooperation
CMP Co–ordinated Maritime Presence	IPOI Indo–Pacific Oceans Initiative	PPP Purchasing power parity
CRMs Critical raw materials	JETP Just Energy Transition Partnership	QUAD Quadrilateral Security Dialogue
EMDE Emerging markets and developing economies	kWh kilowatt–hour	R&D Research and Development
FDI Foreign direct investment	LT-LEDS Long-term low-emissions development strategies	R&I Research and Innovation

R2P

Responsibility to Protect

SAGAR

Security and Growth For All
in the Region

SCIP

Strategy for Cooperation in
the Indo-Pacific

SDG

Sustainable Development
Goal

SLOCs

Sea lines of communication

TTC

Trade and Technology
Council

UAE

United Arab Emirates

UN

United Nations

UNFCCC

United Nations Framework
Convention on Climate
Change

UNSC

United Nations Security
Council

UPI

Unified Payments Interface

USD

United States Dollars

VC

Venture capital

Traditionally the EU–India relationship has been characterised by a focus on trade and economic-related issues. This has hindered the two actors from moving forward as strategic partners. But current geopolitical realities have led to a shift in gears. Both the EU and India are having to review their interests and capabilities amidst a changing international system which presents unprecedented challenges to the existing rules-based order.

This *Chaillot Paper* explores how the EU and India might seize new opportunities while highlighting underlying differences in outlook across critical issue areas. In the various chapters both European and Indian experts analyse specific dimensions of EU–India cooperation and examine how to leverage common ground through concrete actions moving forward. This should allow policymakers on both sides to overcome the difficulties caused by mismatched expectations and identify potential areas of convergence.