



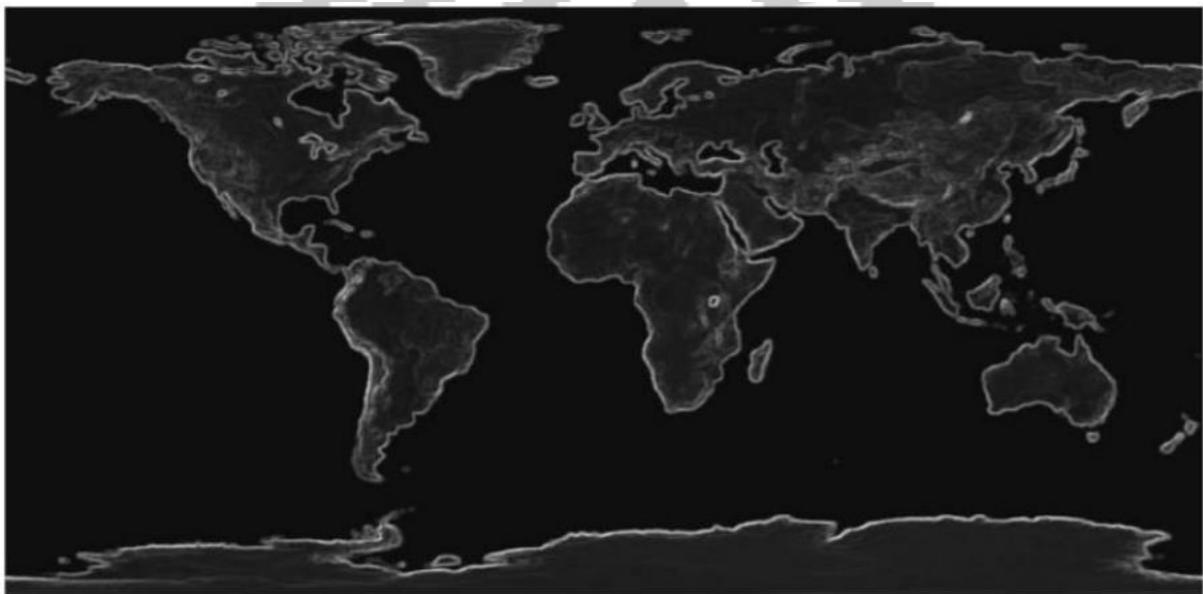
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# **RETHINKING THE INDIA-EU RELATIONS IN THE POST COVID-19 ERA**

Analyzing the ideas and conditions to rejuvenate the India-EU  
Relations

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*Veritas et Aequitas*



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The COVID-19 pandemic has impacted the whole world. It resulted in the geopolitical shift, but it also led to speculations of the post-pandemic world order. Currently, the USA is busy fighting its internal battles. With no global leader to guide the international community in this global challenge, it has created a political vacuum that needs to be urgently filled. The subsequent ascendancy of China to become a possible contender for global-hegemony is a cause of worry as it threatens both the multilateral, rule-based global order.

With the efforts to reform and rebuild the multilateral, rule-based global order, it is indeed a unique situation for India-European Union (EU) as they have the potential to lead these efforts. So, now is the time for the further development of the India- European Union (EU) relations. It marks the relations between the biggest democracies and some of the oldest democracies in the world. The world order is evolving in a fast-paced environment, India and the EU need to enhance its global cooperation from various perspectives.

It is for these reasons, the 15th India-EU Summit, which was organized on 15th July 2020. While the Prime Minister of India represented the country, it was EU Commission president Ursula von der Leyen and EU Council president Charles Michel who were representatives on the other side. Many issues were pondered upon by the India-EU counterparts. Apart from the changing geopolitics, the need to sustain a multilateral global order, the importance of technology and security, and most importantly- climate change was discussed.

Against this background, as stated by both the Prime Minister of India and the representatives of the European Council, India and the EU are “*natural partners*” due to the mutual understanding of “democracy, inclusiveness, pluralism, rules-based multilateralism and freedom.” They need to unlock the potential of the strategic partnership and deepen their relations in several key areas, ranging from politics, trade, investment, security, and technology to global health. Several challenges are posed by the pandemic that needs to be addressed by both soon. The recent Summit could have been a turning point regarding these agreements.

However, with the Summit’s outcome, it seems unlikely that talks will resume regarding the BTIA anytime soon. Nonetheless, the adoption of “Roadmap to 2025” has given a ray of hope that there is still some possibility of an improvement in trade and investment relations. Apart from the recently adopted strategy, even the new geopolitical scenario plays a crucial role that can improve the India-EU relations. [\[1\]](#)

The misdeeds of China during the pandemic have ensued the relocation of the global supply chain out of China. This progress has, unfortunately, resulted in a slowdown of manufacturing and exports. The ills of the over-reliance on China and its fallout has created an inclination towards protectionism among the domestic markets. It is thus essential for the EU and India to strengthen its economic relations. One of the first steps for the EU to shift its economic priorities from China to India would be attracting the EU investments moving out from China and the completion of FTA, which can unlock the economic potential. Not only that, but it will help to back the efforts to promote rule-based international order in the multilateral institutions.

### **India-EU Relations rising to its potential**

To date, the EU is India’s largest trading partner, accounting for approximately €80 billion worth of trade in goods in 2019. These figures are comparable to trade with the USA and are



even way more than trade with China. Not only that, but there are also currently about 6,000 EU companies that are invested in India that employ about 6 million people. <sup>[2]</sup>

Even so, the bilateral ties have always underperformed due to the Broad-based Trade and Investment Agreement (BTIA) that in return has even caused a strain in the trading relations. These negotiations began in 2007 and got stalled in 2013. Even in the 2017 India-EU Summit, attempts were made to foreclose this situation. However, it failed and was quite evident in the Summit's Joint Statement for BTIA. Since then, rather than improving, trade and investment issues have only increased. Even in 2016, before the Summit, Delhi had tried to revamp several existing agreements and came up with the Bilateral Investment Treaty (BIT). Although it was an improvised model of its predecessor, the EU was neither willing to negotiate nor acknowledge its development. <sup>[3]</sup>

### **Developing a Rule-based, Multilateral Global Order**

For long, the world has seen an epidemic, and other political, social and economic challenges. However, COVID-19 is the first global crisis that has not witnessed the "USA leadership in dealing with the challenge." On the one hand, the USA is busy withdrawing from its own established international organizations, and on the other hand, China has increasingly become aggressive by showing its domination in the international organisations. <sup>[4]</sup> Apart from the US-China rivalry in various other fields such as the 5G technology, <sup>[5]</sup> these developments have also created a political vacuum that needs to be filled. If left unchecked, the Chinese aggression will become even more assertive in the future, which will have a huge impact on all the countries. Thus, it is a cause of worry to experts because the multilateral systems are under stress, because of the recent developments in the brink of the COVID-19 pandemic and the subsequent response of the international organisations in dealing with the situation.

In such a scenario, India and the EU are the "*natural partners*" that can make a difference in the international order. The EU has a strong inclination towards multilateralism, and so has India. Both of them are strong advocates of effective multilateralism for international cooperation. Their inclination was quite apparent with the launch of an informal "*Alliance for Multilateralism*" with Germany and France in April 2019. The forum is based on the principles of adherence to multilateral collaboration and upholding international norms and reforms in international organizations. <sup>[6]</sup> It is because of these principles that India decided to join this forum. Apart from this organization, India and the EU should use frameworks or even the UN, G20, to create a rule-based order and reforms in the international institutions.

Being one of the flag bearers of diversity and transparency, it makes it easier for them to influence other nations. Unlike India and the EU, several countries do not share the same democratic and liberal values. Countries like China and several other nations are willing to use aggressive political institutions and competing economic policies for the national interest. Hence, there must be reforms in international organizations like the UN, WHO, among many others, so that there exists a rule-based multilateral global order that the international community is willing to accept. Therefore, apart from geo-economics and geopolitics, multilateralism is also a field where the EU and India have shared interests. These commonalities can significantly deepen India-EU relations through dialogue on all levels that will help create interest and trust to establish a strategic partnership that is required for maintaining rules-based global order. <sup>[7]</sup>



## **Technology and Security go hand in hand**

The COVID-19 has resulted in a geopolitical shift, which has made it evident that changes are unavoidable. Various experts forecast that the post-COVID-19 world will have a world leader driven by technological innovation that will further impact the world's security perspective. In this regard, both India and the EU are “*natural partners*” as they are aware that there is an urgent need to reconsider, redefine and transform the geopolitical, geo-economics, and most importantly, cutback the technological dependencies. Technology and Security are the priority for the EU nations, and they know that they cannot achieve their objectives all by themselves. On the other hand, even India is aware that technology holds the potential for its strategic partnership, which will impact the future of the Indo-Pacific region. In this manner, both India and the EU can renew their post- Brexit ties and work on their underutilized strategic relationship. <sup>[8]</sup>

China's ascendancy and the ongoing 5G technological war between the US and China are at its peak. It is the need of the hour for the India-EU to create a technological foundation that keeps them competitive. Both India and the EU have a strong potential to form the international rules and regulations for flow and access of data and ethical, technological applications, amongst many others.

Not only that, but there are several specializations in the technological fields such as – research and development, innovation cooperation, cybersecurity, and, most importantly the information communication technology (ICT) where both India-EU can collaborate and get crucial leverage over the 21st-century world order. The importance of ICT is highlighted in the EU-India Agenda for Action 2020, and its significance has further increased in the present frameworks. These technological innovations are further essential if looked from a security perspective. <sup>[9]</sup>

Currently, India and the EU are trying to ensure stability in the Indo-Pacific region, which is crucial for maritime security. With China flexing its muscle and trying to dominate the region, maritime security has been on the radar for cooperation in military engagements. <sup>[10]</sup> The situation would not be incorrect to state that the best practices adopted in the region will be experienced through technological innovations, be it with regards to intelligence sharing or counter-terrorism measures. Taking into consideration the need and urgency of the prevailing situation, it would not be wrong to state that technology and security go hand in hand, and it is vital for the India- EU to create a strategic relationship for the same. Else, it would be either the USA or China that will take advantage of the circumstances and overtake the world in the tech world. After that, not even India or the EU, will be able to challenge the supremacy of their leadership.

## **Climate Partnership for a Sustainable World**

The COVID pandemic has acted as a blessing in disguise. While the country-wise lockdown has led to economic slowdown resulting in global economic decline by 4.9%, it seems that it is a boon to the environment. <sup>[11]</sup> Global CO2 emissions are expected to fall by 4% to 7%. <sup>[12]</sup> It will help in limiting the rise of global temperature between 1.5 – 2 degrees Celsius. Even though this is far from being achieved, yet the situation will still help the world back on track as per the Paris Agreement. The pandemic surely provides for a unique situation for us to re-evaluate and work on climate change. Both India and the EU are individually working on the



Nationally Determined Contribution (NDC). On the one hand, India is on its way to meet and further outrun the NDC targets of 2030, which includes- reducing the emissions intensity of GDP by 33-35% from 2005 levels and achieving 40% non-fossil fuel electric installed capacity. It has recently announced that a domestic target is set for attaining 30% electric vehicles by 2030. <sup>[13]</sup> On the other hand, the EU is also set to achieve its NDC goal by reducing emissions by “at least 40%”. Along with NDC, the path-breaking “European Green Deal” can help the EU achieve net-zero emissions by 2050. <sup>[14]</sup>

So, climate change is also one of the key sectors, a common interest for both India and the EU. Both have pledged to the Sustainable Development Goals for 2030, and their pledge for clean and efficient energy and climate change is apparent from the EU-India Clean Energy and Climate Partnership (CECP), 2016. So, CECP and the Paris Agreement provides for a strong foundation for India-EU relations on climate change. As staunch supporters and ardent practitioners of protecting the environment, India- EU must develop a relationship on *climate diplomacy*. It would allow them to move ahead and involve more nations.

### **The Way Ahead**

There are various fields like geo-economics, multilateralism, technology, security, and climate change where India-EU both share common interests. These are the are the mutuality where India-EU can build a relationship in the post-COVID-19 world. All these aspects were discussed in the 15th India-EU Summit as well. These sectors will further shape the India-EU relations. A Joint Statement was also released after the Summit, which emphasized cooperation on various grounds, yet, there were several tense moments did not go unnoticed. It is related to addressing the elephant in the room - China.

Since the pandemic, China has been the centre of the discussion, be it in the bilateral ties, or international organizations such as the United Nations and the World Health Organisation. PM Narendra Modi was not hesitant to address the Chinese situation and the border issues in Galwan Valley last month. However, EU representatives stated that “we support all the efforts to maintain a channel of dialogue, to find a peaceful solution.” They further described their relations with India as ‘democratic, pluralist, multilateral, inclusive and rule-based’ and ‘complex’ with China. It is far from condemning the aggression by China, and their response turns out to be in contradiction to that of their closest ally, USA.

However, it is not at all surprising. The EU has been a silent observer of China’s aggression both at home and abroad. Apart from an act of criticizing the Chinese infringement of Uighur Muslim fundamental human rights, they have nothing. By ‘an act,’ it also includes the resolution passed by the European Parliament to “end the practice of arbitrary detentions without any charge, trial or conviction.” The Chinese did not give much attention to this action by clearly stating that it is an internal matter of the country, and they would not tolerate any nuisance created by outsiders. Whether it is the present or the past, the EU has always been reluctant to speak about the Chinese’s atrocities, the Tiananmen Square massacre. They have not even spoken about the draconian security law imposed in Hong Kong.

On the other hand, from revoking Article 370 to the implementation of the Citizenship Amendment Act (CAA), the EU has been very vocal about the internal issues of India. the EU has even filed a petition in the Supreme Court of India regarding CAA, thereby insulting the sovereign rights of India and its Parliament. These are particular instances of misdirecting and



uncalled European interference in internal matters. <sup>[15]</sup> It is contradictory to their response to China, as they did not even ponder upon dragging China to the Hague for its misdemeanour.

So, when they had raised these same issues in the Summit, they should have been made perspicuous regarding their hypocrisy and duplicity – which was not elaborated by the Indian counterpart. It clearly expresses the tilt towards an opaque, authoritarian, and a totalitarian regime and opposition to a republic and a democratic regime that is a staunch supporter of the rules-based global order.

Nonetheless, India- EU relations are not under strains due to the European Council, as they do not showcase India's bilateral relations with the individual European member-states. Also, it does not uphold all the European countries' views and approaches, so it can be used as a forum that will help India move ahead a little with the relations. However, it is for the EU not to have to act as per the post-COVID-19 global realities.

Both India and the EU need to realize that in the future if they want to counter the Chinese influence on the global level, it is in their best interest that they cooperate. Now, the relations have moved ahead from talking to each other to talking with each other. It is indeed a positive development in their relationship. <sup>[16]</sup> It is now time to act fast and use the current situation of the COVID-19 situation to balance the imbalanced and voice their reasons at the global level.

On the one hand, the EU has been trying to cover the power vacuum in global leadership by raising about 16 billion euros, with a part of that amount already contributed to the World Health Organisation. On the other hand, it is also supporting economic sovereignty. EU decision to diversify its supply chains is well coordinated with India as it is already on a drive for "Aatmanirbhar." This way, it would be better off for both India-EU to improve their relations so that they can face the challenges in a better manner in the post-COVID-19 global realities.

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