

# European Union-India Relations under pressure from Russia's invasion of Ukraine

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**In 2022, India celebrates the 75th Anniversary of its Independence and 60 years since the establishment of diplomatic relations between India and the then European Economic Community (EEC), now the European Union (EU). These celebrations take place in a context of significant strengthening of the bilateral relationship, since over the last few years both parties have affirmed their commitment to give their relationship a more strategic focus. This new impetus largely reflects a transformed geopolitical landscape, including the growing importance of the Asia/Indo-Pacific region for the EU and, in particular, the “China factor” that poses a systemic challenge to both the EU and India. Even so, the economic dimension remains below its potential and the “like mindedness” proclaimed by both parties is more fragile than officially recognized. On the other hand, the invasion of Ukraine by Russia constitutes an important test for the new strategic relationship between Brussels and New Delhi, but it could also be an opportunity for the EU to be seen as a relevant geopolitical actor by India.**

## AN INCREASINGLY STRATEGIC RELATIONSHIP

For a long time, India's relations with Europe were based more on relationships with individual Member States than with the EU as a whole. And the UK was traditionally India's main European partner for historical and socio-economic reasons. The EU-India trade more than tripled between 2000 and 2016, but the UK has failed to capture much of that increase. After the Brexit referendum in June 2016, India was keen, fairly quickly, to strengthen its strategic ties with Germany and France, its two new key partners in the EU. Even before Brexit, Germany had become India's largest economic partner, having also strengthened bilateral ties in other areas such as new technologies. France was already a partner of India in the areas of security and defence, as evidenced by arms sales, coordination in the Indian Ocean and cooperation in civil nuclear energy. And during his visit to India in March 2018, President Emmanuel Macron stressed that he intended to make France India's primary strategic partner in Europe. Actually, the impact of Brexit on the EU-India relationship has therefore been limited.<sup>1</sup> And the fact is that Indo-European relations have intensified over the last five years.

The October 2017 EU-India Summit confirmed the interest of both parties to deepen their strategic relationship, including a declaration on cooperation in the fight against terrorism and the importance of regular high-level contacts to enhance mutual understanding. In this context, the joint manoeuvres and exercises between European and Indian naval forces in the Indian Ocean and on the coast of Somalia were considered an example of cooperation to be developed. This dynamic was reinforced in November 2018 by the Joint Communication putting forward an EU strategy towards India with a ten-to-fifteen-year perspective on cooperation, in particular the joint EU-India proposal to develop a shared approach to global challenges, security threats and regional issues. The COVID-19 pandemic has reinforced the mutual interest between the EU and India, not only in the field of health, pharmaceutical cooperation and medical research, but also seeking to diversify production and supply chains originating in China.

A new and decisive boost in the bilateral relationship took place at the 15th EU-India Summit on 15 July 2020, when the “India–EU Partnership: A Roadmap to 2025” was adopt-



**The invasion of Ukraine by Russia constitutes an important test for the new strategic relationship between Brussels and New Delhi. Pictured are Russian armored vehicles in Ukraine (photo: Flickr / manhhai / CC BY 2.0)**

ed, highlighting cooperation in five critical domains: Foreign Policy and Security Cooperation; Trade and Economy; Sustainable Modernization Partnership; Global Governance; and People-to-People Relations. Soon after, the bilateral High-level Dialogue on Trade and Investment (HLDTI) was re-established. In January 2021, India and the EU inaugurated a bilateral Maritime Security Dialogue where both discuss cooperation in maritime domain awareness, capacity-building cooperation, and joint naval activities. In the following month, an India-EU High Level Dialogue was also launched to provide more comprehensive political direction to the economic dialogue. And at the 16th EU-India Summit in May 2021, the parties decided to resume negotiations on an EU India free trade agreement (FTA) and to launch separate negotiations on an investment protection agreement and another agreement on geographical indications. Additionally, Brussels and New Delhi agreed to set up a dialogue on WTO issues as well as joint working groups on regulatory cooperation and resilient supply chains.

### **ECONOMIC TIES STILL LARGELY “POTENTIAL” AND AN ELUSIVE “LIKE MINDEDNESS”**

Indo-EU trade had indeed increased from 67.7 billion EUR in 2011 to 88.0 billion EUR in 2021,<sup>2</sup> and the issues of mutual exports, supply chains and investments are also central to the EU and India's post-pandemic economic recovery. Connectivity is another major pillar of engagement between the two, since physical connectivity, human connectivity and digital connectivity are mentioned as the newer areas of cooperation. The India-EU Roadmap also specifically highlights the need to build cooperation on data protection and regulation, as well as on green investment and green infrastructure building.

However, bilateral economic relations remain below the existing “potential” and also very far from those of the EU-China. While the EU has become one of top 3 India's trade partners, with a 10.1% share in total Indian trade in 2021 (close to the US's 11.6% and China's 11.4%), India only represents 2.1% of EU trade and is ranked only 10th, trailing well behind



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China (16.2%) and the USA (14.7%).<sup>3</sup> Similarly, European foreign direct investment in India more than doubled between 2011-2021 (to almost 80 billion EUR), which is significant but way below EU foreign investment stocks in China (around 200 billion EUR).<sup>4</sup> Clearly, the EU-India trade and investment potential is so far unfulfilled. At the same time, despite the unprecedented political will of the EU and India and the resumption of trade negotiations decided at the 2021 bilateral summit, the differences that had led to the suspension of these negotiations in 2013.

On the other hand, European and Indian rulers officially proclaim that the EU and India are like-minded partners on global issues such as environmental challenges. Climate change represents a top priority for the EU, which has been at the forefront of global efforts. India has increasingly been taking a constructive role. New Delhi increasingly perceives that many European programmes and initiatives in the field of energy transition and climate change responses are tailored to India's needs and goals, for example, in the areas of clean technologies or European support for India's solar park programme. Therefore, climate seems to be a promising area for deepening EU-India bilateral ties. However, many are sceptical about India's environmental commitment. New Delhi rejected the G7 objective on net-zero emissions by

2050 in a July 2021 G20 meeting. These doubts were only furthered following COP26, where the centrality of coal and unwillingness to take further environmental action at the expense of the Indian economy were highlighted.

The reference to the EU-India like-mindedness is highlighted regarding Democracy, since the rulers of both sides officially proclaim that they are the two largest democracies in the world. However, many European politicians and observers criticize the quality of Indian "caste democracy", national-populism and ethnic democracy of the Modi PM Government, the plea of religious minorities, the condition of Kashmiris, freedom of expression and the media, Human Rights issues and the situation of NGOs in India. These issues are sensitive and both EU and Member State leaders and Indian government minimize these problems by arguing that the EU and India have agreed to summarize the Bilateral Human Rights Dialogue, suspended in 2013. However, tangible progress from this dialogue is not expected, and even European governments and EU institutions may come under pressure to be tougher on New Delhi on human rights in India.<sup>5</sup>

#### GEOPOLITICS AND "CHINA FACTOR"

The main motivations for the intensification of EU-India relations are geopolitical in nature. Some observers even argue

that the EU and India got closer to each other because «they both alike are under threat of becoming losers» in the transformational process underway in the international system<sup>6</sup>, namely in the face of the resurgence of China.

EU interest in India grew in line with European interest in Asia/Indo-Pacific, a region that has become central to 21st century world geopolitics in a context of intensified Sino-American competition. After the Strategies of France (since 2018) and the Guidelines of the Netherlands and Germany (in 2020) for the “Indo-Pacific”, the Council of the EU adopted, on 19 April 2021, Conclusions on an EU Strategy for Cooperation in the Indo-Pacific, followed by the “Joint Communication” by the Commission and the EU High Representative for Foreign Affairs and Security Policy on this Strategy on 16 September 2021. Although this Strategy is unfocused and ambiguous when it should be an instrument of clear strategic guidance and credibility for the purposes and action of the Union, the EU's interests and a Strategy for the region are essential not only to avoid the risk of “peripheralization” but also to strengthen the role of Europe in that area in the long term. The novelty is that it is not just France, but the EU as a whole that are now expressing the ambition to play a more active role in the geopolitics and security of the Asia/Indo-Pacific.

It is true that there are many differences among Europeans about the geopolitical meaning of “Indo-Pacific” and the priorities and role of the EU in this region, and that these differences include the type of relationship with China.<sup>7</sup> Despite these differences, it has become relatively consensual among Member States that EU policies, strategies and relations in Asia/Indo-Pacific should diversify away from China and that India is a key partner in balancing China.

For India, the Asia/Indo-Pacific region has been of course at the heart of its core economic and geostrategic interests, the EU being a welcomed partner for India's balanced and

multidirectional approach, particularly between democracies (along in particular with the USA, Japan and Australia, India's Quad partners) and the autocracies China and Russia. The resurgent China has become a central concern for India, not only because of China's alliance with Pakistan and India-China territorial and border disputes, but also because of Beijing's growing influence in South, Southeast and West Asia and the Chinese “siege” through the Belt and Road Initiative projects (from Pakistan to Sri Lanka and Nepal) and its growing presence in the Himalayas and the Indian Ocean. India's fears vis-à-vis China worsened with the military clash in the Galwan Valley-Himalayan border in June 2020 that left 20 Indian troops dead. And it was also apprehension about China's economic weight that led New Delhi not to become part of the China-led RCEP (Regional Comprehensive Economic Partnership) signed in November 2020 by fifteen Asia-Pacific countries.

Indo-European interests converge so that the Asia/Indo-Pacific remains a free, open and inclusive region as well as an area of fair competition. And both the EU and India are interested in elevating their strategic partnership to find solutions for impending geopolitical and security challenges. In particular, both sides want to balance China's weight in Asia/Indo-Pacific, in Europe and beyond.

#### **RUSSIA'S INVASION OF UKRAINE, A TEST FOR THE EU-INDIA STRATEGIC PARTNERSHIP...**

Russia's invasion of Ukraine on 24 February 2022 triggered an unprecedented EU reaction in condemning Putin's Russia and supporting Kiev, with the MSs showing surprising cohesion. In fact, along with the USA, NATO and the UK, the EU is one of the most vehement voices in its criticism of Russia, on which successive packages of sanctions have been imposed, while supporting Ukraine politically and economically and, more significantly, militarily through the delivery of weapons and equipment.



European and Indian rulers officially proclaim that the EU and India are like-minded partners on global issues such as environmental challenges. The reference to the EU-India like-mindedness is also highlighted regarding Democracy, since the rulers of both sides officially proclaim that they are the two largest democracies in the world (photo: max. ku / Shutterstock.com)



Indian leaders often speak of Russia as India's most trusted friend and partner, crucial in its border conflicts with both Pakistan and China. Although far from the economic size of the EU, Russia is an important (economic) partner of India. Pictured are Russian President Putin and India's President Modi during the latter's visit to Saint Petersburg in May 2021 (photo: YashSD / Shutterstock.com)

On the contrary, New Delhi resists condemning the invasion (a term it does not even use officially) and criticizing Moscow, despite European and American pressure and of proclaiming the principles of “non-interference in internal affairs” and “peaceful coexistence” in international politics. And even reaffirming at the UN the “commitment to the principles of the UN Charter, to international law and respect for sovereignty and territorial integrity of all states”, India has abstained from successive votes involving Russian aggression against Ukraine or in the Security Council (where it is a non-permanent member) or in the United Nations General Assembly, including: on 2 March 2022, India was one of 35 countries that abstained when the UN General Assembly adopted a resolution condemning Russia's invasion of Ukraine and calling on Russia to immediately withdraw its troops from the Ukrainian territory (141 in 193 countries voted in favour, 5 voted against); on 7 April 2022, India again abstained when the UN GA passed the motion to suspend Russia from the Human Rights Council (93 votes for, 24 against, and 59 ab-

stentions). And on 1 April 2022, PM Narendra Modi met with visiting Russian Foreign Minister Sergey Lavrov (who is under Western sanctions), who gave him a message on behalf of President Vladimir Putin hailing India's balanced and neutral position on Ukraine.

India's position is nothing new: for example, in 2014, when Russia annexed Crimea, India maintained neutrality at the UN. To a large extent, it fits into India's long political history of non-alignment and strategic autonomy. But it is above all a reflection of the close relations that New Delhi has maintained with Moscow since the Cold War period and of the geopolitical and security dilemmas that India currently faces.

Indian leaders often speak of Russia as India's most trusted friend and partner, crucial in its border conflicts with both Pakistan and China. Russia has always given diplomatic support to India in international institutions such as the UN, where it has repeatedly vetoed resolutions that try to condemn New Delhi for its actions in the Indian-administered

part of Kashmir. Although far from the economic size of the EU, Russia is an important (economic) partner of India. In particular, although India has started to diversify its arms supplier portfolio, Russia remains by far its main source, accounting for 46% of Indian arms imports in the period 2017-2021.<sup>8</sup> As recently as December 2021, New Delhi agreed to purchase Russian S-400 surface-to-air missile systems. The solidity of friendship and bilateral ties was underlined during the India-Russia bilateral Summit held in December 2021 when Putin travelled to India - India was the only destination for a bilateral visit by President Putin between the onset of the pandemic and the end of 2021.

On the other hand, the rapprochement between Pakistan and Russia in recent years and, above all, the Russia-China quasi-alliance are decisive factors in New Delhi's calculations. It is symptomatic, moreover, that Pakistan has also prioritized neutrality and abstention in the UNGA votes regarding the Russian invasion of Ukraine. But it is essentially the strengthening of the strategic ties between Beijing and Moscow and the public manifestation of an "unlimited" Sino-Russian friendship (as evidenced by Putin's visit to the opening of the Beijing Winter Olympics on 4 February 2022) that worries India. In this complex geostrategic chessboard, India, Pakistan and China officially proclaim the same policy of respect for Ukraine's sovereignty and that Russia's security requirements must be duly met - although China is simultaneously blaming the US and NATO for the situation and voted against the motion to suspend Russia from the Human Rights Council. Deep down, with China and Pakistan representing imminent threats to India, New Delhi doesn't want to put itself in a position that might offend Russia.

While not publicly criticizing India, European (and American) leaders and EU institutions are disappointed with India's stance. The Russian invasion of Ukraine is, therefore, a real test for the EU-India strategic relationship, and could encourage rifts and mistrust between the two parties, especially if the war continues and/or escalates and if Russian atrocities in Ukraine intensify.

### ... AND ALSO AN OPPORTUNITY?

India has generally considered the EU to be more of an economic partner than a geopolitical actor. However, Russia's war against Ukraine has led the EU to a tremendous change in the European mentality on the use of its instruments of power, the strengthening of liaising with the United States and NATO and a profound reassessment of its relations with Russia, which could also lead to a deterioration of China's image in Europe due to its support for Russia. This renewed EU vision and ambition is already expressed in the EU's "Strategic Compass for Security and Defense" approved in March 2022. And a geopolitical EU that protects its own security interests may appear to India as a more complete part-

ner and a more active contributor to the security architecture in Asia/Indo-Pacific as well. Therefore, some observers consider that << *rather than pressure India to pick a side, the EU should show India that it is a serious geopolitical partner* >>.<sup>8</sup> Of course, the EU cannot satisfy all of India's geopolitical and geostrategic needs, but it can make an active contribution to India's process of diversification and strategic autonomy. EU Member States have limited military capabilities and, with the exception of France, are unable to deploy relevant forces to the Indian Ocean. However, the announced increases in European defence budgets will make it possible to have and do more in the future. On the other hand, in the last 20 years, the current 27 EU MSs are responsible for about a quarter of total global arms exports, with four of them among the 10 largest arms exporters: France (3rd and with India being its biggest customer), Germany (4<sup>th</sup>), Italy (6<sup>th</sup>) and Spain (9<sup>th</sup>).<sup>9</sup> Therefore, the EU should adopt a strategic approach to its trade policies, particularly relevant to arms exports that the Union can promote to attract and strengthen ties with partners such as India.

As the Russian invasion of Ukraine has demonstrated to the EU, a foreign policy based solely on economics is insufficient in a world increasingly shaped by geopolitics and security interests. On the other hand, the EU has again noticed its enhanced capacity when it is able to speak with one voice. Now, as is often the case in crisis and conflict situations, there are not only risks, there are also opportunities - for the EU to assert itself as a geopolitical actor and for the EU and India to recalibrate their strategic relationship.

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