

3. India – Europe Relationship

British PM Keir Starmer's visit to India, new EFTA trade pact, and EU trade negotiations indicate Europe's growing role in India's diplomacy.

Western Pluralism and the Emerging European Strategic Autonomy

1. Understanding Western Pluralism

Western Pluralism refers to the growing diversity of political, strategic, and economic approaches within the Western world – particularly between the United States and Europe – as traditional transatlantic unity undergoes transformation. It marks a shift from a monolithic Western bloc (dominated by the U.S. during the Cold War and post-Cold War eras) to a multipolar Western alliance where European nations increasingly pursue independent strategic choices.

Triggers for Western Pluralism

A. US Policy Shifts under Trump – The “America First” policy under President Donald Trump (2017–2021) questioned long-standing alliances such as NATO and reduced U.S. commitment to global security guarantees. It undermined trust in multilateral institutions (e.g., WTO, WHO, Paris Agreement) and weakened global trade norms, pushing Europe to consider a more autonomous geopolitical stance. The U.S. retreat from cooperative leadership created a vacuum in global governance, compelling Europe to fill that gap through its own diplomatic and economic mechanisms.

B. Internal Divisions within the West – Within the West, deep disagreements emerged over policies toward Russia, China, digital regulation, and trade protectionism. Europe began viewing itself not as a mere extension of U.S. strategy, but as a distinct geopolitical actor with independent interests, particularly in energy security, technology standards, and climate diplomacy. The Russia–Ukraine war (2022) further accelerated debates on strategic autonomy, with Europe realizing the limitations of over-dependence on U.S. security guarantees.

C. Europe's Push for Strategic Autonomy – European Commission President Ursula von der Leyen emphasized that *“Europe must be prepared to stand on its own feet – economically, technologically, and militarily.”* The European Union (EU) now seeks continental sovereignty, focusing on building indigenous capabilities in defence production, semiconductor manufacturing, digital infrastructure, and renewable energy. Initiatives like the European Green Deal, Strategic Compass for Security and Defence, and Global Gateway reflect this new self-reliant strategic vision.

India–EU Relations – Evolution and Growth

A. Political Cooperation

- 1. Early Engagements** – India and the European Economic Community (EEC) established diplomatic relations in the **early 1960s**, making it one of India's oldest institutional partnerships with a regional bloc.
- 2. 1994 Cooperation Agreement** – This formalized partnership beyond trade, including political, economic, and developmental cooperation.
- 3. 2000 India–EU Summit** – Initiated annual high-level dialogues, enhancing mutual understanding on regional and global issues.
- 4. 2004 Strategic Partnership** – At the 5th India–EU Summit (The Hague), the relationship was elevated to a ‘Strategic Partnership’, emphasizing shared democratic values, sustainable development, and multilateralism.

B. Economic Cooperation

Trade Importance – In 2023–24, India–EU trade in goods reached USD 137.41 billion, making the EU India's largest trading partner for goods. Around 17% of India's exports go to the EU, while 9% of EU's exports are directed to India.

Investment Links – The EU is among the top foreign investors in India, contributing to sectors such as renewable energy, manufacturing, and services. European companies are increasingly viewing India as a trusted alternative to China for supply chain diversification.

India–EU Free Trade Agreement (FTA) Negotiations

A. Background – FTA negotiations, first launched in 2007, faced multiple deadlocks over tariff structures, services liberalization, and intellectual property standards. Talks were revived in 2022, after an eight-year hiatus, signaling renewed political will on both sides.

B. Objectives and Scope – The proposed Comprehensive Trade and Investment Agreement aims to cover –

1. Trade in goods and services
2. Investment protection and facilitation
3. Geographical Indications (GI)
4. Sustainable development and climate standards

The goal, as agreed upon by Prime Minister Narendra Modi and European Commission President Ursula von der Leyen, is to conclude negotiations by the end of this year.

Expanding Sectors of Cooperation

A. Water and Environmental Cooperation – The India–EU Water Partnership (IEWP), established in 2016, promotes cooperation in integrated water resource management, wastewater treatment, and sustainable water technologies.

B. Nuclear and Energy Research – In 2020, India and the European Atomic Energy Community (EURATOM) signed an agreement for R&D in peaceful uses of nuclear energy, expanding collaboration in fusion energy and nuclear safety.

C. Trade and Technology Council (TTC) – 2023 – Established in 2023, the TTC serves as a high-level platform to coordinate cooperation in trade, technology, and security.

Its objectives include –

1. Promoting trusted digital ecosystems and semiconductor supply chains.
2. Aligning standards in AI, cybersecurity, and data governance.
3. Enhancing resilience in strategic technologies and critical minerals.

India's Two Levels of Engagement with Europe

At the EU Bloc Level – Regular summits and strategic dialogues on trade, technology, climate change, and foreign policy coordination.

Bilateral with Major Members – Deepened ties with France (defence and Indo-Pacific), Germany (climate and green energy), Nordic countries (sustainability), and Eastern European nations (technology and education partnerships).

Key Factors Shaping India–Europe Relations

1. Geopolitical Shifts and Strategic Autonomy – The Russia–Ukraine conflict has reinforced Europe's determination to reduce strategic dependence on the U.S. India, simultaneously, seeks a multipolar global order, maintaining autonomy in relations with the U.S., Russia, China, and Europe alike. Both actors value strategic flexibility and self-reliance within the emerging multipolar world.

2. Trade and Economic Cooperation – The EU is one of India's largest trade and investment partners, with opportunities expanding through the FTA and Investment Protection Agreement. Initiatives like the India–Middle East–Europe Corridor (IMEC) promise to enhance connectivity, logistics, and energy partnerships across continents.

3. Technology and Digital Sovereignty – India and the EU share an interest in digital public infrastructure, data governance, and AI ethics. Europe's strengths in deep tech, green technology, and semiconductors complement India's capabilities in digital innovation and talent pool.

4. Defence and Strategic Cooperation – Europe is a key defence supplier to India (notably France and Germany). Both sides seek joint development and co-production of technologies under India's Atmanirbhar Bharat (self-reliance) vision. The Ukraine war has also pushed Europe to rearm and modernize, opening avenues for defence–industrial collaboration with India.

5. Indo-Pacific and Maritime Strategy – Europe increasingly recognizes the Indo-Pacific as a strategic priority for global trade and security. India collaborates with European powers like France, Germany, and

the Netherlands in promoting a Free, Open, and Inclusive Indo-Pacific (FOIP).

Challenges in India-EU Relations

1. Divergent Political Positions

1. **Ukraine War** – The EU expects India to condemn Russia's invasion, but India maintains strategic neutrality, prioritizing national interests and energy security.
2. **Pakistan and Terrorism** – India urges the EU to adopt a stronger stance against state-sponsored terrorism, which the EU often approaches cautiously.

2. Trade and Regulatory Barriers

1. **Slow FTA Progress** – Differing priorities on tariffs, market access, and data protection delay progress.
2. **CBAM (Carbon Border Adjustment Mechanism)** – Imposed by the EU, it penalizes carbon-intensive exports and poses challenges for India's exporters.
3. **Strict Regulatory Standards** – EU norms on data privacy (GDPR), environmental standards, and labour compliance increase compliance costs for Indian firms.

3. Normative and Human Rights Concerns – The EU frequently raises issues related to human rights, minority protections, and internal policies (e.g., Article 370, CAA, farm laws), which India perceives as interference in domestic affairs.

4. Perceptual and Cultural Gaps – European media often lacks nuanced understanding of India's social and political landscape, reinforcing stereotypes that hinder people-to-people connectivity and mutual appreciation.

Way Forward – Strengthening the Partnership

1. Fast-Track Trade and Investment Deals – Conclude the long-pending FTA and Investment Protection Agreement to unlock trade, jobs, and technology flows.

2. Deepen Strategic and Defence Cooperation – Move from a buyer-seller relationship to joint research, design, and manufacturing of advanced defence systems.

3. Expand Mobility and Education Links – Finalize a mobility and migration agreement to facilitate exchange of skilled professionals, students, and researchers.

4. Build Resilient Supply Chains – Promote trusted supply chains in critical minerals, pharmaceuticals, and semiconductors to reduce dependence on China. Utilize the IMEC corridor for infrastructure connectivity and sustainable logistics.

5. Enhance Cultural and People-to-People Ties – Encourage academic collaboration, tourism, cultural festivals, and media partnerships to foster mutual awareness and shared values.

Conclusion – Towards a Multipolar Partnership

The rise of Western pluralism and Europe's drive for strategic autonomy offer new opportunities for India to diversify its global partnerships. As Europe recalibrates its global role amid U.S. retrenchment and geopolitical flux, India's balanced diplomacy and growing economic strength make it an essential partner in shaping a stable, multipolar, and equitable world order. The challenge lies in aligning economic pragmatism with political trust, ensuring that India-EU cooperation evolves as a pillar of the 21st-century global balance.

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