

## PART-D

### 1 CHAPTER

## *India and Europe Policy—Key Drivers of the Relations*

*After reading the chapter, the reader will be able to develop an analytical understanding on the following:*

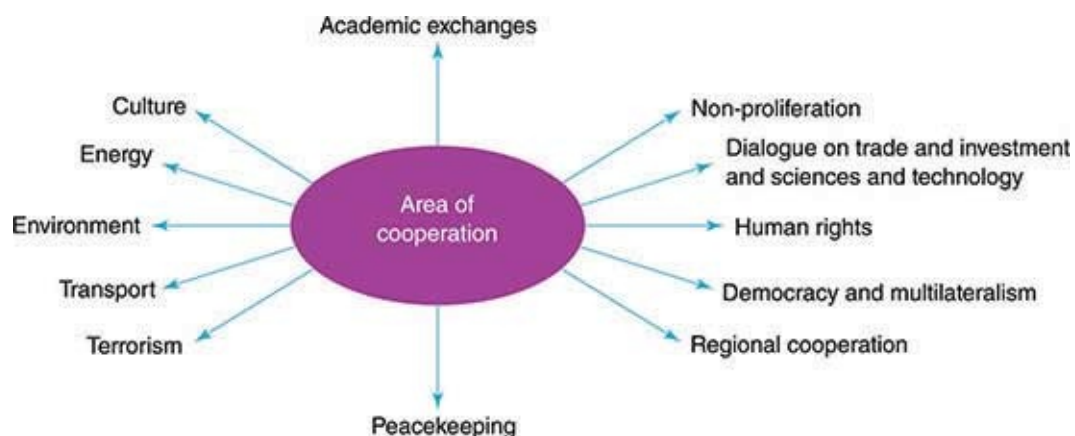
- Historical background and areas of cooperation.
- India's Outreach to Europe Programme and India–Europe FTA issue.

### **BASIC BACKGROUND**

The relations between India and European Union (EU) have been historically cordial, with diplomatic relations going back to 1962. The relationship has evolved only in the period after the Cold War ended. In 1996, the EU and India signed an Enhanced Partnership Agreement, leading to the first summit in 2000 in Lisbon. India is one of the few select countries in the world with which EU has regular summit level meetings. The 2004 summit in Hague was important because it was there that India and the EU decided to elevate the relations to the level of Strategic Partnership, and in 2005 agreed to a Joint Action Plan (JAP). The JAP has laid down the foundation of India–EU Strategic Partnership Agreement. India and the EU have evolved a common platform of interaction, which is, however, not stable when it comes to global forums. For example, both India and the EU have adopted different parameters based on their respective national interests while interacting at the level of climate change, WTO, and so on. Despite these differences, the relationship, otherwise, stands in good stead. This is also because at the bilateral level with France, Germany and the UK, India has strategic partnerships which have added depth to the overall relations with the region.

### **AREAS OF COOPERATION**

The areas of cooperation Indian and the EU have been outlined in the strategic Partnership Agreement and the Joint Action Plan. From the Indian side, there has been an aggressive push for cooperation with EU in areas of technology. The diagram below outlines the broad contours.



## India-Europe Free Trade Agreement Issue

The most major area of cooperation remain economic. India mostly exports textiles and imports machinery. Since the time India has adopted an open economy, the relations at the economic level have strengthened. There has been significant Indian FDI to Europe as well. However, the European economic crises in the recent times have led to a slowdown between the two at the level of trade. Since 2007, India and the EU have been negotiating a Bilateral Trade and Investment Agreement (BTIA) or the FTA. However, the BTIA/FTA negotiations have not yet delivered the results as of now. Even up till 2017-18, the BTIA has been stuck on a number of issues and no final agreement has been reached. The tables below give us a better picture of issues confronting the BTIA.

Serial Number	What does EU want in BTIA/ FTA	What is India's position?	Present status (2017-18)
(1)	Reduced tariffs in automobiles, wines and spirits	Reluctant on tariff reduction specially in automobiles	Automobiles sector is under negotiation.
(2)	Higher market access in banking, retail, telecommunications and accounting services	Reluctant to grant market access in banking and retail	Banking and retail are being negotiated.
(3)	Modifications in IPR in Pharmacy	Totally opposed to grant only concession	Deadlock prevails

Serial Number	What does India want from EU in BTIA/ FTA?	What is EU's position?	Present status (2017-18)
(1)	Market Access for fruits, vegetables and fish	Reluctant to all the three to protect the domestic business	Under negotiation
(2)	Freedom of movement of skilled professionals in European service sector	Reluctance on opening up to skilled Indian immigration	Under negotiation

Another core area of cooperation is Science and Technology (S&T). The origin goes

back to 1958, when Germany assisted India with the development of IIT Madras. India is also a participant in International Thermonuclear Experimental Reactor (ITER) project (to be discussed in the subsequent chapters). Under the Joint Action Plan, a Centre for European Studies has also been opened in India. India has also opened Institutions for contemporary Indian Studies in Europe. The level of academic collaboration is also high due to the EU support to India under an initiative for the development and integration of Indian and European research since 2009. The most robust science-based partnership India has is with Germany. A lot of German institutions have academic cooperation with Indian institutions, with Germany also offering vocational training to Indians.

and

India and the EU also have a development partnership where many of the EU nations have been providing aid to India to assist in developmental initiatives. Germany, for instance, has been giving developmental aid to India for energy efficiency and renewable energy while UK, post-2015, has focussed more in technological collaboration. More so, at a macro level, the EU supports India to help it achieve the millennium development goals and at a sectoral level, advances support in health and education sectors.

Terrorism and security are two areas again where India and the EU have tremendous convergence. Both sides want that terrorism, at the international level, be tackled within the larger framework of the UN. India has been a victim of terrorism for a while, and the resurgence of the ISIS in the recent times has led to Europe becoming its latest victim. In 2016 itself, attacks in Paris, Nice, Brussels, and London have made Europe extremely vulnerable to attacks. The European security strategy document clearly outlines the threat India and the EU face at both global and regional levels. At the bilateral level too, India's defence relations with France, the UK, and Germany have improved while Russia remains the top most players for arms supply. Both India and the EU undertakes use of multiple instruments to promote democracy and human rights, ranging from conditionalities in the Official Development Assistance (ODA) to election observer missions, both of which India refrain to use at the international level.

Similarly, at the level of global governance and multilateralism, both India and EU do have convergence in acceptance of an idea of a multipolar world, but have different approaches to engagement with other states. While India emphasises national sovereignty, EU on the other hand is in favour of a rule based multilateralism model. India does not interfere in internal affairs of other hand is in favour of a rule based multilateralism model. India does not interfere in internal affairs of other nations but EU advocates rules based interference if needed.

## **India's Outreach to Europe Programme**

The Modi government has initiated a new outreach to Europe programme in 2016. The Prime Minister visited Germany Spain, Russia and France. India has decided to present itself as an attractive partner to Europe. This will allow India to counter China which is trying to reach out Europe through its Belt and Road Initiative. India is trying to position itself as a balancer in Europe. As Trump has reduced the relevance of NATO in Europe by insisting that EU should also contribute to evolve its own security; the Europeans are looking at partners to re-write their destiny. As EU witnesses a new reordering of power

structure, it prevents an opportunity to India. Though China is trying to deepen its engagement with EU due to its economic heft, but, EU may not be comfortable in embracing China due to authoritarian values. At the ideological level, India is well positioned as a defender of liberal values and a counter narrative to China. In this age of uncertainty, India is constructing relations with the Middle Powers in the East and West. The world has changed in the last three centuries. The Anglo-Americans are looking at their navel while the Hans and the Slavs are constructing a new Eurasian coalition. It is time for India to look beyond Anglo-Americans and the Slavs and embrace Eurasian alliances.



## **Indian Prime Ministers Visit to Spain and Portugal-2017**

Indian PM visited Spain and Portugal in 2017. The visit was a part of India's Outreach to Europe programme. Indian PM visited Spain after a gap of nearly 30 years as the last Indian state visit happened in 1988. The main intention of the visit was to encourage the Spanish businesses to invest in flagship programmes in India. Spain is India's seventh largest trading partner in the European Union. The two sides decided to strengthen the bilateral cooperation in security and defense related matters. The two decided to use India-Spain Business Summit as a forum to enhance bilateral economic cooperation. The two sides signed the following MoU's:-

1. MOU on Technical Cooperation in Civil Aviation
2. MOU on Cooperation in organ transplantation between India's Directorate General of Health Services and the National Transplant Organization of Spain
3. MOU on Cooperation in Cyber Security
4. MOU on Cooperation in Renewable Energy
5. Agreement for Transfer of Sentenced Persons
6. MOU between Foreign Service Institute and Diplomatic Academy of Spain
7. Agreement on visa waiver for holders of diplomatic passports

The PM also visited Portugal. Till now no India PM had ever visited Portugal. India and Portugal bilateral trade has increased in the recent times. The two sides discussed the possibility of establishing India-Portugal International Start-Up hub. The two states are deepening their cooperation in science and technology and marine science and oceanography are emerging as promising areas. The two sides signed MoU's in Space cooperation, Fiscal evasion, Nano technology, Public administration and governance reforms, culture, sports, higher education and biotechnology.