



BUILDING THE FUTURE OF EU- INDIA STRATEGIC PARTNERSHIP BETWEEN TRADE, TECHNOLOGY, SECURITY AND **CHINA**

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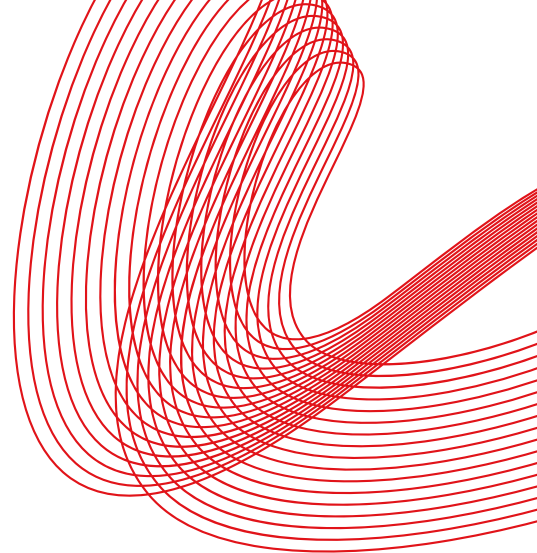
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I would like to thank Ms. Ada Dyndo for the dedication and openness with which she has approached this publication. By bringing in scholars from Europe to contribute to the Issue, Ada has been constant in her efforts to ensure a quality output. Her leadership of WICCI has paved the way for female leadership to be invited to rooms they rightly deserve to be in; we hope this Issue will only add to her long-term goal of ensuring feminist dialogue gets its due diligence in otherwise sexist sectors.

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Best,



Eerishika Pankaj

Editor

ABBREVIATIONS

3GPP - Third Generation Partnership Programme
5G IA - 5G Infrastructure Association
ACP- African, Caribbean and Pacific group of states
AI - Artificial Intelligence
AIA - Amsterdam Innovation Arena
AR - Augmented Reality
ARF - ASEAN Regional Forum
ASEAN - Association of Southeast Asian Nations
AUKUS - Australia United Kingdom United States
B3W - Build Back Better World
BDN - Blue Dot Network
BIMSTEC- Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BRI - Belt and Road Initiative
BTIA - Broad-based Trade and Investment Agreement
CAI - Comprehensive Agreement on Investment
CAMM - Common Agenda on Migration and Mobility
CBAM - Carbon Border Adjustment Mechanism
CCP - Chinese Communist Party
CDRI - Coalition for Disaster Resilient Infrastructure
CECA - Comprehensive Economic Cooperation Agreement
CECP - Clean Energy and Climate Partnership
CITSA - China-India Trade in Services Agreement
CMP - Coordinated Maritime Presence
COP26 - Conference of the Parties 26
COP27 - Conference of the Parties 27
CRIMARIO - Critical Maritime Routes in the Indo-Pacific
DEVCO - Directorate General International Cooperation and Development
DG-INTPA - Directorate General for International Partnerships
DPA - Development Partnership Administration
DPIIT - Department for Promotion of Industry and Internal Trade
EBRD - European Bank for Reconstruction and Development
EBTC - European Business and Technology Centre
EDA - European Defence Agency
EDF - European Defence Fund
EFSD - European Fund for Sustainable Development Plus
EIB - European Investment Bank

EIIP - Europe-India Innovation Partnership
EPQI - Expanded Partnership for Quality Infrastructure
ESIWA - Enhancing Security Cooperation in and with Asia
ETSI - European Telecommunications Standards Institute
EU- European Union
EUGS - European Union Global Strategy
EUIPS – EU Indo-Pacific Strategy
EUMSS - EU Maritime Security Strategy
FARM - Food and Agriculture Resilience Mission
FDI - Foreign Direct Investment
FON - Freedom of Navigation
FTA - Free Trade Agreement
FTP - Foreign trade policy
FY - Fiscal Year
G20 - Group of Twenty
G7 - Group of Seven
GAMM - Global Approach to Migration and Mobility
GCC - Gulf Cooperation Council
GCED - Global Citizenship Education
GDI - Global Development Initiative
GDP - Gross Domestic Product
GDPR - General Data Protection Regulation
GI - Geographical Indication
GINSEP - German Indian Startup Exchange Program
GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit
GPAI - Global Partnership on Artificial Intelligence
GPG - Global Public Goods
H2020 - Horizon 2020
I4F - Israel-India Industrial R&D and Technological Innovation Fund
ICRIER - Indian Council for Research on International Economic Relations
ICT - Information and Communications Technology
ID - Innovation Diplomacy
IIIT - International Institute of Information Technology
IIM - Indian Institute of Management
IIT - Indian Institute of Technology
INSTC - International North-South Transport Corridor
IORA - Indian Ocean Rim Association
IoT - Internet of Things IP - Indo-Pacific
IP - Internet Protocol
IP - Intellectual Property
IPOI - Indo-Pacific Oceans Initiative

IPR - Intellectual Property Rights
ISA - International Solar Alliance
IT - Information Technology
ITEC - Indian Technical and Economic Cooperation
IUU - Illegal, Unreported and Unregulated
JAP - Joint Action Plan
KPIs - Key Performance Indicators
LNG - Liquefied Natural Gas
LOC - Line of Credit
MEA - Ministry of External Affairs India
MeitY - Ministry of Electronics and Information Technology, Government of India
MNC - Multi National Corporations
MoU - Memorandum of Understanding
MS - Member States
MSME - Micro, Small & Medium Enterprises
NAAC - National Assessment and Accreditation Council
NAFTA - North American Free Trade Agreement
NAM - Non-Aligned Movement
NATO - North Atlantic Treaty Organisation
NEP - National Education Policy
NIRF - National Institutional Ranking Framework
NRF - National Research Fund
NRI - Non-Resident Indians
ODA - Official Development Assistance
ODL - Open Distance Learning
OECD - Organisation for Economic Co-operation and Development
OECD-DAC - Organisation for Economic Cooperation and Development's Development Assistance Committee
PESCO - Permanent Structured Cooperation
PGII - Partnership for Global Infrastructure and Investment
PIF - Pacific Island Forum
PIO - Public Initial Offering
PM - Prime Minister
PoC - Proof of Concept
PPP - Public Private Partnership
PPP - Purchasing Power Parity
R&D - Research and Development
RAMP - Rising and Accelerating MSME Performance
RCEP -Regional Comprehensive Economic Partnership
RIS - Research and Information System for Developing Countries
SAGAR - Security and Growth for All in the Region

SCO - Shanghai Cooperation Organisation
SCRI - Supply Chain Resilience Initiative
SCS - South China Sea
SDGs - Sustainable Development Goals
SEZ - Special Economic Zone
SIDS - Small Island Developing States
SLOCs - Sea Lanes of Communication
SMEs - Small and Medium-sized Enterprises
SPS - Sanitary and Phytosanitary Measures
SSC - South-South Cooperation
TBT - Technical Barriers to Trade
THE - Times Higher Education
TSDSI - Telecommunications Standards Development Society, India
TTC - Trade and Technology Council
UGC - University Grants Commission
UK - United Kingdom
ULIP - Unified Logistics Interface Platform
UN - United Nations
UNCLOS - United Nations Convention on the Law of the Sea
UNOP - United Nations Office for Project Services
UPI - Unified Payments Interface
US - United States
USA - United States of America
USD - United States Dollar
USSR - Union of Soviet Socialist Republics
WEF- World Economic Forum
WTO - World Trade Organisation

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INTRODUCTION

INDIA-EU BUSINESS RELATIONS FROM THE PERSPECTIVE OF GENDER EQUALITY

ADA DYNDO

At the international level, gender equality considerations are being recognised in bilateral and multilateral trade discussions and agreements. Both the European Union (EU) and India share a commitment to enhance the empowerment of women. The Czech Presidency of the Council of the European Union of 2022 has put gender equality at the focus of their plans to rethink, rebuild and repower Europe. In India, Part III of the Constitution guarantees the fundamental rights of men and women, and the government has introduced various Women Empowerment Schemes.

There is no doubt that women's economic empowerment boosts productivity; provides a unique perspective; increases economic diversification and income equality; and supports resilient and sustainable development outcomes. Data shows that enterprises with women in at least half of leadership positions have higher sales growth, are more profitable and get higher return on assets. Creating equal opportunities for men and women to collaborate on decisions also leads to diminished risk-taking, improved employee turnover rates and a balanced approach. The 2020 joint World Bank and WTO [report](#) "Women and Trade: The Role of Trade in Promoting Women's Equality" highlights that women have unique opportunities to benefit from new trends in global trade, specifically the rise in services, global value chains, and the digital economy.

Gender Equality and Trade Agreements

In recent years, more countries have included gender issues in their trade agreements. Gender equality and the avoidance of discrimination based on gender has been one of the priorities pursued by the EU during trade negotiations in the past. More recently, the EU has sought to mainstream gender considerations throughout its Free Trade Agreements (FTAs). Since the European Parliament resolution adopted in 2018, all EU trade agreements must include binding and enforceable provisions to ensure respect for human rights, with gender equality forming a crucial component of the same. Earlier this year, the UK and Canada were insisting on such a chapter being added to their FTA with India.

Till now, India has not included gender issues in any existing FTAs. However, this might change soon as India is open to including gender issues in FTAs to encourage more women to participate in international trade. According to experts from India, the foreign trade policy (FTP) will for the first time [include](#) a women's empowerment and gender equality component. FTP is the prime policy that lays down simple and transparent procedures which are easy to comply with and administer for

efficient management of foreign trade. The Policy aims at enhancing trade for economic growth and employment generation. The new trade policy was supposed to be unveiled at the end of September, but due to current global economic upheavals it was decided to extend the existing FTP 2015-20 for another six months.

According to the Policy Brief by Indian Council for Research on International Economic Relations (ICRIER), inclusion of gender-specific provisions in the forthcoming FTP and FTAs under negotiation would be a much-needed first step in this direction. Indian experts recommend that ‘with gender equality considerations gaining traction in bilateral and multilateral trade discussions and agreements, India should also include women entrepreneurs as important stakeholders in domestic consultations on free trade agreements and their aspirations and concerns should be reflected in the final texts through gender responsive provisions’.

EU-India Trade Agreement and Gender Provisions

India and the EU concluded the first round of negotiations on India-EU Trade and Investment Agreements in June 2022. The FTA talks initially started in 2007 but were put on hold in 2014 following differences over sensitive non-trade related issues such as labour standards. India has been wary of linking non-trade issues such as human rights, labour standards, gender, and environment with trade. However, in the context of the COVID-19 pandemic and growing necessity of sustainability and inclusiveness, this approach has changed. Piyush Goyal, Indian Minister of Commerce and Industry said that there was a time when India was ‘super sensitive’ on issues like gender and sustainability, but in the last few years, the country has demonstrated to the world ‘very deep commitment on these subjects’.

Indian experts underline that adopting a gender-sensitive approach to the developing more gender-sensitive and inclusive foreign policy can help bring more women to the mainstream and thus be beneficial for India. ICRIER expert Nisha Taneja says, ‘it is time for a concerted focus on enhancing the participation of women in international trade, similar to the effort being made for the scaling up and internationalization of MSMEs’.

There are several provisions that can be included in an FTA. For example, the agreement can:

- Highlight the importance of including a gender perspective into economic and trade issues;
- Confirm commitment to international agreements on gender equality and women’s rights (including the Convention on the Elimination of All Forms of Discrimination against Women);
- Provide a framework to undertake cooperation on issues related to gender and trade that aim at improving the conditions for women, including workers, businesswomen and entrepreneurs;
- Establish a dedicated trade and gender committee and other institutional provisions.

Gender-related elements can also be found in other sections of a trade agreement. These can include, for example, a labour chapter with comprehensive commitments related to gender; cross-border trade

in services provisions that prohibit gender-based discrimination related, for example, to licensing and professional qualification requirements; or government procurement provisions that allow procuring entities to consider opportunities for small and minority-owned businesses or under-represented groups, including women, when procuring goods or services. When it comes to the investment and business-related provisions, gender-responsive provisions parties can be obliged to require the nomination of women for the senior management or board of directors of an enterprise or can encourage enterprises operating within their territory (subject to their jurisdiction) to adhere to an illustrative list of corporate social responsibility practices, including gender equality. In addition to that, the preamble of an agreement can include gender-sensitive language that seeks to advance gender equality.

A dedicated gender chapter in the FTA is only one of many ways seeking to promote access for women to trade, and to advance gender-related objectives. Both the EU and India can also consider setting up a Gender and Trade Advisory Group or a Working Group within the EU-India Trade and Technology Council dedicated to this issue. This initiative could provide a forum for government officials to hear from trade and gender experts, academics, and leading organisations on women in business on their challenges, concerns and successes. It would also serve as a platform to receive feedback on gender provisions from women entrepreneurs as important stakeholders in consultations.

Conclusion

The EU, with its 27 Member States, is India's second largest trading partner and a leading foreign investor, as well as its main source of technology transfer. Approximately 6000 European companies are active on the Indian market. Connectivity is one of the major pillars of engagement between both regions. The India-EU Roadmap also specifically highlights the need to build cooperation on data protection and technology regulation. Additionally, increased collaborative efforts on R&I can play an important role in addressing societal challenges such as climate change, clean energy or connectivity and achieve the SDGs, including gender equality.

In economic terms, a well-negotiated FTA will boost trade and investment flows between the two regions. It is expected that the India-EU FTA will double bilateral trade between the two partners from the existing 110 billion dollars. A key EU objective in its trade relations with India is to work towards a sound, transparent, open, non-discriminatory, and predictable regulatory and business environment for European companies trading with or investing in India. This includes the protection of their investments and intellectual property. From India's perspective, it will boost its flagship "Make in India" programme and help realise its ambition to establish India as a regional leader and global manufacturing hub. Gender equality might be a significant step towards shaping India-EU business ties.

At the same time, a societal change is imperative where we collectively support women in business. Female leaders and entrepreneurs need to be supported, both professionally and personally. As role

models and an inspiration for future businesswomen, researchers or policy makers, it is important to give them a voice, platform, and outreach. This will also help in a growing community of women to network, collaborate and innovate.

Keeping this urgent requirement in mind, WICCI's India-EU Business Council and ORCA has come up with the Special Issue covering chapters written by women experts and researchers both from Europe and India. By sharing their expertise, both organisations generates awareness of their important contribution in the India-EU business, technology cooperation and research, while more broadly bringing attention to the importance of implementing gender equality and inclusion in the India-EU debates and ongoing FTA negotiations.

The proposed Special Issue is important to a broad audience of different specialties. The structure and content of this publication is developed around the theme of EU-India Strategic Partnership, trade, technology, security, and relations with China. The issue begins with the focus on geopolitics through the lenses of the EU's engagement with the Indo-Pacific. Part one "Assessing Geopolitical Convergences" starts with the article by M. Duggal that provides a general overview of EU's Indo-Pacific strategy. The second article, written by ORF researcher Dr S. Prabhu analyses development cooperation between India and the EU as a geopolitical tool. Following that, A. Bhada points out the effect of Russian aggression on Ukraine on Europe-India relations. Dr S. Rao from MPIDS-A step in her article step by step points out a development of EU's policy towards Asia and growing importance of Indo-Pacific region for international geopolitical and geo-economic engagements. Second part of the Issue, "Navigating Economic and Technology Paradigms", bring the attention to the specific aspects of India-EU relations. A. Jaskólska presents a critical analysis of the current India and the EU relations and ask the questions about the shape of their cooperation in the future. A. Tyagi, as well as J. Frömmter focuses in their articles on technological aspects of the cooperation including programmes supporting R&D and technological innovation initiatives. S. Duanj-Lenz on the other hand brings the attention to the importance of India and China for sustainable industries in the future. The last part, "'People-to-People' Connect of the Strategic Partnership" brings a diverse voices of experts that underlines the importance of research, student, policy makers exchanges and discussions, as well as current trends of migration between India and the EU countries (D. Balan). A. Shukla not only emphasises the importance of people-to-people contact in order to make enable the mutual relationship and business between the EU and India to grow further, but also necessity of diversity in the discussion on the future of India-EU ties. Finally, the experts from Symbiosis Centre for European Studies (N. Piplani Kapur, M. Sule, and V. Thakker) evaluates the benefit, both for India and the EU, of internationalisation of higher education, research as well as innovation.

We hope that India-EU experts, industry leaders, technology businesses, chambers of commerce, public sector institutions, and anyone interested in strengthening the Europe-India corridor will find this special issue to be an informative and useful collection of articles.

PART 1:
ASSESSING
GEOPOLITICAL
CONVERGENCES

INDIA-EU COOPERATION IN THE INDO-PACIFIC: A MIDDLE POWER CONNECT

MAHIMA DUGGAL

US-China competition has emerged as a predominant challenge for today's era, and the Indo-Pacific region the primary theatre for this great power rivalry. Heightened tensions in the region have compelled regional and extra-regional middle powers to take a more active role in shaping the regional security architecture. While democratic states like India, Japan and Australia have taken a lead here, European powers like France, Germany, the Netherlands, and the European Union (EU) as a whole have also established themselves as key partners in the Indo-Pacific. European stakes in this geographical space, both strategic and economic, make it essential for these countries to sustain and enhance their engagement with the region.

Speaking at the Raisina Dialogue in India in May 2022, President of the European Commission Ursula Von der Leyen asserted that for Brussels, a closer relationship with India was vital as both faced the threat of a 'no limits' partnership between autocratic powers Russia and China. Their shared values of democracy and the rule of law were increasingly under threat amid the authoritarian push for a new international order, which only highlighted the need for broader and deeper strategic engagement between the two partners. For India too, Europe has become a key middle power partner in spearheading more inclusive and non-confrontational geopolitics aimed at minimising the backlash of great power competition and rivalry.

This paper assesses Europe's presence in the Indo-Pacific region to argue how it has moved from a largely periphery actor to a central one. It contends that the EU's engagements in the Indo-Pacific are multi-layered, tangible and positive. Importantly, they are highly dependent on engagement with like-minded regional partners like India. Further, the paper positions Europe as a natural partner for New Delhi in the Indo-Pacific, and argues that today's changed circumstances provide both partners new opportunities to upgrade their partnership and build substantive engagement that is robust and comprehensive.

A Middle Power Connect

With China looking to cement its rise as a global great power and regional hegemon, and the US attempting to preserve its primacy in face of a China challenge, the Indo-Pacific has become the primary theatre for great power competition. Amid such geopolitical flux and changing balance of power, middle powers have increasingly found themselves playing a more prominent role. This paper perceives middle-tier powers through a combination of the definitions laid out by theorists like

Holbraad, Cox and Cooper, and considers middle powers to be actors medial positioning, are content with their place in the international (or regional) hierarchy, occupy a geographical space with distinct power disparity, and help legitimise the international governance system by acting as stewards of the hierarchical order. This definition allows for consideration of regional major powers as global middle powers – a lens through which India and European states may be identified as middle-tier powers. For the purposes of this paper, the EU as a whole is treated as a middle power, despite not being a state actor. Despite being a geographically external actor, the EU's geopolitical engagement with the Indo-Pacific further justifies its contribution to the region's power disparity and middle-tier position.

India is already engaging in middle power diplomacy in the Indo-Pacific to cope with the uncertain geopolitics and US-China contest. Some examples of this are New Delhi's engagement with forums like the Supply Chain Resilience Initiative (SCRI), trilaterals like the India-Indonesia-Australia forum and India-Australia-France axis, and its participation in the Shanghai Cooperation Organisation (SCO). It has also worked to enhance its bilaterals with regional middle powers like Japan, Australia and France. Middle power engagement is important for India and it is critical for it to project greater sway in the region, while also ensure that the order is shaped not by the repercussions of a new Cold War, but by middle powers looking to uphold international laws and norms, and sustain a rules-based order. With the US dealing with domestic political turmoil, and the real possibility of a return to the Trump era, US-China ties are poised to see continued contestation and confrontation. It has thus become vital for India to explore greater outreach to Western powers outside the US, and the EU is a natural partner in this regard. Similarly, for Europe too, the difficulties in the transatlantic relations over the past few years (under both Trump and Biden) have made engagement with middle powers vital. In this context, a strong coalition of Asian and European middle powers is poised to be an indispensable strategic tool in the region.

EU's Indo-Pacific Outlook: From Periphery to the Centre

The term 'Indo-Pacific' is not a new one in international politics. It was first referenced by a German geopolitical scholar, Karl Haushofer, in the 1920s; in the modern context, the term gained prominence in 2007 to represent the constructive and dynamic geopolitical amalgamation of the Indian Ocean and the western Pacific region. The flexible and conceptual definition of the Indo-Pacific region has opened the doors for greater engagement by distant stakeholders like European powers. It is only over the last few years however, that European countries have begun to recognise the centrality of the Indo-Pacific to their growth, and focused on solidifying their presence in the region. This has led to a shift in Brussels' earlier stance of maintaining a distance from the Indo-Pacific concept in favour of nurturing its rather lucrative economic partnership with China. The EU has gone from barely using the term to developing a full-fledged policy toward the region. Figure 1 demonstrates the key milestones for Europe's engagement with the region.

Table 1: Key EU Policy Advances in the Indo-Pacific

Year	Key Developments
2016	The EU released the EU Global Strategy (EUGS) report, which replaced its 2003 European Security Strategy. The EUGS calls for Europe to reinvigorate its foreign and security policy to focus on sustaining a rules-based global order. It marks the EU's expanding focus beyond its immediate neighborhood.
2017	For the first time, the President of the European Council participated in the ASEAN Summit.
2018	The EU finalized Free Trade Agreements (FTAs) with Singapore, Japan, and Vietnam – demonstrating its focus on engagement with Asia and the Indo-Pacific. At the same time, France initiated talks for a Paris-Delhi-Canberra trilateral and released an Indo-Pacific strategy paper – the first formal declaration of interest in the Indo-Pacific by any European power.
2019	France released an updated Indo-Pacific strategy and a defense strategy for the region. Furthermore, in March 2019, the EU officially (and for the first time) recognized China as a strategic rival (in addition to being a partner and competitor).
2020	Germany and the Netherlands released Policy Guidelines for the Indo-Pacific region in September and November 2020 respectively. France, India and Australia formally launched a trilateral grouping.
2021	In July, Italy launched an Indo-Pacific focused trilateral grouping with India and Japan. In September, Brussels released the final version of the EU Strategy for Cooperation in the Indo-Pacific. To complement this, in December, the EU launched its Global Gateway initiative, a connectivity strategy aimed at forging sustainable and trusted digital, energy and transport linkages with states across the world. This in
2022	In February, France released an updated version of its Indo-Pacific strategy. Simultaneously, Paris organized an Indo-Pacific Ministerial Cooperation Forum that brought together Foreign Ministers of 30 Indo-Pacific countries with 27 EU countries, in its capacity as President of the Council of the EU. In July, the European Parliament passed a resolution on the EU's Indo-Pacific strategy in the area of trade and investment. In August, EU Ambassador Sujiro Seam to the Pacific Island nations visited New Zealand as part of the bloc's efforts to emerge as a key economic and strategic partner (alongside its role as a development partner) in the region.

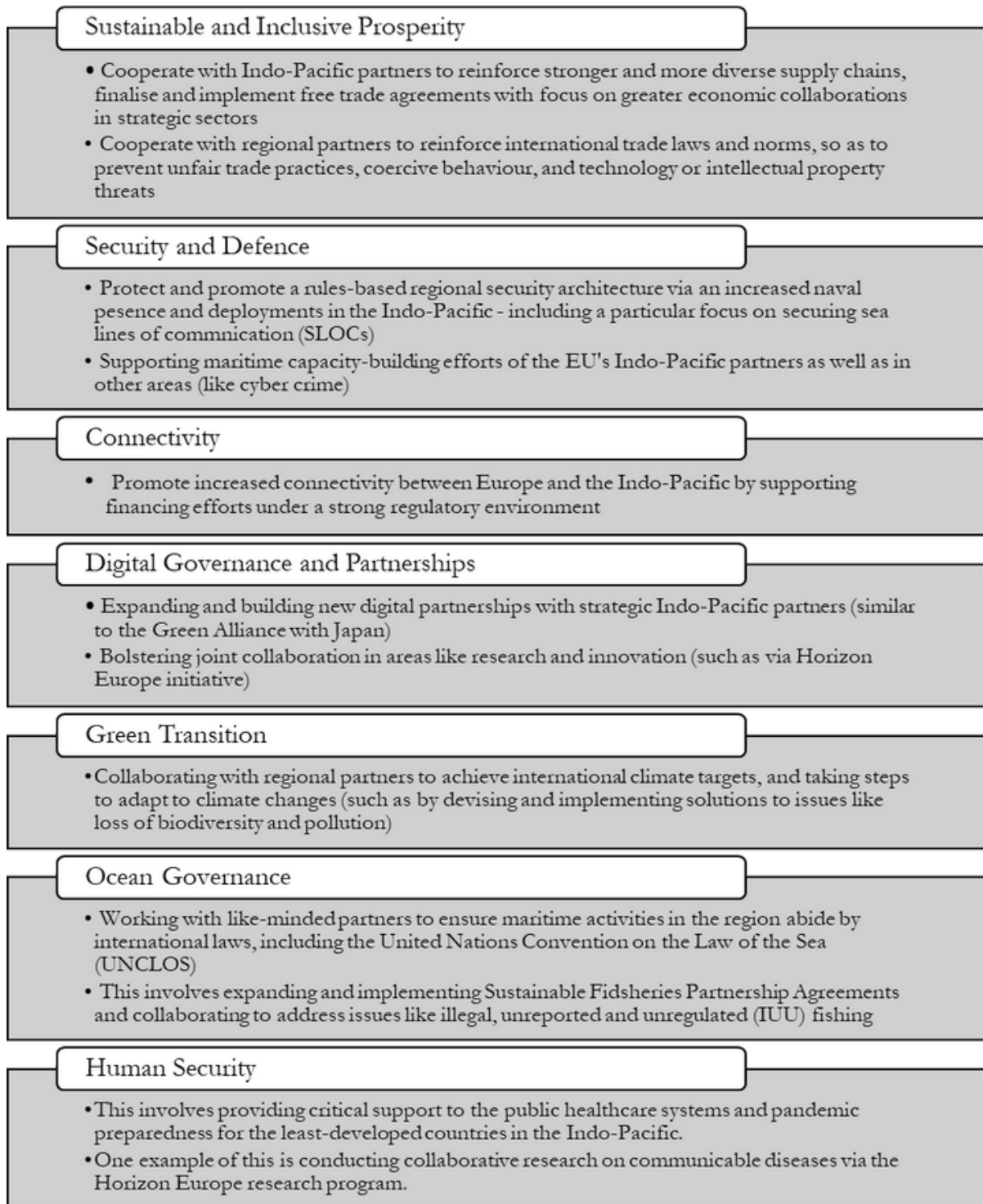
Source: Prepared by the Author; Mahima Duggal, "Europe's Interest in the Indo-Pacific and the Rise of AUKUS," in *The Great Game in the Indo-Pacific*, ed. Anil Chopra, Savinderpal Singh and Mahima Duggal (New Delhi: KW Publishers, 2021).

At the very outset, the EU's Indo-Pacific policy asserts that the futures of the two geographically distant regions are inextricably interlinked. China's rising powers, the uncertainty of American leadership, and US-China great power competition are some factors driving European interest and involvement in the region. The Indo-Pacific region is a major centre of economic activity for the world. It produces 60 percent of the world's geography, contributes to two-thirds of the global growth, and is home to three of the world's four largest economies – India, China, and Japan – outside of the EU. Furthermore, the region stands at the forefront of rapid technological developments and the new digital economy, as well as central to the global value chains and investment flows. Importantly, the EU is the top investor and assistance provider, and a major trading partner for the region. 40 percent of its total trade passes through the South China Sea (SCS). Therefore, Brussels' primary interest in the Indo-Pacific stems from its economic interconnectedness with the region. As intensifying geopolitical competition creates greater strain on the EU's trade and supply chains with the region, greater political, strategic and technological engagement with like-minded Indo-Pacific partners, in pursuit of a shared goal of maintaining a free and open region has become essential.

Accordingly, Brussels' primary objective via its Indo-Pacific strategy is to build principles and long-term engagement with the region to enhance its strategic outreach and protect its supply chains. The EU views itself as a normative leader in the context of the Indo-Pacific; its engagement would therefore involve extending this role as a defender of human rights to the region while also promoting a fair trade environment, adherence to international laws like the United Nations Convention on the Law of the Sea (UNCLOS), sustainable development goals, inclusive policy-making processes, inclusive engagement via multilateral cooperation with ASEAN-centric institutions, and greater physical and digital connectivity. These domains form the seven priority areas of EU's engagement with the region (see Figure 1).

Engagement with Asia and the Pacific regions is not out of the norm for Brussels; however, what is unique about the EU's Indo-Pacific strategy is its newfound focus on security and defence in a geographically distant region. Europe's presence in the region has always been economic and developmental focused with the security or strategic dimensions taking a backseat. Now, the geopolitical flux in the region – which has a natural and considerable impact on the economy – have made it necessary for the EU to look at the region through a security lens.

A key reason for this shift in perception is the EU's changing dynamics with China amid human rights infringements in Xinjiang, Beijing's wolf warrior diplomacy and tactics vis-à-vis European powers amid the pandemic, suspicious foreign funding in European institutions, its stance on Taiwan, and growing footprint in Eurasia. These factors have contributed to a fraught EU-China relationship and necessitated greater strategic involvement with the Indo-Pacific concept. Furthermore, in the aftermath of the Russia-Ukraine war, the Chinese threat looms greater. In October 2022, as the Chinese Communist Party (CCP) congress granted Xi Jinping a third term, the 27 EU leaders met in a three-hour-long summit focused on rethinking the bloc's China policy.

Figure 1: EU's Seven Areas of Priority Engagement in the Indo-Pacific

Source: Prepared by the Author; Mahima Duggal, "Europe's Interest in the Indo-Pacific and the Rise of AUKUS," in *The Great Game in the Indo-Pacific*, ed. Anil Chopra, Savinderpal Singh and Mahima Duggal (New Delhi: KW Publishers, 2021).

The move displayed a sense of urgency and concern over China that was unseen prior to Russia's invasion of Ukraine. China's increasing military and economic belligerence, and its no-limits partnership with Russia, have forced several European countries to draw a parallel between Moscow and Beijing and view China as an imminent menace. Former Italian Prime Minister, Mario Draghi, for example, argued that the EU must not repeat its past mistakes of being "indifferent, indulgent, superficial" with Russia in the case of China. Europe's economic linkages with China have geostrategic implications. China's hostile behaviour and assertive and self-reliant course under Xi has made it urgent for Brussels to prioritise becoming more autonomous and less dependent on China for its economic future. In this context, building strategic, critical dependencies with democratic Indo-Pacific powers for alternative supply chains is vital.

Importantly, a key aspect of Europe's Indo-Pacific engagement is focused on building positive partnerships with like-minded actors like ASEAN, Japan, Australia, South Korea, and India. This extends to more substantial and multifaceted engagement via multilateral forums like the ASEAN Regional Forum (ARF), of which it is a founding and active member, and sub-regional platforms like the Indian Ocean Commission, the Organization of African, Caribbean and Pacific states (ACP), and Pacific Island Forum (PIF), the Pacific Community, and the Council of Regional Organizations of the Pacific. With the Indian Ocean being a gateway for Europe's broader outreach to the Indo-Pacific, forging a closer comprehensive and strategic partnership with India stands as particularly vital to safeguard stability and freedom of navigation in the region.

Way Forward: Building a Natural Partnership in the Indo-Pacific

India features prominently in the EU's Indo-Pacific strategy as a nation with which Brussels seeks deeper engagement. Delhi and Brussels share a strategic partnership and a connectivity partnership, while India also ranks amongst the EU's top 10 global trade partners. For India too, the EU is its third-largest (accounting for almost 11% of the country's total trade) and second-largest export destination (almost 15 percent of the total). Since the first EU-India summit in 2000, both actors have come a long way and stand at an inflection point today. The changed geopolitical environments of both actors have pushed them to strive for closer engagement. In terms of the EU's seven priority areas of engagement in the Indo-Pacific, India stands as a vital partner.

Sustainable and Inclusive Prosperity

At the virtual EU-India meeting in 2021, India and the EU decided to resume talks for a comprehensive and mutually beneficial trade agreement. Although differences on issues like tariff reductions and data security persist, both sides have greater political will to reach an agreement that is built on their shared democratic values of human rights, labour rights and gender equality, and a commitment to promote an inclusive, coherent, and rules-based order. Further, Brussels and New Delhi have also explored setting up permanent structures, like high-level strategic consultations, in various sectors.

One example of this is the joint endeavour to establish and EU-India Trade and Technology Council. As the EU seeks to pivot away from China as part of a de-risking strategy, a partnership with a middle power like India – to establish diverse supply chains in strategic sectors – is vital. Similarly, establishing stronger linkages with middle powers and strong economic powers like the EU is crucial for India to show its commitment to open trade and establishing the country as a manufacturing powerhouse.

Security and Defence

Another key area where India and the EU are building greater synergy is the security domain. For France particularly, India's strategic location in the Indian Ocean makes defence a vital pillar of their bilateral relations. With France being a resident Indian Ocean power, and as fellow members of the Indian Ocean Rim Association (IORA), both countries cooperate on issues like maritime terrorism, piracy, building maritime domain awareness, safety of SLOCs, and disaster response in addition to domains like space and civil nuclear. These security linkages date back to 1998, when India and France signed a strategic partnership. Both countries have regular tri-service defence exercises – Shakti (Army), Varuna (Navy) and Garuda (Air Force); high-level defence consultations; joint defence industrial projects (like the purchase of Rafales and the P-75 Scorpene submarine project); and a logistics support agreement that enables reciprocal access to each other's defence bases for fuel replenishment, maintenance of equipment, routine port calls and joint humanitarian missions.

Now, this focus on security cooperation is translating to and emerging as a prominent vertical in India-EU relations. Although the security dimension took a backseat, since the EU was not viewed as a traditional hard power, security issues have received greater focus since the 15th India-EU Summit in 2020. To take this focus forward, New Delhi and Brussels held the first-ever Security and Defence Consultation in June 2022 to discuss their respective security situations and their outlooks towards defence cooperation in the Indo-Pacific. The consultations featured issues like “maritime security, implementation of European code of conduct on arms export to India's neighbourhood, cooperation in co-development and co-production of defence equipment including India's participation in PESCO [Permanent Structured Cooperation]”.

This dialogue followed initiatives like the India-EU Maritime Security Dialogue (second edition of which took place in February 2022), first-ever joint naval exercise (held in June 2021 in the Gulf of Aden), and several joint training and workshops on maritime security. In this context, maritime security is a foremost priority in India-EU relations. Both actors are committed to a “free, open, inclusive and rules-based maritime order in the Indo-Pacific, underpinned by respect for territorial integrity and sovereignty, democracy, rule of law, freedom of navigation and overflight, unimpeded lawful commerce, and peaceful resolution of disputes in accordance with international law”. Therefore, there is immense scope for collaborations via platforms like Delhi-led Indo-Pacific Oceans' Initiative (IPOI) and the EU-led Enhancing Security Cooperation in and with Asia (ESIWA) project.

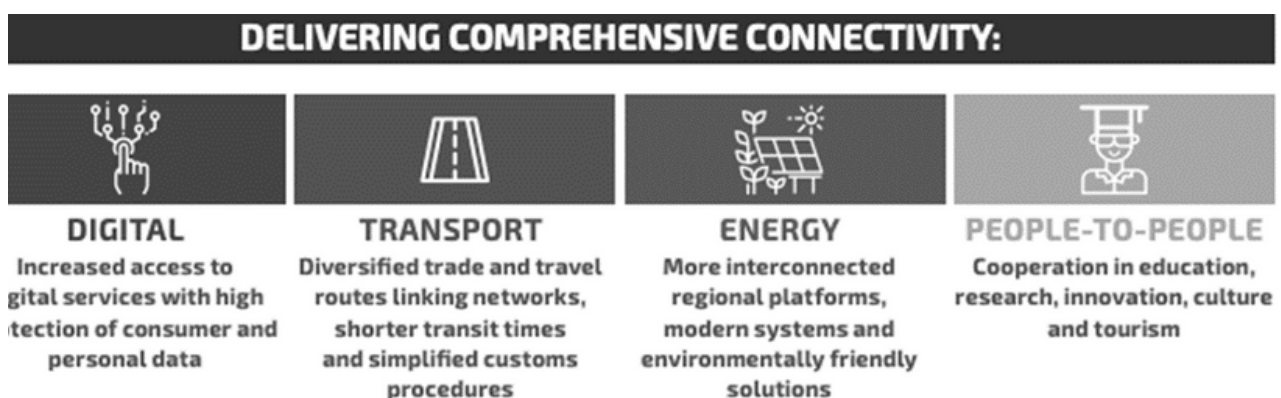
Building on their joint maritime exercise, Brussels and New Delhi can explore collaboration in maritime domain awareness and naval capacity-building.

As both India and the EU face a new era of unpredictability, with turmoil felt across the Indo-Pacific and the world, greater security and defence engagement at various levels of the government (as well as academia) is essential. Delhi and Brussels are well-placed for such collaboration. In fact, closer security cooperation between the two middle powers – leveraging interconnected sectors like trade, technology, and connectivity – can emerge as a stabilising force in the face of intensifying great power competition and an emerging arms race.

Connectivity

Related to the security vertical, India and the EU also launched a connectivity partnership in 2021 to work together to realise a “transparent, viable, inclusive, sustainable, comprehensive, and rules-based approach to connectivity”. Over time, China has sought to leverage its economic prowess and the structural asymmetry inherent in its relationships with regional powers (including ASEAN) to shape the Indo-Pacific connectivity architecture. Xi’s Belt and Road Initiative (BRI) – often criticised for its lack of transparency and unsustainable imposition of heavy debts on low-income nations – has become a challenge for both Delhi and Brussels. Their connectivity partnership therefore comes as a way to support new opportunities and investments for sustainable and quality infrastructure development. The shared aim of both states is to support financing efforts under a strong regulatory environment so as to provide a better alternative to the BRI. This includes digital, transport, energy, and people-to-people sectors (see Figure 2). Importantly, the partnership also extends to the huge investment potential of €1.6 trillion in India’s National Infrastructure Pipeline.

Figure 2: EU-India Connectivity Partnership: A Comprehensive Approach



Source: European Council, “EU-India Connectivity Partnership,” May 2021, https://www.consilium.europa.eu/media/49522/eu-india_connectivity-factsheet_2021-05-final.pdf.

The EU's Global Gateway initiative, which dedicates a massive €300 billion in investments between 2021 and 2027 for infrastructure investments, is crucial in supporting such outreach. While not a direct response to the BRI, Global Gateway is Brussels' reaction to global geopolitical shifts, and demonstrates the bloc's financial magnitude and capacity to promote quality connectivity infrastructure. Ramping up cooperation with India will help the EU gain greater credibility and influence in the region. Together, both actors can undertake collaboration at a national and thematic level to deliver concrete projects that cater to real and urgent needs.

Digital Governance and Partnerships

In today's age of technology, the digital domain stands as one where great power competition is most visible; middle power collaboration is thus essential to ensure effective modern technological governance. With India emerging as a leader in the domain, potential for a digital partnership is ripe. Several European countries have substantial links in India. Further, New Delhi's domestic initiatives like Digital India and Start-up India are very much aligned with the EU's own vision and greater collaboration within their respective umbrellas – on issues like digital inclusion, e-skills, job creation, building smart cities, and building a digitised society – can be an important aspect of an India-EU digital partnership. Apart from high-level defence and security consultations between the two actors, collaboration can take place in areas like research and development of critical and advanced technologies – like Artificial Intelligence (AI), Augmented Reality (AR), blockchain, Internet of Thing (IoT), robotics, information and communication technology (ICT) and 5G – that have great impact on security.

A digital partnership would also be complementary to the India-EU Strategic Partnership Roadmap and connectivity partnership, which gives ardent focus to digital cooperation and collaboration. Brussels and New Delhi instituted a Joint ICT Working Group in 2000 that has helped exchange best practices on data and internet governance; and a strategic Cyber Dialogue in 2015 to address responsible state behaviour in the cyberspace, confidence-building measures, capacity-building and skills training to improve cyber security. India also shares bilateral arrangements on cyber security cooperation with several EU member states. Moving forward, an EU-India digital partnership can not only help enhance mutual understanding of each other's postures, but also identify convergences for future negotiation in an open, free and secure cyberspace. It can help build bridges between Indian and European stakeholders (including industries and non-governmental organisations) to build governmental norms and establish greater resilience and trust in cyberspace.

As techno-autocracies employ technology to control their societies with increasing levels of sophistication, and seek to shape the global cyber norms of the future, liberal democracies like the EU and India must take charge and promote international technology regulatory models with safeguards that are built on shared democratic values.

Both India and the EU are liberal democracies that support such a model; through regular consultations and political will, they can overcome existing gaps (such as on information censorship) and coordinate policies on issues like cross-border data flows, which can underpin rules-based multilateral solutions for regional and global tech norms. An EU-India agreement on digital trade, to complement their under-negotiation trade deal, would help build digital economies of scale, successfully challenge techno-autocracies, and be of immense benefit to the region. Most importantly, by working together, India and the EU will be able to have greater say over how international digital governance norms should be shaped, and hence be able to better manage great power competition and the future cyberspace.

Green Transition, Ocean Governance and Human Security

In the non-traditional security domain too, India and the EU are quickly stepping up cooperation. Given their size, economic performance and energy needs, India and the EU are critical to the transition to a green and sustainable future. In this vein, more intense cooperation on solar energy, green hydrogen and green technologies to achieve shared goals like net zero emissions. Bilateral cooperation can also materialise in areas like rare earth production and clean energy technology transfer.

Further, through forums like the India-led International Solar Alliance, which involves several European powers, India and the EU can coordinate investments in the renewable energy infrastructure of low- and middle-income countries in the Indo-Pacific to help them reduce dependency on fossil fuels. In other words, beyond their domestic transitions, India and the EU can work together on climate adaptation in the wider region to enhance peace and “[secure] a free and affordable flow of rare-earths needed for energy transition technologies”. India could, for example, pave the way for the EU to be an external partner under the Areas of Cooperation framework of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) as well as India’s Indo-Pacific Oceans Initiative (IPOI). Additionally, New Delhi and Brussels can explore expanding their newly initiated joint naval exercise to include disaster relief preparedness and scale-up provision of humanitarian aid and financing disaster resilience infrastructure. Apart from taking forward their cooperation on climate risks, such collaborations in the Western Indian Ocean will also help strengthen their agenda on ocean governance.

Summing Up

Former French President Charles de Gaulle famously asserted that the “strength and stability of India are essential for peace and tranquillity in South Asia”. Now, as the EU enhances its focus on the region, it needs to build deeper partnerships with trusted and reliable regional actors. Owing to its strategic location and position as a major power in the Indian Ocean, as well as their shared democratic values, India has become a vital and natural strategic partner.

For India, the priority is to shape an Indo-Pacific region that is inclusive; in this context, New Delhi is increasingly seeking greater involvement and commitment by the EU in the Indo-Pacific. Amid great power competition, the Indo-Pacific region has immense scope and need for middle powers to band together and play a more consequential and strategic role. As the paper demonstrates, India and the EU can work together in face of emerging challenges and help shape a rules-based order that is conducive to a peaceful and stable environment. Ultimately, it is the interplay of convergences and divergences in the India-EU bilateral that will dictate how their collaboration in the Indo-Pacific takes shape. A successful partnership in the region can be pivotal; however, it will require sustaining the present momentum and moving beyond the articulation of normative principles to more proactive and practical engagement – especially in the security domain – that can be leveraged for regional good.

BUILDING SYNERGIES BETWEEN INDIA-EU DEVELOPMENT PARTNERSHIP ON AGENDA 2030

DR SWATI PRABHU

As global development has been deeply impacted by the ongoing COVID-19 pandemic amidst a major war in Europe, India and the European Union (EU) have not been left unaffected. Celebrating 60 years since the establishment of its diplomatic relationship in 1962, India and the EU are ‘natural’ allies. The EU’s stature as one of the largest providers of development cooperation could be well matched by India’s demand-driven and politically unconditional development model. It is a given that development partnership as a pivotal tool facilitates inclusive growth and mutual solidarity for advancement of global public goods. This essay makes a case for a joint India-EU development partnership on infrastructure, particularly in the Indo-Pacific to further the sustainability narrative. Convergence between Brussels and New Delhi could also be instrumental for devising a policy response towards China in the wider geopolitical landscape.

The critical value of ‘development’ goals in India-EU ties

Celebrating 60 years since the establishment of its diplomatic relationship in 1962, India and the European Union (EU) are ‘natural’ allies. Taking the bilateral relationship beyond trade and economics, they entered into a strategic partnership in 2004 to foster shared interests concerning ‘values on democracy, freedom, rule of law, and respect for human rights.’ The EU also happens to be India’s largest trading partner, amounting to €88 billion worth of trade in goods in 2021 and the second-largest destination for Indian exports i.e., 14.9 per cent of the total. Currently, global development is being deeply impacted by the strategic rivalry pursued by Washington and Beijing, thereby putting multilateralism in a limbo. In this regard, India and EU are not left unaffected. This is where development cooperation or partnership, as a pivotal tool for strengthening inclusive development steps in. The EU is one of the largest providers of official development assistance (ODA), disbursing almost €70.2 billion in 2021 that is almost 43 per cent of the global ODA. As a Southern-provider of development cooperation, India is seen as a viable and dependable partner, owing to its ‘demand-driven, politically non-conditional and bolstering mutually beneficial partnership for achieving joint development goals’. Vigorously pushing the South-South Cooperation (SSC) narrative, India’s development cooperation has opened avenues of alternative finance, countering the traditional donor-recipient relationship, which has amounted to strengthening the sustainable development agenda. In fact, according to the OECD, SSC along with triangular

cooperation is one of the central elements of international cooperation. It is also a vital instrument to tackle critical challenges such as climate change, food insecurity, gender inequity, economic slowdown, etc. Although progress on sustainable development has been deeply impacted by the pandemic, the ongoing war has made matters worse. With far-reaching consequences impacting almost every sector of the global economy, supply chains are badly hit delaying project delivery and causing infrastructural disruptions with steep dive in finances. Fostering collaboration and confidence-building measures have become extremely imperative.

It is in this context that development cooperation occupies an important position in concretely maximising the positives, thus, avoiding the negative spillover of one nation's activities on the rest. It is essential that international development cooperation consolidates institutional arrangements involving multiple stakeholders, to pursue and move partnerships from the periphery to the mainstream. It also underwrites the advancement of the global public goods (GPGs), thereby, acquiring maximum gains. In fact, the policy issue of development cooperation operates within these multilateral spaces, such as the multilateral organisations; bilateral and multilateral cooperation; multi-stakeholder partnerships or any other development cooperation-related platform. Moreover, development cooperation policy furthers the foreign policy objectives of a country.

As stated by Josep Borrell, the High Representative of the EU, India is undoubtedly a key partner for creating convergent responses on a great number of issues. India also looks at the EU as a reliable and like-minded partner for nurturing knowledge sharing, exchange of best practices, skills and standards. Nonetheless, both New Delhi and Brussels are trying to keep up with their geopolitical ambitions in different regional constructs, more specifically, the Indo-Pacific.

This article attempts to trace the synergies between a joint India-EU development partnership on infrastructure connectivity, furthering the sustainability narrative in the Indo-Pacific. It begins with a brief description of India's development partnership administration (DPA), the nodal agency for managing and implementing development partnership projects and how it has evolved geopolitically. It then explores the EU's Directorate General for International Partnerships (DG-INTPA). Further, the essay identifies possible avenues for a joint India-EU development partnership in the infrastructure sector, the China challenge and its impact on the SDGs. The last section concludes by putting forth some policy recommendations.

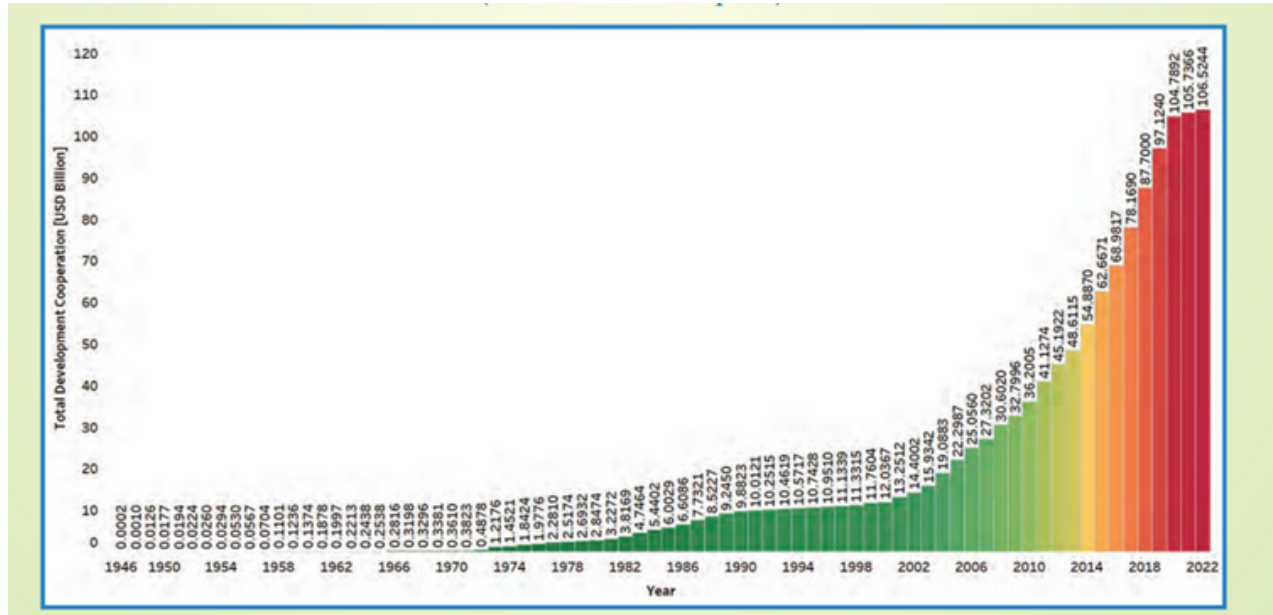
1. What is India's Development Partnership Administration (DPA)?

Although India is repeatedly tagged as an 'emerging' donor, it has been the 'first mover' in prioritising the partner countries' needs through demand-driven, unconditional support in capacity-building; knowledge transfer; skill training and resources. Differentiating itself from not only the Organisation for Economic Cooperation and Development's Development Assistance Committee (OECD-DAC) members but even other emerging donors, especially China, according to Chaturvedi et al (2014), India's development cooperation seeks to 'leverage an Indian comparative advantage in

technology, industrial agriculture, education, and information and communications technologies (ICTs)'. Rani D Mullen (2014) asserts that it's speciality 'lies in the niche it fills and its complementarity to both Chinese and traditional aid'.

India's efforts to build effective partnerships with developing countries—both in its immediate neighbourhood and beyond, such as in Africa—can be traced to the British colonial era. One of the earliest chronicled initiatives can be found in 1947 when it undertook a capacity-building and knowledge-sharing programme with another fellow developing country. Since its inception, its cooperation strategy stresses on expressing solidarity, mutual respect, and diversity with the newly independent countries forging a sense of shared history as the main driver of its early cooperation programme. In fact, as one of the leaders of the Non-Aligned Movement (NAM), New Delhi's image as a reliable and dependable development partner has been solidified because of its unique recipient-oriented model. Post-2000s, India's foreign policy strategy underwent a significant change with economic diplomacy becoming a central feature. Liberalisation and globalisation brought high growth rate translating in the expansion of its development cooperation programmes in Africa and other countries in the neighbourhood. As per the Research and Information System for Developing Countries (RIS), from 1947 to 2022, India's development partnerships came to approximately US\$ 107 billion as shown in Figure 1.

Figure 1: Cumulative Development Assistance (in US\$ billion at current prices)



Source: RIS, 75 Years of Development Partnership

Undergoing several shifts and swings over the years, the Development Partnership Administration (DPA) was established in 2012 under the aegis of the Ministry of External Affairs (MEA) for 'streamlining the delivery of assistance and improving the effectiveness of such efforts'. As a multi-

division department within the MEA, it deals with the implementation and not the formulation part. Currently, three main elements define India's development cooperation: a) Lines of Credit (LOC), b) Grants and loans, c) Capacity-Building & Technical Assistance, more popularly identified as the Indian Technical and Economic Cooperation (ITEC). Extended by the EXIM Bank, on behalf of the Indian government, concessional LOCs aim to open alternative avenues of project financing to developing countries in Asia and Africa, while simultaneously creating new markets and opportunities for Indian companies. According to the MEA Performance Smart Board, approximately US\$ 22,829.68 of LOCs have been extended till October 2022 covering the period 2014-2022. Grants and loans comprise another essential strand of India's development partnership with almost ₹ 85,058.52 crores allocated and ₹70,857.26 crores disbursed, as of July 2022, covering a period of 2008-2022. As a developing country itself, India is keen on sharing technical expertise and capacity-building, moving beyond the traditional 'donor-recipient' relation and promoting partnerships among the countries. Established in 1964, ITEC is an important initiative pushed by India with a belief that "it is necessary to establish relations of mutual concern and inter-dependence based not only on commonly held ideals and aspirations, but also on solid economic foundations". In fact, technical and economic cooperation is considered to be one of the essential functions of an integrated and imaginative foreign policy. Till date, India has offered almost 98,031 ITEC slots for the period 2014-2022.

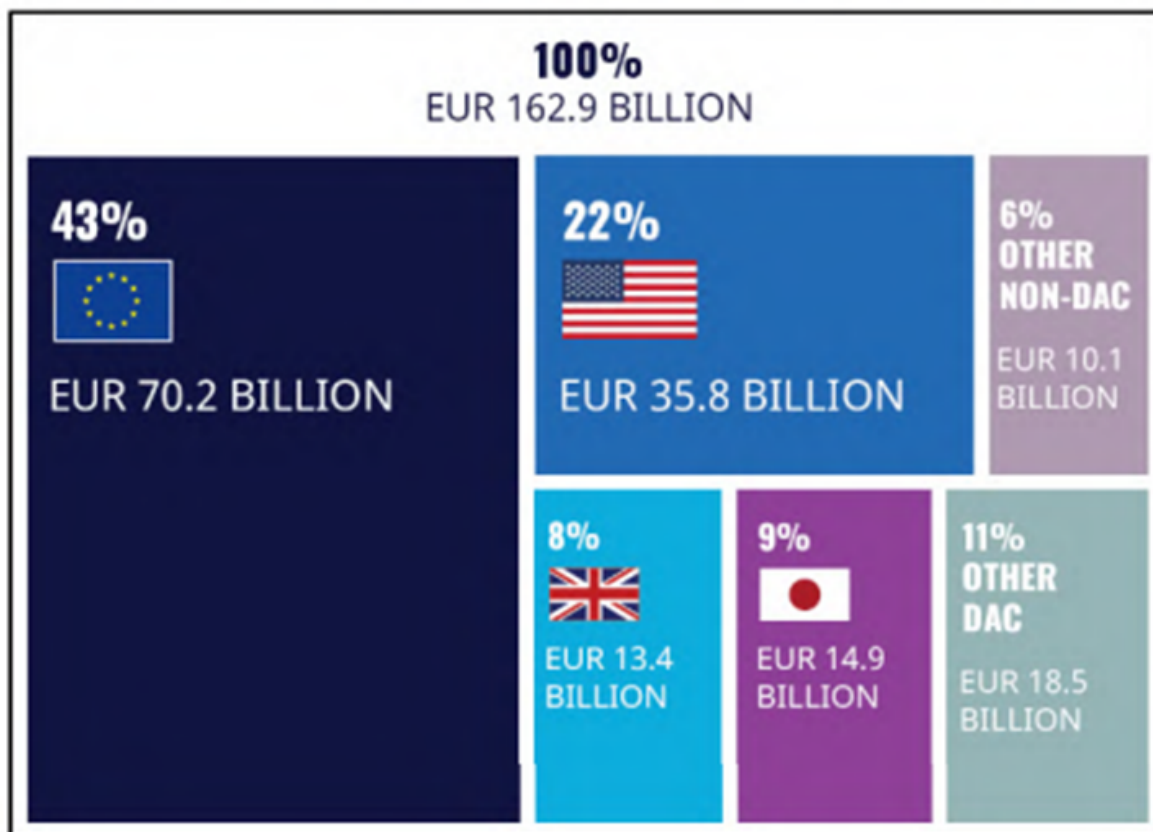
Vaccine Maitri is another prominent example of humanitarian and development cooperation whereby India stepped up the ante in the face of COVID-19. By rolling out its vaccine diplomacy, New Delhi recognised the need to reach out to developing countries, so as to expand and strengthen its outreach and visibility. Despite being criticised for not prioritising its domestic demands for the vaccine, according to former Ambassador Ashok Sajjanhar, India managed to generate global goodwill and solidarity as the 'first responder' in emergency situations. The sharp rise in vaccine inequity exacerbated by the hoarding mechanism utilised by several of the developed countries also gave leverage to Vaccine Maitri as 'a bridge seeking to rectify the divide'.

2. Role of EU's Directorate General of International Partnerships (DG INTPA)

Based on the concept of shared competence, the EU along with its 27 Member States presents a unique yet complicated model of development cooperation. What started off as EuropeAid in 2011, became the Directorate General International Cooperation and Development (DEVCO) in 2015 and DG INTPA in 2021. As a staunch response to the growing global disorder, the European Commissioner President Ursula von der Leyen created a 'geopolitical' Commission seeking to invest in alliances and coalitions to advance European values. Some of the main tasks of DG-INTPA are to a) contribute to sustainable development, b) eradicate poverty, c) promote democracy, human rights and the rule of law and d) forge international partnerships. Acting as a coordinate between Brussels and the Member State-level representatives, it also performs as a centre of expertise for development effectiveness. One of the aims of DG-INTPA is also to promote and implement aid transparency within the Commission, the Member States and ensuring the EU's visibility as a transparent leader

globally. Moreover, integrating sustainable development in policy-making across all DGs is also an essential aspect. As one of the largest providers of development cooperation, compared to other non-EU countries (see Figure 2), the Union is now focussing on connectivity to ‘create links and not dependencies’ through the Global Gateway project. Launched in 2021, the EU along with its institutions aims to mobilise around EUR 300 billion between 2021 to 2027 towards five crucial pillars, namely health; digital; climate and energy; transport; and education and research. With infrastructure taking different forms i.e., physical, digital, energy and people-to-people, an integral element here is green. Although there has been a mixed reception of the Global Gateway raising both interest and ambiguity, experts observe that this project attempts to ‘shrewdly combine the soft and hard infrastructure development upholding EU priorities, standards and values’. Carrying a significant amount of political importance, the Global Gateway attempts to offer a ‘common brand and messaging’ for European investments at a global scale.

Figure 2: EU’s Official Development Assistance (ODA)



Source: OECD, April 2022

Unlike the Indian DPA, DG-INTPA is responsible for formulating the EU’s international partnerships and the overall development policy, thereby aligning it with Agenda 2030 and the Paris Agreement on Climate Change. This explicit mention of the sustainability narrative sets it apart from India’s development cooperation model. In addition, based on a ‘demand-driven’ model, the Union’s

development partnership follows the OECD-DAC norms. Although India and the EU are placed at different tangents of development, a collaborative canvas can be painted by the two on a global scale.

3. Integrating India-EU Development Partnerships to Accelerate the SDGs

a) The Need for Sustainable Investment in Infrastructure

With the clock ticking on the Sustainable Development Agenda 2030, international development cooperation is under severe stress and strain. The regressive consequences of the ongoing pandemic exacerbated by the Ukrainian crisis have translated in several countries diverting their official development assistance (ODA) for humanitarian, economic and military assistance to Kyiv. For instance, the G7 countries including France, Germany, Italy, Japan, United Kingdom (UK), Canada and the European Union (EU) have agreed to provide more than USD 2.8 billion as humanitarian assistance to Ukraine in 2022. The United States of America (USA), on the other, has committed more than \$1 billion towards Ukraine since the Russian invasion earlier this year. This implies a reduction in ODA for sustainable development, indirectly impacting the development trajectory of several developing countries, including the African nations, the Pacific islands, and the South Asian neighbourhood. There is an urgent need to redefine development finance and build and strengthen resilience of the communities in developing economies in order to foster economic recovery. Identifying infrastructure as a pivotal sector is key towards realising Agenda 2030. For instance, burgeoning population, increased migration and unplanned urbanisation in developing economies puts pressure on a country's economic growth. Moreover, a massive amount of investment to the tune of USD 57 trillion is required by 2030 to meet infrastructure demands.

Under these conditions, the India-EU Partnership on Connectivity can certainly be leveraged through the Global Gateway. By giving precedence to green or environmental-friendly solutions in every aspect, the Connectivity Partnership seeks to offer quality infrastructure with wide-ranging socio-economic and sustainable benefits. Indeed, smart and sustainable investment following the EU's values and standards is an important aspect of the Global Gateway which should be utilised by India as part of the partnership. Brussels is well-known for its useful resources, norms and global standards and technical expertise. When it comes to standards, Europe is, by far, the best in data protection, environmental protocols, safety guidelines and transparency.

Here, the Indo-Pacific emerges as a playhouse of sustainability challenges requiring joint efforts from New Delhi and Brussels. In this context, the small island developing states (SIDS) are entangled in a plethora of infrastructural obstacles. According to the United Nations Office for Project Services (UNOP), 'about 65 million people and 20 per cent of the global biodiversity suffer from the damaging impacts of climate change in SIDS'. Due to its remoteness, vulnerabilities to natural disasters and small size, infrastructure systems are not well developed. Pooling resources by India and the EU under Global Gateway in the Indo-Pacific would facilitate progress on disaster-resilient infrastructure, enhance road and maritime transportation, and improve digital communications for many of the SIDS.

b) Tackling the Chinese Belt and Road Initiative (BRI) & Global Development Initiative (GDI)

Both India and the EU are somehow aiming to capitalise on the global discontentment against the Chinese regime. Following the COVID-19 pandemic, several unfavourable views against Beijing were observed across different countries. The EU Foreign Affairs Council meet in October 2022 asserted the need for Brussels to ‘adopt a multifaceted approach on Beijing- a partner with whom the EU must engage, a tough competitor, and a systemic rival’. Focussing on building robust partnerships, particularly with India, Brussels is keen to expand its geopolitical footprint in the Indo-Pacific so as to counter China’s Belt and Road Initiative (BRI). This also aligns well with New Delhi’s strategic intent, given its skirmishes with China, whether on the border or the BRI. This also has to be viewed in the light of China’s Global Development Initiative (GDI) which runs parallelly with the BRI.

Publicised more as a people-centric and development-oriented approach, the GDI seeks to ‘forge a united, equal, balanced and inclusive global development partnership, to inject strong impetus for accelerated implementation of the 2030 Agenda’. Underscoring the importance of Agenda 2030, the GDI focuses on delivering grants, assistance, capacity-building and knowledge-sharing. However, several countries are wary of Beijing’s new development strategy viewing it as a ‘propagation of Chinese ideology in the developing world’. The debt trap diplomacy played out by China in Africa (mainly Angola, Ethiopia, Kenya, Nigeria and Zambia) is a case in point. Moreover, China’s stance on the various Indo-Pacific strategies released by Japan, India, the USA, France, Germany, the Netherlands, and more recently the EU has been rather indifferent. In 2018, the Chinese Foreign Minister Wang Yi ridiculed the idea of the ‘Indo Pacific’ as an ‘attention-grabbing idea that will dissipate like ocean foam’.

In fact, a triangular partnership between India and the EU in a third developing country could be a clear-cut avenue to slow down Beijing. It will help in reducing the global investment gap by establishing resilient supply chains, in line with Agenda 2030. The EU is already party to the Indo-French initiative International Solar Alliance (ISA) and the European Investment Bank (EIB) joined hands with India-led Coalition for Disaster Resilient Infrastructure (CDRI) in 2018. Utilising these multilateral platforms for fulfilling the sustainable development agenda is pivotal for furthering the India-EU partnership.

c) Strengthening Regional Partnerships through Connectivity

Brussels is also keeping a close eye on forging regional partnerships in Asia for encouraging rules-based connectivity in the sectoral areas of transport, energy, digital and human dimension. According to the EU’s Connectivity Strategy with Asia 2019, Brussels wants to make inroads in the ‘ASEAN, a central player in connectivity in Southeast Asia’. In the recently held EU ASEAN Summit in December 2022, the Union announced a €10 billion investment package under the Global Gateway for bolstering infrastructure investments with an eye on green transition and sustainable connectivity

in ASEAN countries. The Asian countries may also take important cues from the EU's scientific expertise and innovative financing mechanism (the European Fund for Sustainable Development and the Asia Investment Facility) to channelise finance for building robust infrastructural networks in the region. From a geostrategic lens, this provides greater visibility to the EU, increasing its geopolitical footprint in the region which converges well with von der Leyen's strategy. This may also come in handy while countering the Chinese BRI in the region.

Africa is another vital continent sharing close ties with both India and the EU. In fact, it is considered as one of the crucial cogs of the sustainable development agenda. Inadequate infrastructure still pops up as a major obstacle in Africa's socio-economic development. According to experts, while there is proof that 'better quality and quantity of infrastructural projects automatically raise living standards, access to basic amenities, physical capital and economic growth' yet '80 per cent of the infrastructure projects fail at the business-planning stage'. Here, the India-EU partnership can utilise the modality of a triangular partnership to counter the current scale of sustainability challenges, which are multidimensional and crosscutting in nature.

d) Making the Most of India's G20 Presidency

With India assuming the G20 Presidency, it throws open a canvas of opportunities and challenges for sustainable development. Prime Minister Narendra Modi's assertion of transforming the G20 into a catalyst for global change comes at a crucial juncture of global geopolitics- COVID-19, the Russia-Ukraine war, US-China contestation and the failure of multilateralism. In this context, the G20 can possibly emerge as a gamechanger, perhaps one of the only platforms of its kind to offer practical solutions. India can take the lead by bringing together the developed and developing economies to forge consensus on some of the issues. The EU's support will be crucial in leveraging the opportunities and giving impetus to its agenda in 'digitalisation, women empowerment, climate change, disaster risk reduction and resilience, health, agriculture, energy security etc.'

Conclusion

As the international community battles against multiple challenges, development cooperation is the need of the hour. Utilising development cooperation as a geopolitical tool, India must engage with its neighbourhood and beyond to solidify its credibility as a reliable partner. The G20 Presidency is the best viable avenue in this regard. On the other, as one of the largest providers of development assistance, the EU should resolve its internal differences and adopt a collective approach. Given their history of shared universal values, it is understood that both India and the EU need each other for ensuring global stability and peace. Their strategic partnership in the infrastructure sector will be crucial in accelerating the sustainable development agenda. A development partnership between New Delhi and Brussels in the Indo-Pacific could facilitate a cooperative and sustainable dialogue in the coming years.

INDIA- EU STRATEGIC PARTNERSHIP: NAVIGATING THE CURRENT DYNAMICS

ANANDITA BHADA

Post-Independence in 1947, India was largely occupied with its policy of Non- Alignment during the cold war. It did not want to join any of the blocs, fearing estrangement from the other and above all, it was a newly formed country exercising its own foreign policy and strategic autonomy. This is one of the concepts that India has championed over the decades and been applauded for by global powers. A similar stance is evident in the international scenario when one observes India's stance, in relation to that of other international state actors, over the Russia- Ukraine crisis. This is only one of the aspects, contributing to the current dynamics that the India Europe relations have to sail through.

This article discusses the various factors shaping India's partnership with European Union (EU) as well as the specific regional stakeholders within the bloc. It puts greater focus on the changing dynamics of the partnership, owing to the recent geopolitical incidents, which have cause turbulence not only in the developed West but also in the global south. Four main pillars which will impact the evolving dynamics of India EU ties are the reactions to the Russia Ukraine crisis, the China factor in India-EU equation, climate change and food security, and energy and critical raw materials. The article argues ways of strengthening partnership over these four pillars to allow it to reach its full potential in terms of strategic, security and economic interests.

EU'S own Ukraine Response Divergences and India

Globe has been reeling under the severe after effects of Russia's special military operation in Ukraine. It is a crisis in Europe's backyard which has upset the regional peace and security balance. This is further complicated by varying responses to the crisis from within and outside of the Union. On the one hand, EU has to bring together all the dissenting elements within the bloc. Whereas, on the other hand, it also has to put up a united front with its allies to make sure that they are not diverging from EU's stated position on the Russia Ukraine crisis. Managing a crisis at internal and external levels, especially when you are one hit the hardest, often gets difficult.

India is an important partner of EU which has steered clear of condemning unprovoked and unjustified Russian military aggression against Ukraine, as EU puts it. India has always favored dialogue and diplomacy to resolve the crisis.

On the sidelines of SCO Summit, Prime Minister Modi had rightly pointed out that “today is not an era of war”. Similar sentiment was echoed by India’s External Affairs Minister, Dr. S. Jaishankar at a press conference after the bilateral meeting in Australia on 10th October. He stated that the conflict has profound impacts on the low and middle income countries geographically away from the European landmass. However, India’s stance on this issue has often been misunderstood to mean that India is shielding Russia and supporting all its actions in Ukraine, which is not so.

EU must understand India’s case by analysing the situation from an Indian standpoint, rather than a European one. India’s abstention at the UN voting must not be confused as sympathy or support for the Russian actions in Ukraine. There is no way that Europe or the US could get India to change its stance over the Russia Ukraine crisis. And why should they? India is a sovereign and has the right to exercise its strategic autonomy to decide on matters of foreign policy. At best, Europe should accommodate Indian views of echoing the sentiment of resolution of conflict by diplomacy and dialogue.

Reasons are twofold. Firstly, Indian defence industry is heavily dependent on Russia. It is making efforts to diversify and allow new players like France, Israel and others into the game but this change will manifest itself gradually. Rather than urge India to condemn Russian actions, Europe should offer collaboration of Indian and European defence industries as an alternative to Russia. Joint ventures, innovation and capacity building can help India achieve its goals under ‘Atmanirbhar Bharat’, while simultaneously boosting the European defence industries. Many individual nations within EU have decided to increase their defence spending, not only within NATO but also at the national level. For instance, India is an important buyer of small arms from Czech Republic, especially torpedoes, grenades, missiles and bombs. Such pre-existing ties should be nurtured and revamped to boost new mutually beneficial relations.

Secondly, EU’s relations with Russia have taken on a different direction this year, as compared to the last. Whatever the outcome of this crisis, Europe and Russia will always remain neighbours and if that relationship isn’t all rosy, then the role of a mediating ally becomes all the more crucial. All major western powers have taken sides in this proxy war and China is evidently supporting Russia. This leaves India as the only country which has retained an objective understanding of the incidents in Ukraine, while maintaining good relations with both the sides. It is important for Europe to realise that India is crucial to its successful future engagements with Russia. If latter has to be prevented from being pushed into total isolation, as was the case with North Korea, then the role of neutral countries is significant. In fact, even if India agrees to condemn Russia, it will neither affect the outcome of the crisis, nor help India’s situation with its neighbours, especially China.

The China factor in EU-India ties

The Asian theatre caught the global attention only to lose it to Europe again. Russia’s special military operation not only shifted the spotlight a way from China, but also provided it with a golden opportu-

-nity to extend a hand of friendship to an all-weather ally of India, facing economic sanctions from the West. The “no limits” friendship between Russia and China, declared during the 2022 Winter Olympics, coupled with the promise to stand alongside each other over Taiwan and Ukraine, was an authoritative nightmare for the West. This was a bitter pill for India to swallow. Over time China seemed to put limits to this alliance compared to Belarus, which acted truly as a no limits ally.

China has undoubtedly been an unreliable neighbour of India, owing to its border issues, especially after the clashes in Galwan. But trade balance between the two countries was always tipped heavily in favour of China. It is not only reaping economic profits from bilateral trade but also attaining dominance over areas of geographical and geopolitical importance, owing to its Belt and Road Initiative (BRI). Many have begun to view BRI as a debt trap for economically weaker countries situated in geostrategic locations. EU recognized this strategy, but not before Montenegro approached the EU with a request of debt waiver when it failed to repay 1 billion dollars to China over a BRI project. EU announced the Global Gateway Initiative to build better and resilient infrastructures, as a counter to BRI.

This initiative is bound to be more successful if it works in a complimentary fashion with the G7 initiative- Build Back Better World. Developing Asian markets are good opportunities for EU in terms of investments and expanding outreach Here, India comes to the rescue. It is the fifth largest growing economy in the world and as a democracy, it respects the rules-based order, unlike China. It has taken a quantum jump in the field of digital infrastructure and plans to share its learnings with the world via its G20 Presidency. EU could provide cutting edge technology and India with its manufacturing capacity could help bridge the digital divide in the world. South East Asian nations and India are projected to be the manufacturing hubs of the future, whereas China’s manufacturing capacities are projected to decline.

India’s “Make in India” initiative and PM’s announcement at the Semicon India-2022 conference are reflective of India’s intentions in the semiconductor industry. Currently EU has strong trade ties with China but recognizes that it will not deal with China in strategic technologies and simultaneously, it has been making efforts to improve relations with India. The India EU Strategic Partnership can go a long way if the two work together in sectors of emerging importance. Digital and strategic technologies are the way forward but not without defence technologies.

Russia Ukraine crisis has reflected the need for EU to improve its ammunition stockpiles, and be self-reliant in matters of defence and security. India has also been affected by the crisis but in a different way. It is a major buyer of Russian equipment and needs to gradually diversify its inventory. Europe with its 15 per cent increase in the European Defence Agency (EDA) budget 2023, could jointly produce defence equipment under India’s “Atmanirbhar Bharat” initiative. European countries, alongside NATO, could increase their naval exercises with the India Navy to expand their defence outreach in the Indo Pacific. This will fulfill the need for a united front of Europe and India when dealing with China and provide the region with an alternative to BRI and China.

India and EU should promote people-to-people ties in the fields on education, research, tourism and culture to reap mutual benefits from their strategic partnership. This will help build a reliance between the two democratic spaces and utilize the much unused trade potential between the two. Increased trade figures between India and EU can prove to be a big mutual gain. European investments in India, rather than China, can help expand India's manufacturing capacity. Coupled with the availability of cheap labour and skilled persons in India, Europe could import cheap goods from India, over China. Simultaneously, this will boost the employment rate in India help increase the per capita income, thereby increasing the purchasing power parity of Indians. This collaboration assures mutual gain to Europeans and Indians alike, and help deal with the rise of an aggressive China.

Climate Change and Food Security

Europe is seen as the undisputable leader of green and clean technologies and has many domestic policies in place to tackle harmful emissions, like carbon pricing and carbon trading. It was nonetheless criticized for contributing to the carbon footprint by importing carbon intensive products, rather than manufacturing them and thereby reducing its own carbon footprint. As a result, EU came out with Carbon Border Adjustment Mechanism (CBAM) which will be fully implemented by January 2026. It will significantly increase the prices of carbon intensive products imported from countries like China and India. If India is to avoid such a price escalation, it must reduce its carbon footprint, especially of the products exported to Europe. Although, in the aftermath of the Russia Ukraine crisis, the severe energy shortage, soaring household electricity bills and the action of countries like Germany resorting to coal reflect weakly on EU being able to timely deliver on such policies.

EU is a pioneer of clean air and climate friendly sustainable solutions, yet it cannot bring about a global change, unless the others are on board. Effective solutions to climate change and pollution have to be global in character and not national, just like the problems themselves. The understanding between European and Indian leaders is evident with the former agreeing to a 'phase down' approach rather than a 'phase out' approach regarding the use of coal in electricity production. It was first mentioned during COP26 and fiercely supported by India and China and later found mention from the developed West during COP27. Last year India had vouched to achieve 500 GW of non- fossil capacity by 2030 and this year at COP27 in Egypt, it has announced to achieve net zero target by 2070.

To achieve these targets, India needs Europe's assistance in investments, crucial technology transfers and joint collaboration on green and sustainable projects. India is a rapidly growing economy and has the largest working population. The Indian government is working sincerely to meet its 2030 agenda and broader climate targets. The only element lacking towards the green transformation is capital investment, which EU has no dearth of. Investing in technologies in India and joint collaborations in India will help build a successful business model for EU. Readily and cheaply available labour along

with government support and tax rebates over green projects make India a safe haven for European investments. It will bring a change towards clean energy consumption by substantial number of people, owing to India's population count. Climate change issues cannot be resolved with assurances, they require a real change in lifestyle of significant proportion of the population.

Both sides are actively working towards sustainable development goals (SDGs) and achieving food security, human security, and disaster resilient infrastructure to fight the indirect fallouts of climate change. Russia's special military operation had spiked food grain prices and created a shortage of food grains in the international markets owing to the blockade at the black sea ports. Alongside it also resulted in fertilizer shortage, which threatened the next season's crop output. Together with EU, India was also severely affected by this crisis. India imports 90 per cent of its sunflower crude oil from Ukraine and Russia and their shortage of supply in the market resulted in a steep price rise of edible oils in India and abroad.

EU's Farm to Fork Strategy is one such effort where, the bloc plans to promote sustainable food systems by reducing wastage and endorsing sustainable distribution and consumption. India's initiative of 2023 being declared as International Year of Millets by the UN also promotes sustainable food systems by endorsing nutrient rich foods which can grow in high temperatures and low irrigation levels. These initiatives reflect two different ways of approaching the same problem, which is working towards eradicating malnutrition and promoting food security in the era of climate change.

The joint statement from Prime Minister Modi's visit to France in May 2022 also stressed the need to address the aggravated risk of food crisis through initiatives like Food and Agriculture Resilience Mission (FARM). It was introduced by the French President Macron and aims to ensure solidarity, functional markets and long term resilience. Food security is one of the most crucial areas of cooperation for the future of India EU relations. Former has the production capacity and is known to be an agricultural economy, whereas the latter has technologies and investment capacity to boost sustainable agricultural practices.

Energy and Critical Raw Materials

EU and India have been leading the fight against climate change and fossil fuels on a global stage in the developed and developing nations' category respectively. Increasing addition of wind capacity in India and its role as the President of the International Solar Alliance (ISA) is reflective of its climate commitments. EU is a partner organization of the ISA, with seven of its members listed as ISA member nations. France has taken the lead in this sphere and strong Indo-French ties are expected to further boost cooperation in solar energy. India has great capacity to generate solar energy but the sticky point is its storage. India and EU need to jointly develop advanced technologies for energy storage and its efficient transportation, without incurring huge energy costs in transporting it. This can help provide clean energy even to those areas which lack production capability.

Renewable energy accounts for 26.53 per cent of the total installed generation capacity in the country. This is further enhanced by the Clean Energy and Climate Partnership (CECP) signed between India and EU in 2016. Its primary objective was to provide access to clean technologies to mitigate climate change and promote research and development in renewable energy sector. Projects currently underway include those based on solar rooftops, solar parks, biofuels, storage of renewable energy and smart grids.

European Green Deal and the Fit for 55 package aim to set EU on a path of green transition and align the EU laws with its climate ambitions. It intends to achieve climate neutrality by 2050, making Europe the first continent to do so. Russia Ukraine crisis has definitely set back European plans of reducing carbon emissions and increasing the usage of renewable sources of energy in a time bound manner. Europe has been signing new gas contracts with Qatar, Norway and US, amongst others. It has invested heavily in floating gas storage units and LNG terminals to be able to receive as many LNG shipments as possible, to help deal with the onsetting winter. This has taken Europe's time, effort and money, which would have been used to create clean energy investments otherwise. The renewable goals have taken a temporary backseat, with renewed focus on natural gas.

Whereas India has had access to cheap Russian oil, which has helped retain some level of calm in its domestic fuel prices. It is steadfast on its renewable targets but is awaiting the funds promised by the developed countries to the developing countries to help achieve their green transformation. What strikes here, is Europe's indirect dependence on China. Renewable energy infrastructure requires substantial quantities of rare earths. China is known to have the biggest rare earths processing capacity in the world. This process is highly polluting, which does not match with the European climate targets. If the world continues on the path of renewables at the current pace, we will witness the mineral requirements doubling by 2040 and quadrupling if we stick to the Paris Agreement goals of maintaining the global temperature rise below 2 degree Celsius. Electric cars require lithium-ion batteries, windmill require terbium, neodymium and other rare earths. Lithium and copper, most commonly mined minerals, have 50 per cent of their production located in areas with high water stress. Many areas are subject to extreme heat or flooding, further questioning the sustainability and reliability of supply. Is the increased use of renewable energy sources and technologies going to help evade the climate crisis or bring it closer home, only time will tell.

Conclusion

India and EU have strong reasons to take their strategic partnership to heightened levels of cooperation. National interests and principles of functioning are not very different between the two as compared with other countries like China or Pakistan. They will certainly have to navigate the current dynamics, deal tactfully with the China question, enhance climate and energy cooperation and push for other such joint collaborations in the future. India initiated the ISA and various countries joined into spreading this mission far and wide. India has huge production capacity in the

the field of solar energy but Europe can help it enhance that capacity by investing in solar energy storage mechanisms over long periods.

Investment and technology transfers from Europe along with labour, research and development from India can help attain many of the SDGs at a faster pace. For Europe a lot will be defined by how this winter passes. Energy is one of the main drivers of Europe's commercial growth and its crisis brought about by the Russia Ukraine crisis has jolted Europe out of its slumber. It has recognized its reliance on China and the need for a friendly India in the Indo Pacific for a peaceful, stable and secure rules based international order in the region.

EU'S INDO-PACIFIC OUTREACH: STRATEGY, ECONOMY AND THE CHINA FACTOR

DR SWASTI RAO

Indo Pacific is the current epicenter of global geopolitical maneuvering. Analysing the European Union's (EU) engagement with the region requires unpacking layers of policies that the EU has formulated in that context which are a combination of external factors and an internal transformation within the EU. Until recently, the EU had avoided using the term Indo-Pacific in its official statements, bilateral agreements and policy documents. Its officials steered clear of using the term in their addresses. The primary reason behind this reluctance was close economic ties with China and it was widely held across EU states that creating specific guidelines for engaging the Indo Pacific region would be too direct a reiteration of EU's transatlantic commitment which would come at the cost of economic ties with Beijing.

All of this has changed in a matter of a few years. EU's engagement with the Indo Pacific has been one of the most visible foreign policy resets of the bloc bound to make significant strides in years to come. In a watershed moment in EU's recent global maneuvering, a strategy for cooperation with the Indo Pacific was published in 2021. Subsequently, the EU has been working on maximizing its hitherto limited maritime presence, engage friends and allies to uphold a rules-based international order, build cooperation framework with the littoral states, and commit propitious economic plans like the global gateway to cater to the region's larger infrastructural needs.

EU's road to self-transformation and the Indo-Pacific (IP) Strategy 2021

The above entails a noticeable transformation within the EU that has been underway since 2019 when the EU for the first time, categorized China as a systemic rival. This transformation started with France's push to redefining EU's place in the position of larger global geopolitics. Emmanuel Macron, upon becoming the French president since 2017, has been instrumental in pushing the EU towards the ideal of "strategic autonomy". This aspiration required the EU to transform fundamentally at several levels, coordinate actions and develop cogent policies with sound financial backing to execute the confidence of a global power. EU needed to navigate its geopolitical engagement in its own indelible ink.

Macron, a vocal critic of the bloc's overt dependence on US-led security architecture called for more

strategic autonomy in the EU weltanschauung. The first concrete step towards achieving strategic autonomy arrived when the EU launched a document called the “Strategic Compass” in 2020, whose goal was “to develop a sovereign, European security strategy.

The Strategic Compass, together with the European Defence Fund (EDF) provided the foundation for a stronger EU with policies and budgetary allocations to address its security concerns. The latter was echoed in its Indo-Pacific policy formulated a year later in September 2021. It sets out the EU’s intention to reinforce its strategic focus, presence and actions in this region of prime strategic importance for EU interests. The aim is to contribute to regional stability, security, prosperity and sustainable development, at a time of rising challenges and tensions in the region.

External factors such as the United Kingdom’s (UK) post-Brexit Indo Pacific enthusiasm also have a role to play. Brussels watched how London set out to recalibrate its foreign policy in a changing geopolitical environment through the publication of Integrated Review, a policy document that laid out the importance of the region in both economic and security realms. As the centre of global economic and maritime gravity shifted towards the Indo Pacific, the EU realized that a robust Indo Pacific engagement policy was crucial in maintaining its stature as a global economic power.

Adding to EU’s discomfort was the emergence of AUKUS (an Indo-Pacific trilateral security coalition between Australia, the UK and the US that overstepped France) that nudged at the EU’s inward-looking orientation. It again showed that UK was perhaps the quickest European power to join the global engagement with the Indo Pacific, not only economically but also militarily. This did not go down well particularly with Macron under whose leadership France was then heading the council of the EU.

However, it has been China’s unabashedly growing aggression in the South China Sea that has upended the EU’s economic calculus and forced it to re-orient its foreign, economic and security policy to respond to the issue. Beijing’s militarization of the South China Sea has threatened the free flow of goods through the vital Sea Lanes of Communication (SLOCs) in the region. Indo-Pacific is central to Europe in geo-economic and geostrategic terms, especially since it combines “70% of the global trade in goods and services and 60% of foreign direct investment flows”. Intense geopolitical competition in the region has been adding to increasing tensions on trade and supply chains as well as in technological, political and security areas.

The complexity of the situation got further exacerbated with the Ukraine war which again forced a vexed EU to ramp up its vulnerable economic security. Does that mean that the EU’s Indo Pacific engagement operates in the matrix of countering China? Yes, it does, but it also brings much more on the table that makes it a truly global economic engagement. That said, there is a certain degree of ambivalence that remains etched in the EU’s approach to China, part of which is reflected in the Indo Pacific policy as well. The ambivalence stems from simultaneously viewing China as a systemic rival and an important trading partner.

Europe's ambivalent relationship with China is in search of perspicuity

The contours of a Europe's approach to handling China did emerge clearer from the earlier ambivalence during two occasions. First was the pandemic and second, the Russia- Ukraine war.

During the pandemic, heavy dependence on China for raw material and operational resources undermined Europe's capacity to respond autonomously. The pandemic pontificated the growing necessity of defining how a geopolitical Europe was to engage the quest of its own supply chain resilience alongside engaging the Indo Pacific in a world order which was being increasingly dominated by both the US and China.

Despite the aforementioned change, the EU still remains in an ambivalent position in its economic relationship with China. Despite being officially deemed a 'systemic rival' in 2019, China remains a major trade partner for the EU. Although the fate of the Comprehensive Agreement on Investment (CAI) deal signed between EU and China at the end of 2020 is stuck with disagreements over human rights issues, the overall trade relations with China remain steady. As the sanctions on Russia bite the major industries in Europe, they are set to expand their footprint in China because sky rocketing energy prices back home have made industrial production unsustainable.

However, with Xi's third term, the economic signals from Beijing uphold a trend towards self-reliance. This could be a window of opportunity for Europe to leverage maximum from its Indo Pacific outreach. Asia's need for investments looks upon the developed West for trusted connections than the debt traps and coercive tactics of China's Belt and Road Initiative. Consequently, while the EU-China trade remains important for both sides, it also seems to be a good time for the EU to bolster its economic partnerships in Asia, beyond China. This paradigm shift will help develop new markets, especially allowing for the demand for European business in the Indo-Pacific region to increase.

Post Ukraine, reaching out to Asia, while protecting its own economic security by guarding vital trade routes is unarguably a part of the EU's post- Ukraine geo-economic and geostrategic calculus. Indeed, it is easier said than done because the economic implications of Russia's war in Ukraine on the global economy, and especially on Europe, have been phenomenal. The significant impact on global supply chains has been particularly devastating. Barclays has cut global growth forecasts and warned the world to brace for the weakest growth in four decades.

Under present global economic duress, the feasibility and success of EU policies will depend largely on the potency of the economic support that the EU is willing to commit to its engagement to the Indo Pacific. Therefore, EU's Indo-Pacific economic architecture is critical to making its policies in the region to attain their objectives.

Economic vertical of EU's IP strategy

The economic vertical to EU's Indo Pacific Policy rests on EU's Global Gateway which was introduced in December 2021, merely months after the IP strategy. It is the mainstay for the implementation of EU's Indo-Pacific plans by pledging to mobilize up to 300 billion EUR in investments between 2021 and 2027. With the Global gateway, the EU has indeed strengthened its economic statecraft toolkit. Another characteristic of this toolkit is that it acts in coordination with existing frameworks and those of the G-7's that complement its agenda.

Global Gateway aims to deepen Europe's outreach to other regions of the world, especially the Indo Pacific. The European Commission has underscored that the Global Gateway strategy further builds on the existing "2018 Asia Connectivity Strategy" and the connectivity partnerships with Japan (2019) and India (2021). Reiterating its focus on ASEAN 'centrality' the EU will push for a similar ASEAN-wide partnership too. The EU has upgraded its Mission to ASEAN as a full-fledged EU Delegation in 2021.

Moreover, the EU will coordinate digital connectivity initiatives with the US through the Trade and Technology Council launched in June 2021. It is noteworthy that India is the second country after the US with whom the EU has signed the TTC in 2022. The EU also aims at mobilizing its telecommunications firms to deploy digital networks and infrastructures, promoting an open and safe Internet based on the EU's own GDPR rules.

Since the EU identifies itself as the top investor, top development assistance provider and big trading partner for the region, with the Global Gateway, it has laid down substantive plans and strategies to counter China's mega plan to dominate the world economy by its expansive BRI projects. According to the Asian Development Bank, developing countries in the region need an investment of 1.7 trillion USD until 2030 annually to sustain economic growth. Moreover, green infrastructure will also cost an estimated 2 trillion USD of annual investment for the next decade.

Though Japan has been the main investor in Asia traditionally but its investment portfolio has been shrinking since the 1997-1998 Asian Financial Crisis. China, on the other hand, was least affected by either the 1997 crisis or the 2008-2009 Global Financial Crisis. In 2013, President Xi Jinping launched the BRI, a grand infrastructural investment scheme with an estimated size between 1 and 8 trillion USD.

Perturbed by China's growing economic footprint, unfair trade practices and wolf warriorism, the US along with allies Japan and Australia launched the Blue Dot Network (BDN) in 2019. BDN has been promoting financially, environmentally, and socially sustainable infrastructure investments. At the G7 level too, an ambitious plan, Build Back Better World (B3W) Partnership, was launched in June 2021. Explicitly aimed at competing with China's BRI, the G7 partners launched their own "values-driven, high-standard, and transparent infrastructure partnership led by major democracies".

However, lack of financial planning and vague posturing were a major roadblock to B3W. This led the G 7 to re-launch the B3W next year in June 2022 with sound financial backing.

The Joint Communiqué of the June 2022 G 7 meeting underscored a new Partnership for Global Infrastructure and Investment (PGII). In an upgraded version of the B3W, the G7 aim to mobilize USD 600 billion over the next five years to narrow the global investment gap. The G7 look to stepping up their cooperation globally through working towards new Just Energy Transition Partnerships with Indonesia, India, Senegal and Vietnam, building on existing partnership with South Africa. The EU's Global Gateway Strategy complements and advances the G7's PGII. It pledges to establish "equal partnerships", as opposed to "dependencies", by enhancing consultation and cooperation with partner countries. It is a well chalked out alternative to the BRI.

Sound financial backing is the core strength of EU's latest economic toolkit. The Global Gateway, in a well laid out plan, aims to mobilize a total of 300 billion EUR in the period 2021-2027 from both private and public investors. Of the 300 billion euros, 135 are provided by the European Fund for Sustainable Development Plus (EFSD+), 18 billion EUR obtained in grant financing under external assistance programmes, and 145 billion EUR of planned investment provided by EU financial and development institutions – i.e. the EIB and the EBRD.

To mobilise private capital, the EU will largely rely on the EFSD+. Private capital needs de-risking by guarantees to investors. A total of 26.7 billion EUR will be given in guarantees to investors through the EIB. Furthermore, the Global Gateway proposes the establishment of a European Export Credit Facility to help EU firms compete with contenders benefiting from government subsidies by facilitating European companies' exports. It may well be argued that EU's push to the Indo Pacific rests on a well formulated economic toolkit, flexible enough to complement similar initiatives by likeminded countries to maximize impact. In a push to develop formal cooperation frameworks with the littoral states of the region, 27 European and 30 Indo Pacific —via the "27+30" Indo-Pacific Forum —representatives for foreign affairs and security policy met at the Ministerial Forum for Cooperation in the Indo-Pacific in February 2022. Being President Macron's brainchild, this forum is a significant step ahead in the direction forging trusted connections across the region. Discussions at the forum helped to identify ideas and avenues for cooperation in the light of the recently adopted EU's Indo-Pacific Strategy and the Global Gateway Strategy.

European Commission described this initiative as developing "sustainable and trusted connections that work for people and the planet" and aims to reinforce the EU's presence on the international stage. The Indo Pacific Forum covered five key areas of digital connectivity, climate and energy, transportation, health, education and research. Among its various outcomes, bolstering maritime security has been noteworthy.

Coordinated Maritime Presence

In a departure from the monolithic identity of a major economic player only, the EU has been repositioning as a major security provider too. The Coordinated Maritime Presence (CMP) concept was introduced in 2019 as a new and flexible tool to increase the EU's capabilities as a reliable, long-term, security partner and maritime security provider, in tune with the EU Global Strategy and the Council Conclusions on Global Maritime Security. The concept relies on synergizing the existing tools and EU members' naval assets already present in the maritime areas of interest.

Keen to play a more visible role as a security provider in Indo Pacific's maritime domain, the EU announced the extension of CMP in the north-west Indian Ocean. This will allow the EU to further support stability and security in the Indo-Pacific region, to optimize naval deployments, to promote coherence of European action and to facilitate the exchange of information and cooperation with partners in the Indo-Pacific, including by conducting joint maritime exercises and port calls.

The extended CMP in the Indo Pacific is complemented by Enhancing Security Cooperation in and with Asia (ESIWA) programme. Both these initiatives are aimed at carrying out capacity-building actions with the Indo-Pacific partners in the field of counter-terrorism, cyber, maritime security and crisis management. The EU also re-affirmed to promote maritime domain awareness, notably through the IORIS information exchange platform of the Critical Maritime Routes in the Indo-Pacific (CRIMARIO) project. The EU has announced at the Ministerial Forum that the extension of CRIMARIO project of to the Pacific Ocean will be explored in the coming months. It is expected that the CMP, ESIWA and CRIMARIO will together scale up EU's commitment as a security provider.

Therefore, the EU's commitment to scale up its security engagement in and with Asia to complement its economic reach has a well laid out framework and policies. It will increase its value as a trusted security partner in the region by supporting the EU's Security and Defence Dialogues with pilot countries like India, Indonesia, Japan, Republic of Korea, Singapore and Vietnam. The EU will aim to promote all dimensions of quality connectivity with Indo-Pacific partners in a strategic manner.

EU's Indo Pacific engagement has a Data Protection Vertical as well. The maiden ministerial forum has rightly underscored the importance of ensuring a high level of protection of personal data as reflected in the Declaration between the EU and nine Indo-Pacific countries (Australia, Comores, India, Japan, Mauritius, New Zealand, the Republic of Korea; Singapore, Sri Lanka) on privacy and personal data protection, to strengthen confidence in the digital economy and continue cooperation on trusted data flows.

Therefore, taken together, the EU's Indo Pacific engagement is detailed, financially worked out to the core and aims to provide a viable alternative to China's global domination through the BRI.

What does a geopolitical Europe in Asia mean for EU-India relations?

Engagement with India is key for the success of EU's Indo-Pacific outreach, both economic and strategic. India is one of the fastest growing economies during a global economic slowdown and amidst fears of stagflation in major developed economies precipitated by the Ukraine war.

Ukraine Crisis and India's dealing of it has been reiteration of India's multi vector foreign policy where constructive engagement with major global powers is sought and cherished simultaneously and not with one at the cost of the other. In India, there is a readiness for a more dynamic and accommodative foreign policy that prioritizes its national interest. The pitch was forging closer ties with India was evident in EU Commission President, Ursula Von der Leyen's addresses during her visit to New Delhi for deepening EU-India strategic partnership.

The signing of the Trade and Technology Council (TTC) is indeed a milestone in India- EU engagement in the larger context of latter's Indo Pacific outreach. While the India- EU Free trade Agreement may still be having more ground to cover, there is little doubting the fact that the convergence of economies of skill with scale along with trusted connections and shared values is inevitable and in the interest of all. The strategic coordination mechanism provided by the TTC will allow both partners to tackle challenges at the nexus of trade, trusted technology and security.

TTC is a reiteration that both sides are in agreement that rapid changes in the geopolitical environment highlight the need for joint in-depth strategic engagement. TTC will provide the political steer and the necessary structure to operationalise political decisions, coordinate technical work, and report to the political level to ensure implementation and follow-up in areas that are important for the sustainable progress of European and Indian economies.

Taking their bilateral engagement further and in line with the recently concluded TTC, India and the EU have recently inked pact for cooperation in high-performance computing in areas of bio-molecular medicines, Covid therapeutics, mitigating climate change and predicting natural disasters. The November 2022 agreement adds more substance to the TTC deliberations earlier this year.

Yet another unmissable convergence in India- EU partnership is the commonality of allies and partners across the different initiatives working in the Indo Pacific. Taken together, a geopolitical Europe in Asia will also demand that India's balancing of multipolar engagements sustains. Regardless of whether Russia wins or loses the war in Ukraine, it will emerge a diminished power. Given its international ostracization, Moscow is likely to get pushed further into Beijing's fold. The situation will be unfavorable to India that has traditionally favoured a strong enough Russia to counter an Asian order led by China. In effect, it will require India to re-assess the efficacy of India-Russia relations in managing the China factor and its outreach to Central Asia and in trade routes to Iran.

As Indo-Pacific becomes the theater of US-China great power rivalry, India's options will get concomitantly complicated and perhaps under duress to take stands or come out more clearly against China in the Quad - both of which India has been avoiding. While India's foreign engagement will continue to operate within the paradigm of strategic autonomy, it is likely to fine tune to better co-opt the dynamism of challenges and opportunities emerging from the Indo-Pacific.

Amid this geopolitical landscape, it is a mutually conducive environment for India to maximise the potential of the EU's overtures in the region. EU is also wary of a direct confrontation with China that will offset trade benefits. At the same time, its systemic engagement framework for harnessing the potential of the region and building connectivity and infrastructure in Asia, in all of which India is a key player, encourages India to look at its Indo Pacific engagement and cooperation with the EU more proactively than ever.

Caveats and Challenges Ahead

The EU's desire to play a more decisive role on the international scene has often fallen short of performatives despite well laid out policy documents. In a very uncertain world, EU's IP Strategy combined with its Global Gateway and Maritime engagement through CMP and ESIWA is set to further test the EU's ability to deliver on its aspiration to engaging with Indo Pacific while maintaining trade relations with Beijing.

For the above to harness the full potential of cooperation in the Indo Pacific, the cleavages within energy starved Europe will need to be tackled. Despite the radical shift in Germany's approach energy diversification from Russia and its military renaissance, it would be a fallacy to assume a similar radical shift in Berlin's attitude to China. The reason stems from Germany's reliance on China for its manufacturing sector, especially the automobile industry. Major European economies like Germany would be even more risk averse. To illustrate, Germany's BASF, the world's largest chemicals company by revenue, has been hit badly. Due to difficult conditions in Europe, BASF's management recently launched a cost-cutting programme to be implemented between 2023 and 2024. On the other hand, BASF expects further growth in China and plans to multiply investments there. BASF chief was a part of the business delegation that had accompanied Chancellor Olaf Scholz in his recent visit to China. Even though China is blocked out of the EU in strategically sensitive technologies such as the 5G, its utility will be indispensable in Europe's economic calculus. This explains why despite more proactive engagements in the Indo - Pacific, Europe remains wary of alienating China. This is particularly true now when doors of decades old economic engagement with Russia are closing.

Secondly, in tune with striving for strategic autonomy, the EU has been trying to work on another vulnerability that China has been exploiting. In response to the EU and its Member States becoming the target of deliberate economic coercion especially by Beijing in recent years, the EU Commission has started strengthening its toolbox of autonomous measures since the end of 2021. The EU adopted

a proposal for an Anti-coercion instrument which would give the EU more possibilities to react in the event of economic coercion and adapt to the new geo-economic order.

While the new framework is primarily designed to deter economic coercive action through dialogue and engagement, it also allows – as a last resort – to retaliate with countermeasures comprising a wide range of restrictions related to trade, investment and funding. While there is broad support for creating a legislative tool to address the growing problem of economic coercion, opinions among the EU-27 remain divided as regards the severity of countermeasures and the manner of establishing when they should get deployed.

Within the European Parliament, the file has been assigned to the Committee on International Trade. The draft report was published in April 2022 but the final version is still under deliberation. The EU needs to evolve principles that should guide Europe’s quest for economic sovereignty. Until this internal vector is better catered for, EU’s outward push to Indo Pacific will remain overridden with vulnerabilities that might impede its other trade policies in the Indo Pacific. EU needs to build strong defences and comprehensive resilience architecture, with an anti-coercion instrument to identify and rectify the costs of third party economic coercion.

EU’s internal strengthening is directly proportional to its ability to strengthen alliances and partnerships and deliver on its policies that are essential to its economic security elsewhere, particularly in the Indo Pacific. While decoupling from China may not be a viable option given the current trade volumes, but the world’s largest economies, along with India, are looking for a “China-plus-1” supply chain. As a result, geopolitical alignments are changing and trade is increasingly being done amongst like-minded countries. This trend will continue to define the economic galvanizing in the Indo pacific region among likeminded countries.

The Indo –Pacific is and will remain to be a theatre of increased geopolitical and geo-economic engagement especially among the adherents of the liberal international order. In that pursuit, the role and geographical position of India will remain cardinal in the battle of interests and influence in a new regional world order where great powers will engage middle powers as the patterns of cooperation, competition and conflict will keep intersecting at multiple junctures.

PART 2:
**NAVIGATING ECONOMIC
AND TECHNOLOGY
PARADIGMS**

HOW MANY MORE NEW BEGINNINGS IN INDIA-EUROPEAN UNION RELATIONS?

DR ALEKSANDRA JASKÓLSKA

India and the European Union are strategic partners with dynamic political, economic, cultural and scientific cooperation. According to joint action plans, strategies and agreements signed by India and EU and also speeches given by their representatives, the above statement appears to be true. However, what does it look like in practice? The article looks at the history of India-EU relations, current development and possibilities for further cooperation with special emphasis on economic cooperation.

The first part of the article focuses on the historical background of India's relations with the EU. In the second part, the possibilities of a new beginning in India-EU relations through the perspective of their bilateral summits in 2020 and 2021 are analysed. Developing economic cooperation was an important focus of those summits, especially the decision to resume negotiations on the Free Trade Agreement (FTA). To analyze the possible change in India-EU relations, it is crucial to investigate into factors which led to breakthroughs in relations in 2020 and 2021 and points of agreements between India and EU during these summits. Lastly, the article concludes with assessments of what India and the EU are discussing under the FTA and how the same could influence their relations.

India-EU history of 60 years of diplomatic relations

The history of the relations between India and the EU may be divided into five phases. First phase began from 1962 when official diplomatic relations were established between India and European Communities till the end of the cold war.

It is important to have in mind that for this reason India and the EU had a limited possibility to develop cooperation political and economic cooperation. But it can't be said that those decades were lost. It can be rather called as a prologue for developing future cooperation. Both parties were aware of its existence and realized slowly that there is a large scope for cooperation.

Second phase, which started in the early 1990s, brought a new vigor in India-EU relations. For India it was a must to rethink its foreign policy after disintegration of the USSR and its economic crisis.

For India it was a must to rethink its foreign policy after disintegration of the USSR and its economic crisis. Furthermore, the EU was much more settled and ready for developing cooperation with other actors of international relations. It is also worth to notice that in 1994, EU and China intensified their relations, which also contributed to India's interest in cooperation with the EU, simply for the fear of being left out.

Third phase was kicked off by the long-awaited event - first India-EU summit, which took place in 2000. During the India-EU summit in 2004 both parties agreed that they want to take the cooperation on the higher level and Strategic Partnership agreement was signed. The fact that India and the EU see themselves as two biggest democracies and identify similar regional and global challenges, such as for example importance of China's rise in international relations.

Fourth phase in India-EU relations started with summit in 2005 in New Delhi where the EU-India Joint Action Plan (the 'JAP') for the Strategic Partnership was announced. But some scholars and policy makers from India and EU realized that there is a significant lack of information and understanding about the EU in India and vice versa. This could have caused lack of understanding between both parties and may have invited possible challenges in the future cooperation. Despite this, a decision was made in 2007 to start Free Trade Agreement (FTA) negotiations. In 2013, after thirteen rounds of negotiations, due to differences in how India and EU view the trade liberalization processes, both sides agreed on freezing FTA negotiations. One year earlier in 2012, the last constitutive India-EU summit since 2000 was held. Next such summits were organized in 2016 and 2017. During this phase, India and EU member states started to prefer bilateral relations over multilateral ones. It was a more efficient way for maintaining political and economic cooperation. In comparison, China-EU summits have been held regularly since 1998.

India-EU Summits in 2020 and 2021 - a new beginning?

The last summit was held in 2017 and there had been a few unsuccessful attempts to organize the next summit. The fifth phase may be seen as a breakeven moment, as a new beginning in developing political and economic cooperation. During the India-EU summit held virtually in 2020, "EU-India Strategic Partnership: A Roadmap to 2025" was announced. Next summit was held in 2021, it was the first EU-India Leaders' Meeting where not only representatives of the EU but also all EU member states were involved. One of the most widely discussed decision was to resume negotiation for a "balanced, ambitious, comprehensive and mutually beneficial" trade agreement, and to launch separate negotiations on an investment protection agreement and an agreement on geographical indications.

For better understating of the latest developments of India-EU relations, it is important to have a closer look at three documents: Joint Statement of 15th EU-India Summit and "EU-India Strategic Partnership; A Roadmap to 2025" adopted during summit in 2020 and Joint Statement EU-India Leaders' Meeting adopted during summit in 2021.

The joint statement from 15th EU-India Summit in 2020, is 3 pages long and is divided into 13 points. It was the first summit since the break-out of COVID-19. Representatives from the EU and India discussed global cooperation and solidarity in order to protect lives and to develop a vaccine. There was also a strong emphasis on how to mitigate the socio-economic consequences of the pandemic and to strengthen preparedness and response capacities. Both sides also agreed to bolster their cooperation in international fora like G20, to reinforce not only international security but also enhance global economic stability and inclusive growth. Last but not least there was also statement about importance of climate and environment protection, what could be seen at that time as a sign of India stand during long time planned Conference of Party 26 in Glasgow which took place in 2021. One can also read in the Joint Statement that the EU is looking forward to India's G20 Presidency in December 2022 and its membership in the UN Security Council in 2021-2022. Looking from EU perspective, India will have a chance to contribute to fulfilling the EU and India's vision of the world order and international relations as mentioned above.

In the Joint Statement, there is also a section on developing India-EU economic cooperation which may be seen as a preparation for what was announced next year - resuming negotiations on Free Trade Agreement. The leaders "reaffirmed their commitment to work towards balanced, ambitious and mutually-beneficial trade and investment agreements, opening markets and creating a level playing field on both sides". They also agreed to establish a regular High-Level Dialogue at ministerial level which aimed at narrowing the existing gap in knowledge about respective markets, possibilities of cooperation and investment.

Next important document announced during the 2020 summit, EU-India Strategic Partnership: A Roadmap to 2025, is 13 pages long and is divided into 118 points. It is first document of this kind. There are six sections which covered - Foreign Policy and Security Cooperation points, Trade and investment, Business & Economy points, Sustainable Modernization Partnership points, Global governance points, People-to-people points and Institutional architecture of the EU-India Strategic Partnership points. This roadmap was intended to strengthen and expand India-EU cooperation which witnessed a phase of low intensification in 2017-2020. Cooperation was more based on bilateral level. In the document, both parties agreed to work on developing mechanisms which will ensure effective cooperation such as ministerial meetings, regular high level exchanges. India and EU agreed also to work towards balanced and mutually-beneficial trade. It is worth mentioning that this document, as the previous ones, does not create any legally binding rights or obligations under India, EU domestic law or international law. But still this document is seen as a symbol of new beginning of India and EU towards developing relations.

During summit in 2021, Joint Statement EU-India Leaders' Meeting, was worked out. The document is 6 pages long and is divided into 33 points. It covers - Investing in EU-India Strategic Partnership points, Building global health preparedness and resilience – COVID-19 and beyond points, Protecting our planet and fostering green growth points, Fostering inclusive growth through trade,

connectivity and technology points, Striving for a safer, prosperous and more democratic world points. Both Parties noted that their main goal is to further strengthen the India-EU relationship towards a better future. They agreed to advance the implementation of the actions set out in the EU-India Roadmap 2025. One of the most important decisions during 2021 summit, was to resume negotiations for Free Trade Agreement. ”. Leaders also agreed that in order to create the required positive dynamic for negotiations, it is crucial to find solutions to long-standing market access issue.

India-EU trade relations and Free Trade Agreement

What are key objectives of the EU in its trade relations with India? According to the EU there are very important issues which need to be resolved by India such as establishing open, non-discriminatory and predictable regulatory and business environment. EU companies which are trading or investing in India need to be sure that there is protection guaranteed by India government towards their investment and also intellectual property. It will allow to unlock the potential of two-way trade and investment between EU and India. Unlocking the potential of two-way trade and investment will not be easy. Even though India’s economy went through economic transformation starting in the 1990s, its trade regime and regulatory environment still remains restrictive, especially in comparison to the trade regime preferred by the EU. There are few key instruments in this respect that have been set in place to remove these differences. It includes the EU-India High-Level Dialogue on Trade and Investment established in 2021 by a decision of the July 2020 EU-India Summit, as well as the EU-India Trade Sub-Commission and its specialized working groups and dialogues.

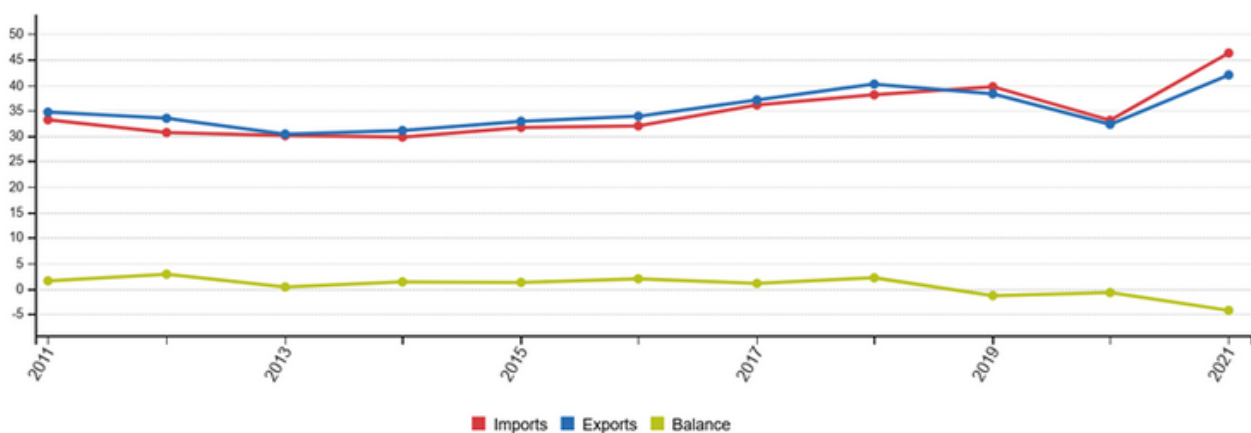
India-EU concluded 1st round of negotiations for India-EU Trade and Investment Agreements (related to resumed 2021 negotiation on FTA) in the beginning of July 2022. During this Round, 52 technical Sessions covering 18 policy areas of FTA and 7 Sessions on Investment Protection and GIs were held. 2nd round of negotiations took place in October and 3rd round in November/December 2022. In the same time India is negotiating FTA with United Kingdom. It is likely to be closed by March 2023. In case of the India-EU FTA the date is not set. It is very difficult to predict how long it will take to finalize the deal.

Despite the fact that there are still barriers in trade, 2021 data shows that the EU was India's third largest partner accounting for €88 billion worth of trade in goods or 10.8% of total Indian trade, after the USA (11.6%) and China (11.4%). Indian Exports to EU reached €46.2 billion and Indian Imports from EU €41.9 billion (see Figure1). In 2021, India was EU’s 10th largest trading partner, accounting for 2.1% of EU total trade in goods in 2021, well behind China (16.2%), the USA (14.7%) or the UK (10%). But there have been improvements in the last decade. India’s bilateral trade with the EU amounted to €116.36 billion in 2021-22.

The EU's share in foreign investment stock in India reached €87.3 billion in 2020, up from €63.7 billion in 2017, making the EU a leading foreign investor in India. This is significant but way below EU foreign investment stocks in China (€201.2 billion) or Brazil (€263.4 billion). Those data shows

the India and the EU are important trading partners but there is still a big unused potential in this sector. It is also worth mentioning that on 30 December 2020, the EU and China managed to conclude the negotiations on the Comprehensive Agreement on Investment (CAI). Agreement was not ratified yet but anyway it show that both parties were committed to agreed on terms and they dedicated their recourses to work on it.

Figure1. Imports, export and trade balance between EU and India, 2011-2021



Source: Eurostat

How strategic are right now and how strategic could be the relations between India and EU in the future?

India and the European Union (EU) are strategic partners with dynamic political, economic, cultural and scientific cooperation. Is this statement true or false?

India and the EU are not fully engaged in strengthening their relations. 2022 marks the 60 years anniversary of India-EU relations. Despite this, there was not even a summit this year. It seems that scholars and journalists published more articles, briefs and organised more conferences and seminars to commemorate this anniversary than India and EU policy makers. It is true that there was a breakthrough, a new beginning, in India-EU relations during the 2020 and 2021 summit. The question is what will happen next. FTA is again under negotiation, for how long India and EU will be able to negotiate? Will the negotiations end with the signing of the FTA or will they again decide to suspend the talks earlier like 2013?

The creation of a free trade area between India and the EU, would not only spur further cooperation in the economic sphere, but will also be one of the largest agreements of its kind in the world next to Regional Comprehensive Economic Partnership (RCEP). The trade agreement with the EU would

help India in further expanding and diversifying its exports of goods and services, including securing the value chains. It may also strengthen political cooperation but it may also cause political tensions.

The question is what can be done to continue the new beginning in India-EU relations. Strategies, statements, documents are there, it is time to fully operationalise them. Both India and the EU need to be engaged in developing their relations. Even though it is easier to cooperate on bilateral basis.

EU-INDIA IN THE DECADE OF DIGITALISATION

ANKITA TYAGI

Owing to an evolving focus on trade, trusted technology and security, India-Europe collaboration, strategic relationship and bilateral economic cooperation is constantly being strengthened. The same has been endorsed in 2020 as part of the 'EU-India Strategic Partnership: Roadmap to 2025'. Europe's leadership in sustainability, research and development (R&D) and innovation coupled with India's entrepreneurial spirit and large and fastest-growing consumer market make them natural partners.

The presence of European industries, brands and business organisations in the Indian market can be traced back to more than a century. At the same time, a long future engagement is clearly visible from the ongoing collaborations and cooperations, which is leading to sustainable business growth. In order to disrupt status quo, foster innovation and further multi-stakeholder engagements in the Europe-India Business Corridor, digital inclusion must be a central component. This requires a focused and coherent approach that needs to be implemented for exchange of best practices. This will enable the creation of a smooth ICT ecosystem development.

Under the leadership of both the EU and Indian governments, a flagship programme called 'The Digital Single Market strategy' in the EU and "Digital India" in India has been agreed to create the framework and related activities under digital economy vision. This holistic programme imbibes the common goal of both democracies to enable digitisation of industries and societies which will lead towards the job creation, skilled manpower and next level technologies in liveable cities.

The aforementioned focus areas also highlight 'digitalisation' as the underlying crucial component. The need for a well-laid approach to capacity building, resilience and technological adaptation has been further highlighted during the pandemic. This creates an urgent need to focus on strategic aspects of emerging technologies and building trusted partnerships through demand-driven collaborations. Industries, associated ecosystems as well as supply chains need to revamp their business models to enable speedy digitalisation to achieve long-term sustainability.

The Landscape in India

Banks' focus on internet and phone banking applications have paved the way for other domains to digitalise as well. India has made rapid strides in this regard with the launch of ADHAAR and then linking it with several financial functionalities such as direct transfers, tax filing, bank accounts, key financial transactions etc. Digital payments, enabled through a low-cost infrastructure facilitated by

BHIM UPI, and its widespread adoption is a globally inspiring case study. In fact, from a traditionally cash-driven economy, the share of UPI has increased to 63 per cent in a period spanning less than a decade which facilitated 6.28 billion transactions worth Rs 10.63 trillion in July 2022.

Along with this, healthcare, medical instruments, automotive and information and communications technology (ICT) are some of the prominent domains in various stages of adopting digitalisation. Digitalisation is also a key focus area in the logistics sector and will be key to bringing down the cost of logistics to single digits from over 14 per cent of GDP currently. The recently launched National Logistics Policy places significant emphasis on the same where the Unified Logistics Interface Platform (ULIP) will bring all the digital services related to the transportation sector on a single portal.

All of this is driven by India's macro factors which are enabling such growth. India is one of the fastest emerging markets and developing economies with the fifth-largest GDP in the world, amounting to \$3.17 trillion (USD current as of 2021). It is estimated that there are 692 million internet users in India, which is slated to increase to 900 million by 2025 (as per the report by The Internet and Mobile Association of India). This is coupled with the significant reduction of hardware costs for common users and user-friendly government policies.

EU and India: Strategic and Policy Alignment

The European Union (EU) and India hold regular bilateral meetings, covering trade barriers as well as economic and regulatory matters. These include the EU-India Sub-Commission on Trade and its specialised Joint Working Groups, including Sanitary and Phytosanitary Measures (SPS)/Technical Barriers to Trade (TBT); Agriculture and Marine Products; ICT; Pharmaceuticals and Biotechnology; and Medical Devices.

Building on the same, the 'EU-India Connectivity Partnership' identifies four key pillars as digital, energy, transportation and people-to-people connectivity. It highlights the strong role both regions can play in providing stakeholders with a conducive platform to consolidate and share information on sustainable investment project opportunities.

With the revived Free Trade Agreement (FTA) negotiations between the EU and India (continued from 2007 which was ceased after 16 rounds) accompanied with the current geopolitical scenario of the Russia-Ukraine war and COVID-19, new dynamics have come into the picture. Digital technologies are at the core of these discussions and are integrated as a mandatory factor in the current economy to drive innovation, jobs, and growth. Investments are higher in creating digital infrastructure and deep-tech focused research to create resilient economies. Furthermore, management of finance, utilities, public services, health and retail services; swift operational and working model; and e-commerce, internet and cloud-based infrastructure have contributed immensely towards the same.

A source cited by the European Commission highlighted that there is an urgent need of investments in technologies such as Artificial Intelligence (AI), Cloud, Internet of Things (IoT), Edge Computing, etc. The same goes for other economies as the severity of the situation of Russia's invasion of Ukraine heightens. The invasion has had significant effects on commodity markets, supply chains, inflation, and financial conditions which has, in turn, resulted in the slowdown of global growth. This is suggestive of a wide-ranging policy, and macroeconomic frameworks along with the integration of digital technology for revival.

A Common Interest in the Startup Ecosystem

The growth of the Indian start-up ecosystem over the past few years has been fueled by elements such as investment, developing technologies, and a growing local market. For the deep tech, fintech, services (IT, business outsourcing, software), telecom, agriculture, and capital markets sectors, India is a desirable and lucrative commercial target market. This is a result of India's strong consumer market, stable economy, corporate reforms, and laws that encourage foreign investment.

The Government of India has initiated and implemented financial and policy support for strengthening technology incubation activities on the premise that it will result in the indigenous development of products and packages in these various sectors. Flagship programmes like Digital India, Gatishakti for supply chain and multimodal logistics, and E-procurement portals such as the Smart City Mission, have resulted in higher acceptance for procurement of innovative and efficient solutions within the administration at the central, state and municipal levels. Jointly, they are contributing to being the largest consumer of such solutions and technologies. A paradigm shift is visible with the launch of the Software Product Policy aiming towards creating a product and innovation-based IT ecosystem in the country.

As a result, there was an increase in interest from other economies, particularly from the European industry, in joining forces and looking for new markets. There is an inherent trust of European technologies and solutions in the Indian market. European as well as foreign funds have realised India's potential where they can develop, market and sell increasing cutting-edge products & services at a low cost, thereby generating higher returns. The EU is also a leading investor in India accounting for 22 per cent (about €10 billion) of the total FDI inflows in 2019-20. India's bilateral trade with the EU amounted to USD 116.36 billion in 2021-22. Despite the global disruptions, the bilateral trade achieved an impressive annual growth of 43.5 per cent in 2021-22. Ensuring a high-level of investment protection in order to remain attractive destinations for new investments is a key dimension of the EU-India Partnership.

SMEs: Focus on Technology Adaptation

With increasing innovation, India's stature in global markets has drastically improved. The first time that Indian exports exceeded \$400 billion was in March 2021. The top five exports from India were

were engineering goods, petroleum products, gems and jewellery, chemicals, and ready-made clothing of all fabrics. The high-quality items that India produces, and the lack of international suppliers has contributed to this increase. India is already exporting an increasing number of high-end, value-added goods, but there is still room for much more.

Small and medium-sized enterprises (SMEs) already contribute to 30 per cent of India's GDP and 40 per cent of India's exports. They are crucial for local economic development, and play a noteworthy role in job creation, poverty alleviation and economic growth. Their capacity to identify new markets and to then prepare customised solutions to meet these demands is a key factor in its growth trajectory. European markets, for example, search for consistency and certifications on quality; transparency; ethical conduct; technology suitability; and sufficient compliance with local legislation. Green, low-carbon manufacturing has recently become a crucial demand as well.

The EU was India's third-largest trading partner in 2018, accounting for about 11.1 per cent of all commerce with India. In 2022, the EU traded products and services worth €95.562.8 billion to India. After the USA, the EU is the second-largest market for Indian exports (14% of the total).

In order to move up the Indian SMEs in the value chain, an Indian Central Government Scheme known as the Rising and Accelerating MSME Performance (RAMP) was established in partnership with the World Bank, for five years FY22 to FY26 in order to boost productivity and financing for Covid-hit MSMEs, through active involvement of the states. The Indian SMEs sector has especially recognised the role of technology as a key enabler for enhanced productivity and a way to meet the demand of their services and manufacturing capabilities. They are re-organising their structure and manufacturing units to adapt to such emerging technologies, and the opportunities it creates. Further, e-commerce platforms are also providing SMEs the opportunity to compete with big players which was a tedious task earlier. RAMP will be crucial to improve the quality, transparency and processes in facility management to such businesses. This will also open the door for collaboration with international partners, especially European businesses.

EU and India: Existing Initiatives and Framework

EU and India have engaged to strengthen links between their flagship initiatives such as Digital India, European Digital Strategy and the Digital Single Market for Europe.

A joint ICT working group between India and the EU was established in 2011 with the aim of having constant discussions. Regular dialogues take place within this Group, focusing on market access issues for companies on both sides; regulatory issues; ICT standardisation; and research and innovation (including startups). These meetings are complemented by ICT Business Dialogues.

Startups, deep technology, emergent technology, and standards framework are given particular attention under the existing Third Generation Partnership Programme (3GPP). several projects have

been launched revolving around 5G, cloud-based communications standards, and cybersecurity. A Memorandum of Understanding (MoU) was signed in May 2018 by the 5G Infrastructure Association (5G IA) Telecommunications, which represents the European industry, and the Research Programme Standards Development Society (TSDSI), India, to promote cooperation on 5G research, standards, regulations, and policies in 2021. The EU supports technical cooperation between the Indian and European telecom standardisation bodies (TSDSI and ETSI) on future global standards for such technologies.

New cooperation avenues are developing in the areas of Artificial Intelligence (AI), data protection and privacy, and cyber security to address the challenges in emerging technologies. The bilateral Cyber Security Dialogue focuses on exchanging best practices on addressing cybercrime and strengthening cyber resilience.

The Roadmap to 2025 reflects the importance of this sector in bilateral relations. During this Summit in July 2020, leaders from both regions placed a strong emphasis on ‘human-centric digitisation to promote inclusive economies and communities.’ One important part of the EU's global plan for digital cooperation is the EU's Digital Single Market, which aims to improve collaboration on digital concerns.

In this strategic document, both partners express their commitment to continue their ICT cooperation under the aforementioned working group, as well as to advance shared methods and standards in the following areas:

- Digital transformation
- Improving regulatory framework convergence
- Advancing technical and regulatory cooperation on the development of new technologies
- Supporting collaboration between Indian and European industries and start-up ecosystems on the development of new technologies
- Supporting the work between EU and Indian industries and start-up ecosystems on enhanced cooperation on innovation and technology deployment

The G20 framework also prioritises the creation and endorsement of a "comprehensive legal framework" to govern the online world. In this light, it is interesting to note that the government withdrew the Personal Data Protection Bill from Parliament in August 2022[1]. It is envisioned that the policymakers are working on significantly more robust regulation(s). This includes bringing separate laws on data privacy; the overall internet ecosystem; cybersecurity and telecom regulations; and using non-personal data to foster innovation in the nation.

On the flip side, it is foreseen that data localisation clauses may be revised in the near future. These laws currently have the potential to hinder the EU-India data negotiations as they would hinder data protection equivalence and a free transfer of data, both of which are key to EU-India cooperation in the digital sector.

European Business and Technology Centre ([EBTC](#)), a project advisory and facilitation organisation, on its part, has been actively working on driving such collaborations in the Europe-India Business Corridor. As a trusted partner in the Europe-India Business Corridor, EBTC builds actionable intelligence through projects, clusters and programmes backed by its vast body of knowledge & innovative solutions. This is achieved through its expertise, network and know-how, with a specific focus towards sustainability, innovation, green technology and internationalisation.

Scaling Up Innovation

Assessing demand, fostering innovation and scaling such solutions is critical, especially in the urban context. After analysis and evaluation of various models, the Living Lab PPP can be considered suitable for developing countries like India to meet their future objectives and long-lasting collaboration with industries in developed economies. It is a cooperation-based open innovation ecosystem focused on meeting demand-driven objectives. Through multi-stakeholder participation, it enables cities to become test labs to create innovative products.

Ministry of Electronics and IT (MeitY), Smart City Mission and the State of Telangana as 'Founder Partners', have institutionalised the first Living Lab in Hyderabad[2]. IIIT Hyderabad and EBTC as the technical cooperation partners. The Living Lab is inspired by the Amsterdam Innovation Arena (AIA) in the Netherlands and is benchmarked against the existing Lab in Amsterdam. The vision document for the Lab has been created after consultation sessions and workshops with the relevant stakeholders. It has identified its priority sectors are Water, Waste, Energy, Safety & Security, and Health. In addition to these, other sectors may be explored depending on the priorities of the Corporate Partners.

Open challenge programs were launched in September 2021 as Intel joined as a Corporate Founding Partner.) Now, more than 6 PoCs are already in various stages of planning and execution. In addition to this, the onboarding of more Corporate Partners is in progress. Besides Silicon Labs and Intel, Signify and Saint Gobain, have also officially joined the Lab. The success of this Living Lab has fueled the demand of creating more such structures. EBTC, along with its partner network, is actively working on formalising structures for six more such innovation labs which will serve as Centres of Excellence for future challenges and Proof of Concepts.

Way Forward

Deducing from all the facts and figures available, it has been established that India and the EU are two of the world's largest economies which have shared synergies and are offering significant trade and investment opportunities. The EU, with its 27 Member States, is India's largest trading partner in goods and services, with bilateral trade (goods & services) of over €100 billion. Close to 4,500 EU companies in India employ 6 million people (directly and indirectly). The current value chain, from inventions to the deployment of solutions, requires adaptation and proof of concepts for the governm-

-ent or the private sector. This is crucial to mitigate the risk of deployment of such technologies at a larger scale. Hence, a holistic ecosystem is required to support the same.

Given that Europe and India are two leading democracies in the world dedicated to defending and advancing human rights; a rules-based international order; effective multilateralism; sustainable development; and free commerce, they make ideal partners. Both sides need to work in collaboration to create strong allied forces and bloom in economies. Indian and European industries and academia can seize this chance to further expand their market penetration by meeting the strict quality criteria of both geographies' customers.

For the same, Indian businesses need to urgently focus on key elements of sustainability across its supply; standardisation; value addition; packaging; IP protection and much more. Partnerships with European businesses can be a crucial enabler in achieving the same. Further, it is also necessary to create harmony between urban and rural India, hence the adoption of scale-up Labs to create a mutual platform towards establishing a connection between urban and rural lifestyles is crucial. The essential blocks of this framework can create a circular economy, digital transformation, and indigenous self-adequacy while facilitating sustainable living.

To realise the above-mentioned potential and vision of bilateral collaboration, a few challenges need to be taken care of by both Indian and Europe sides. A lot of initiatives under major frameworks have been established. In order to implement these, there are a few critical issues and challenges on both sides, which need to be embedded in projects or models.

In India, active participation of relevant stakeholders, under respective schemes, is lacking or in silos without any connection which holds true in the majority of cases. This creates a lack of transparency and trust due to the non-availability of real-time data or regulatory framework. This highlights the urgent need for technology adaptation in various value chains, with local vendors. Therefore, there is a need to train manpower with relevant skill sets. With the European market now nearing saturation, the latest research and development and innovative technologies need to explore new markets. India, with its burgeoning middle-class, stable policies and growing economy is one of the most sought-after destinations. For market access, technology pricing and adaptability are very crucial. Hence, this creates a significant role for bilateral bodies like business support organisations, chambers, project facilitation organisations, consultancies and market entry specialists.

European businesses must also assess their willingness to lower prices for mass adoption. Collaboration with Indian partners can go a long way in mitigating risks, understanding the Indian market and tailoring specific strategies for the country. Businesses must also understand the differences in administrative structure and cultural nuances. These issues, though seemingly secondary, have the potential to create time delays for approvals or implementation. Patience is also key, from both ends, to fructify the sustainable collaboration and realise this massive Indian potential.

INNOVATION DIPLOMACY: INNOVATION AND TECH TRANSFER AS AN INSTRUMENT IN DIPLOMACY, TRADE AND FOREIGN RELATIONS IN THE EU-INDIA CORRIDOR

JULIANE FRÖMMTER

United States and China. The European Union's GDP of around \$16.6 trillion (nominal) is estimated to be representing around one-sixth of the global economy in 2022. India is a middle-income developing market economy and has recently overtaken the UK as the fifth largest economy by nominal GDP and third largest in PPP terms.

For both regions inclusive, innovation-driven, and ecologically sustainable growth is essential to their prosperity, even more so in the geopolitically uncertain environment of the 2020s. The two regions are well positioned to undertake a meaningful and leading partnership to solve global challenges around energy, water, health, mobility, and migration. Together, India and the EU have a unique opportunity to exemplify and inspire Innovation-led diplomacy and exchange on a global stage for a more peaceful and sustainable future for all.

As the EU member states (MS) dominate the Top 40 of the Global Innovation Index; India is aggressively pushing into the Top 40, advancing 6 positions in just the last year. It should also be mentioned that India has the 3rd largest startup ecosystem globally with 105 unicorns and more than 70,000 startups registered with the Indian Department for Promotion of Industry and Internal Trade (DPIIT). And while the European innovation ecosystem benefits from high investments in academia, science and R&D, India's startup ecosystem is built on opportunities to structure unorganized markets and a deep hunger and need to succeed in a much more unequal society while solving problems for millions aspiring to live a developed lifestyle.

In this context, Innovation Diplomacy (ID) as an extension of trade as well as science policy plays an important role in developing innovation-led trade, science, and technology partnerships globally and building bilateral and multilateral centers of soft power and influence. And while the term Innovation diplomacy is not a defined term, as laid out by Jos Letjen in his 2017 essay, "Exploring the future of innovation diplomacy"; the discipline itself has taken center stage in global trade, science policy and diplomacy.

The following article aims to share insights into the current instruments of ID in the Europe-India corridor at the Union and member-state level through selected examples. The sections that follow

investigate the achievements and limitations of the status quo and present a glimpse of the possibilities and opportunities for ID between Europe and India in the next decade.

Innovation Diplomacy Goals, Instruments, and Initiatives

While there is no commonly agreed definition of Innovation Diplomacy the Innovation Policy Toolkit: Tradecraft for innovation diplomats by Nesta, introduces the following 4 fields of influence that Innovation Diplomats may consider while crafting policy to effect cross border innovation promotion:

1. Exploring and Informing: Understanding innovation systems, spotting opportunities and barriers for collaboration and communicating them to the relevant organizations.
2. Influencing and Promoting: Influencing policies to improve the wider conditions for collaboration with innovative companies (e.g., IPR regimes) and promoting [country/ region] organizations as collaborators and [country/ region] as a destination for foreign technology-based investments.
3. Cultivating and Connecting: Building relationships with decision-makers, designing targeted events and workshops to spur new international partnerships, organizing missions to familiarize researchers and companies with new opportunities, matching individuals / institutions / companies with appropriate international partners and acting as an international portal for the [country/ region] innovation system.
4. Activating and Scaling: Develop, co-develop, or identify external resources to help secure and scale promising collaborations, find ways to help accelerate the commercialization of research or diffusion of innovation and build international partnerships that transform global opportunities for innovative firms.

The following chapter provides examples and analysis based on the author's personal observations being involved in the EU-India innovation landscape for years. Targeted statistical analysis and evaluation would be recommended to study the full impact of instruments and would need to be measured independently and coherently to establish reliable insights into the effectiveness of the engagements discussed above.

EU Instruments

Generally, as seen from India or outside the EU, the Union is increasingly seen as a block, which makes a great case for EU-wide instruments. As seen from within the union, EU instruments allow mid and lower-income countries to participate and experience initiatives that usually only higher-income countries deploy. Furthermore, these instruments provide the benefit of Innovation Diplomacy knowledge transfer between member states as well as a cost incentive by providing a shared knowledge and support infrastructure. The two instruments mentioned in the previous section targeted different fields of influence. The European Commission has provided funding for two such initiatives; the EU-India Innovation Partnership executed between 2018-2019 and the EU-India Inno-

-center in execution between 2021-2023. While the EU-India Innovation Partnership was focused majorly on connecting Ecosystem Builders e.g. incubators and accelerators from MS with those in India to identify areas of collaboration and shared understanding, EU-India Innocenter provides direct support to EU MS startups and scaleups and aiding in exploration and entering the Indian market. Both projects provide a high level of Exploring & Informing, thus supporting stakeholders in understanding innovation ecosystems, and uncovering tangible opportunities while highlighting trade barriers affecting organizations and companies. To achieve comprehensive results in the category Influencing and Promoting, the respective instruments would need to create a continuous and long-term body of evidence to establish repeating barriers and develop an ability to influence policy making in both the EU and India. It is expected that many of the current barriers for EU companies to enter India will be addressed in the ongoing discussions around the EU-India Free Trade Agreement (FTA). A meaningful improvement for bi-directional innovation promotion would be the possibility of permitting Risk Capital to flow more freely between India and EU for startups from both regions to solve global challenges such as climate and health with more urgency. Additionally, capital to mitigate the increased risk of entering India, compared to lower risk expansion geographies for startups and innovators from the EU, may be required to increase the ability and conviction to considering India and solving said global challenges in India.

The EU-India Innocenter is focused on Cultivating & Connecting as well as Activating & Scaling to solve for individual advancements in tech transfer and commercialization challenges of mostly advanced Intellectual Property (IP) startups and scaleups across health, sustainability, mobility & logistics, and other emerging tech sectors. Mid to long-term continuation and commitment of the support provided though both instruments could make for a comprehensive EU ID strategy to facilitate sustainable outcomes and tangible success. Direct-to-startup monetary support and co-investment to establish pilots would make for a meaningful addition to the instrument portfolio at the EU level. The German GIZs DeveloPPP or the Israel-IndiaI4F initiatives are established examples that can provide some level of inspiration for instruments with a focus on early and/or late-stage innovative companies.

Unilateral EU Member States' Instruments

ID instruments of individual MS such as the India centric activities of La French Tech or Germany's GINSEP and German Accelerator initiatives highlight the high level of effectiveness those instruments can bring and how to develop both an ecosystem and company-by-company approach to ID. Only when both areas are targeted and successfully developed can meaningful tech transfer as a means of growth and expansion for startups and scaleups flourish. This highlights that a long-term commitment by the initiator is substantial for long term results and sustainable innovation adoption

Comparing the integrated approach of La French Tech vs. the multi stakeholder approach of Germany is a great way of analyzing the limitations and advantages of both approaches. The high level integration of La French Tech into Business France's support portfolio makes it easy for French startups to navigate and gives La French Tech the potential to develop a successful ID strategy.

The German model on the other hand, is a bit more modular with multiple stakeholders at play and with a relatively lower level of integration between them, so far. Regardless, this model also covers the 4 areas of influence well and in many ways with higher precision. It is important to note that even the most sophisticated MS struggle with India-awareness, subsequent interest and deal flow for their startup and innovation market exploration and expansion instruments. This challenge could be addressed by acknowledging that a shared EU approach may be a way to balance demand and supply for such programs, while continuously enhancing awareness and focus on Exploring & Informing and Influencing & Promoting.

In addition to dedicated ID initiatives by member states most EU and European countries support their countries' companies including startups and scaleups with market entry services in all major economies around the world via trade offices or representatives. Considering India's economies size and its growing relevance in the world, the attention of member states is rising, and most trade missions or representatives are present in India, except from a few smaller member states. Services of the trade offices vary depending on the existing trade relations with India, number of staff as well as scope and mandate as defined by the home country's government. Services may include general information services, market research - generalized and customized, matching services, delegations, events & webinars and more. Services may be free, subsidized, or payable depending on government budget decisions and maturity of the supported companies. Startup specific needs are not necessarily directly addressed, but most countries with a significant startup ecosystem at home facilitate regular missions to India.

Switzerland with its SWISSNEX offering is a well-established unilateral, European non-member state example worth mentioning that provides support across the 4 innovation policy fields and has shown its effectiveness over the years.

Bilateral Instruments

Bi- or multi-lateral instruments are the preferred way for India to engage with EU ID, which can be seen in the way Startup India is building and promoting their International Bridge activities, as well as a variety of bilateral Science and Technology initiatives driven by the Indian Department of Science and Technology.

Startup India International Bridge acts as a one-stop shop for all the startup ecosystem stakeholders as a knowledge exchange platform and provides an avenue for collaboration for events, programs, and other activities.^[1] Bridges are often bi-directional and can vary from pure knowledge exchange, including go-to-market guides for the connecting countries, to dedicated time-bound innovation challenges. Five such bridges exist or existed for 5 EU member-states: Croatia, Finland, Portugal, Sweden, and Netherlands. Furthermore, the UK and Israel are EU associate member-states and / or participants in H2020. Not all bridges have dedicated or continuous funding and resources.

Additionally, Startup India organizes Missions to selected EU and non-EU countries, like the mission

promoted by trade offices and representations of member-states. The scope is mostly limited to fields a) and c) previously mentioned.

While such an approach is in the interest of advancing opportunities for Indian entrepreneurs, many of the initiatives are temporary with a 1-to-2-year duration and miss an opportunity to build long-term and sustainable cross border activities that result in meaningful tech transfer for both sides. Increasing the strategic dimension to ID by India could help to manifest and promote its increasing and leading role as a global innovation hub. From the examples above, the India-Israel I4F is the shining outlier here with a long-term commitment and significant financial backing. As Indian states are increasingly in competition for incoming Foreign Direct Investment (FDI) a case for state-based ID is also worth mentioning. It is advisable though to coordinate ID flows on national and state-level to avoid confusion for both Indian and international startups and scaleups. Singapore, via Enterprise Singapore, with its Global Innovation Alliance, that is well known and understood in the Indian Innovation ecosystem, is an example for how to address ID in all dimensions in the Asian context.

Beyond the classification relating to the nature of funding and resource provisioning, there are other factors that differentiate these programs, initiatives, and instruments from each other. Ultimately, the initiators and funders of such instrument will need to determine which hard and soft goals they expect to achieve with their tax funded initiatives. While ID is an instrument to showcase attractiveness of a region as innovation supplier or innovation receptor or both, there are harder, more tangible outcomes that determine qualitative and quantitative outcomes of such programs, both short and long term. Programs designed to accomplish ID goals will look at short term Key Performance Indicators (KPIs) such as (1) Innovation teams served (2) Connections with target geography established or (3) Co-Creation agreements, local Pilots or Proof of Concepts established; whereas long term one should measure (1) Market Entry including, hiring of local talent, Investment in target geography, legal entity in target geography, (2) Revenue generation in target geography and (3) Impact of introduced innovation improving people's lives e.g. in climate or health. Beyond that the establishment of repeatable playbooks is essential for providing the services to innovation teams as well as to successfully prepare and execute a market entry with an innovative product and extremely limited resources in specific sectors. Considering both geographies experience global challenges quite differently, market adoption strategies are essential to building early success and therefore require experienced resources to establish market understanding, networks, and ability to adjust to local needs. Time and patience are essential in the individual journeys of innovation teams, so the instruments need to consider provisioning enough resources to achieve those KPIs in the short and long term.

Considering the maturing of ID as an instrument in the EU-India corridor, it would benefit the space immensely, to establish a comparative framework measuring and comparing success of individual instruments helping to establish which interventions fulfill set goals and KPIs and to support policy makers in strengthening the outcomes of policy investments.

Recommendations for enhancing Innovation Diplomacy between Europe (EU) and India

Mid to long-term continuation and commitment of the support provided through like the EU-India Innovation Partnership as well as the EU-India Innocenter, could advance a comprehensive EU ID strategy to foster sustainable outcomes and tangible success. Direct-to-startup monetary support and co-investment to establish pilots would make for a meaningful addition to the instrument portfolio at the EU-level. The German GIZs DeveloPPP and the I4F are some established examples that provide a template for such monetary instruments with slightly varied flavors for early or late-stage innovative companies. A policy gap that could be closed through the FTA is a more liberal approach to the deployment of risk capital between the EU and India, since the access to funds is a key driver for startups to explore new markets, as can be seen in the high interest of startups in expanding to markets such as the US and Singapore.

Continuing and enhancing EU-level ID towards India has the potential to create momentum within a highly underexplored and underrated geography for European startups. It is of geopolitical interest and serves as a bridge market to solve global challenges in the areas of climate, health, and sustainable supply chains with high transferability factor of economical solutions for the emerging and developing economies. The continuation of established instruments that generate awareness of the innovation opportunities on the subcontinent is of utmost importance considering India is the 5th largest economy with one of the most vibrant and successful startup ecosystems.

Shared EU instruments further have the benefit of establishing working playbooks for all interested stakeholders as well as a knowledge infrastructure that would not need to be replicated in every MS. This is of crucial importance as smaller or less mature MS startup ecosystems may not have sizable enough demand to keep such support services readily available by themselves. This idea requires a high level of consensus though, since individual MS ecosystem branding desires may be compromised in the interest of an EU front that showcases EU R&D and innovation.

Lastly, it needs to be strongly considered that India is committed to even and balanced engagements such as the I4F. The EU as well as its member states are advised to seek multilateral / bilateral action wherever possible. Differing budget allocation models between the two regions currently present some obstacles to this approach, that need to be addressed through diplomacy and as part of the current FTA conversations.

India needs to fully embrace its leading role as a global innovation hub and expand and deepen the use of strategic ID instruments to develop the 4 fields of influence to make its innovation prowess a leading case for FDI, while also building global growth stories for Indian startups. Longevity of instruments beyond 3, 5 and 10 years is required to establish and make proficient the length and depth of support innovative companies require when crossing borders, especially when doing so in culturally different contexts. This will also help to develop and consistently improve the playbooks and networks that are essential to the success of beneficiaries. Further, proven sector specific market discovery and entry playbooks are essential for risk reduction, hedging of prior investments in

benefiting innovation companies and to attract the required capital for the anticipated market expansion and trade activity.

Considering India's geopolitical role and growth trajectory the increasing relevance of the innovation ecosystem in all economies for sustainable development and growth Innovation Diplomacy will have to become an integral part of within Trade and Science policy fields. Innovative companies require support that is individually tailored, but agile and innovative like their own DNA. This requires divergence from traditional Trade or Science policies and close alignment of both policy departments.

With the right tools, understanding of reasonable timelines and development of strong cross border innovation ecosystems that last, the EU and India have ample potential to form successful and lasting innovation partnerships.

SUSTAINABILITY, MARKET INTERDEPENDENCE, AND GLOBALIZATION BEYOND THE SILK ROAD

SUKI DUSANJ-LENZ

Today the fashion industry is one of the biggest industries in the world with a global revenue estimated between \$1.7 trillion - \$2.5 trillion. Both India and China are acknowledged as two of the heavyweight emerging powers of the textile and apparel industry; China is already the world's largest textile exporter followed by the European Union and India. It is no surprise that they are also at the top of the leaderboard as high consumer nations of fashion and textiles owing to their combined population of almost 3 billion people.

India and China are key to shaping the future of the fashion industry.

Contrary to the economic and territorial rivalry between China and India, the two countries have trade agreements that facilitate the exchange of goods and services in the fashion and textiles industry, including the India-China Comprehensive Economic Cooperation Agreement (CECA), the China-India Trade in Services Agreement (CITSA), and the China-India Joint Study Group on Trade and Investment.

These agreements reduce tariffs, increase access to markets, and protect intellectual property rights, contributing to the growth and development of the fashion and textiles industries in both countries. Securing their reputation as key driving forces behind a globalised world of fashion fronted by world-famous brands dotted across high streets worldwide. It has taken many milestone years for them to reach the powerhouse status they now hold but the founding of the Silk Road was a significant one for the two countries to become a vast network that routed between trade posts spanning land and sea, opening trade between China the middle east, North Africa, India, and Europe.

The Silk Road as it came to be known was established by the Han Dynasty in the first century BC and remained in use until 1400 AD but came to an end when the Ottoman Empire boycotted trade with China. It has been over 600 years since the Silk Road ended but its impact on world civilisation and the modern world is still largely prevalent. Chinese silk gave this route its name — at the time it was a highly valuable commodity transported by merchants along the route — but beyond fashion, an array of products ranging from paper, gemstones, spices, camels, horses, gunpowder, and gold made their way to western shores.

China and India have a rich history of textile and craft behind them and an artisanal heritage that can be largely celebrated but unfortunately both are currently tainted with the unsustainable brush of fast fashion. It is no secret that there is a price that both, the people and the planet are paying for consumers' lust for "cheap" fashion.

While both China and India hold seats of much power for the production and consumption of global textiles, they also breed murky waters in supply chain management. In recent years campaigns like Fashion Revolution's #WhoMadeMyClothes? have raised awareness globally and mobilised people to speak up about wanting a more transparent and accountable fashion industry. Fashion Revolution was founded in response to the Rana Plaza factory disaster in Dhaka, Bangladesh when over 1100 people died making clothes for popular high street brands in unsafe conditions. It has risen to become the world's fastest-growing campaign for sustainable fashion engaging with policymakers for greater governance; calling for more responsible retailers; manufacturers; and a more conscious consumer base.

COVID-19 – Money, Fashion, Power

During the COVID-19 pandemic, we saw the extreme power dynamic that the fashion industry is founded on challenged by #PayUp campaigners when overnight, some of the largest brands in the world canceled orders that were made even before the pandemic. Some were being shipped to locations and never even made it to their destinations. To cut costs amid the closure of retail stores, brands and retailers passed the risk down the supply chain, resulting in manufacturers and garment workers being the first to bear the impact. Factories were devastated, some had already invested in materials for the orders and couldn't pay their workers. The money, fashion, and power dynamic squeezed the poorest the hardest, a public outcry began, and slowly brands started paying up thanks to the commitment of organisations like the Clean Clothes Campaign that exposed the controversies.

This is where we see the most obvious shift in accountability and social responsibility. One of the catalysts here has been the sequence of Free Trade Agreements (FTA) like NAFTA that while seeming positive on the outside for economic purposes but viewed closely, it can be seen that the care and follow through for outsourced contracts and their communities are just not as high up as profit margins on the agenda, for brands that are engined in other countries far away from where their products are actually made. Globalisation has seen much of the West outsource clothing and textile manufacturing to developing countries in Asia where production costs were lower and wages minimal. The FTAs of the 1990's committed to a rise in making global and amplified market interdependencies parallel to the rise of popular culture, social media, television, and the internet acting as the propulsion to the growth of the fashion industry.

#WhatsInMyClothes?

Materials are an important factor in the sustainability of the fashion industry. The choice of materials used in the production of clothing and other fashion products can have a significant impact on the

environmental and social sustainability of the industry. Natural, renewable materials like cotton and wool are generally considered to be more sustainable than synthetic materials like polyester and nylon, which are derived from non-renewable fossil fuels. However, the production of even natural materials can have negative environmental impacts, such as water contamination and land degradation. Therefore, it is important for the fashion industry to consider the full lifecycle of materials, from production to disposal, in order to minimise negative impacts and promote sustainability.

In 2021-2022, cotton produced in China amounted to around 5.88 million metric tons confirming its place on the leaderboard. In second place, India followed behind closely, at around 5.33 million metric tons. Cotton is a natural, renewable fiber and is considered to be a more sustainable option than synthetic materials. Nonetheless, it is a thirsty plant and raises a deep dialogue about how sustainable it actually is. Current cotton production methods are considered to be environmentally unsustainable due to the use of fertilisers and water contamination, to name a few issues, undermining the industry's ability to maintain future production. The cotton industry alone provides income to over 250 million people and accounts for about 7 per cent of all labor in developing countries.

However, in recent years polyester topped cotton to become world's most popular textile. Around 70 million barrels of oil a year are used to make polyester fibres in our clothes. Globally, we make about 80 billion pieces of clothing a year-60 per cent of them are polyester. Most people in the world are now draped in clothes made from fossil fuels containing carbon - and carbon is seriously damaging to the planet. The fashion industry accounts for about 10 per cent of global carbon emissions and is contributes to more pollution than both the aviation and shipping industries combined.

High street chains are clambering over themselves and churning out fashion trends at a rate like never before. Some brands openly admit to having 52 'seasons a year - that's a new season every week. 20-35 per cent of ocean micro plastics come from the fashion industry; the coral reefs are dying; and the ocean is degrading, which affects climate. Every time synthetic clothing are being washed, micro plastics are released into the water systems. It has been noted that plastic is being consumed through drinking water and other means, and clothing is being discarded at a rate that is unsustainable for the planet. It is worth considering the pace at which we are producing new clothing, as the desire for replacements increases as we dispose of more items. The rise of cheap fast fashion has left consumers with a thirst for more and China and India are in a sense, a saving grace to fashion brands. Nonetheless, ultimately these countries (along with other manufacturing hubs) are peddling an unsustainable fashion industry.

More recently, glimmers of hope could be seen with a rise in conscious consumerism since COVID-19. People started repeat wearing clothes more out of necessity; rethinking their wardrobes and began reflecting on their purchasing habits. Although the fashion industry witnessed a 20 per cent decline in revenues in 2019-20, yet it saw an incline in conscious consumerism. China was the strongest contender to rise from the impact of the COVID-19 decline.

When lockdowns in China and India were enforced, it was largely the poor and daily wage workers that were affected the most, abandoned by their employers and left in despair. Many of these workers flocked back to their ancestral homes. In India, this gave rise to the #VocalForLocal campaign particularly supporting artisans in the craft sector.

The scars of the fashion industry's disposable approach to the very people that make their clothes are still impending today. Much of the labour force in the garment industry is comprised of workers that migrate from rural areas to major manufacturing hubs. They are largely vulnerable and often exploited yet there is no sense of urgency to rectify the broken system and that is probably because there is no main contender taking responsibility. Since COVID-19 broke out, businesses in both India and China seem to have almost reached normal conditions faster than expected. According to Statista, as of 2021, the Indian textile industry is valued at 223 billion dollars. The Indian industry is the largest producer of cotton and jute combined, the second largest in silk, and contributes to 95 per cent of hand-woven fabrics globally. Furthermore, the textile industry is the second-largest employment provider in India after the agriculture industry.

Opportunity

Circular business models for fashion, which allow companies to make revenue without making new clothes, represent a significant opportunity for newer and better growth in the fashion industry. These business models, which include resale, rental, repairs and remaking, can provide considerable greenhouse gas savings, and could be worth USD 700 billion by 2030, making up 23 per cent of the global fashion market.

Through the lens of an entrepreneur and activist policy recommendations for improving sustainability in the fashion Industry in China and India could include more robust policy to:

- Incentivise the use of sustainable materials
- Implement stricter regulations on hazardous chemicals
- Promote transparency in the supply chain
- Invest in eco-friendly technologies
- Encourage the adoption of circular business models

The India-EU market can play a key role in promoting sustainability and market interdependence in the fashion industry. China and India are a major producer of textiles and clothing, and the EU is a major consumer of these products.

By increasing trade and cooperation between these markets, both sides can work towards more sustainable, innovative and responsible production and consumption practices. This can include efforts to reduce environmental impacts, improve working conditions, and support local communities and economies. Innovation in the fashion industry can take many forms, including the development

of new materials and technologies, the use of data and analytics to inform design and production decisions, and the adoption of more sustainable and responsible business practices.

The EU, India, and China are all major players in the global fashion industry, and each of these regions has a track record of innovation in different areas. For example:

- The EU has a strong tradition of innovation in the fashion industry, particularly in the areas of design and luxury goods. The region is home to many leading fashion brands and is known for its high-quality craftsmanship and attention to detail.
- India has a strong tradition of textiles and clothing production, and the country has embraced innovation in recent years to improve efficiency and reduce costs. This includes the adoption of new technologies such as automation and data analytics, as well as efforts to improve supply chain management and sustainability.
- China is a major player in the global fashion industry, particularly in the areas of production and sourcing. The country has a strong tradition of innovation in manufacturing, and it has embraced new technologies such as automation and data analytics to improve efficiency and reduce costs.

Overall, innovation in the fashion industry is helping to improve efficiency, reduce costs, and promote sustainability. By working together and sharing knowledge and expertise, the EU, India, and China can continue to drive innovation and drive positive change in the fashion industry and while there is no denying that the fashion industry is a generator of opportunity, livelihoods, and employment, on the flip side, their hamster wheel approach to making clothes and consuming clothes is unsustainable.

Both India and China are reputed as superpowers in textile production but they also have a tainted image of not always doing enough to eradicate the dark side of the industry harbouring child labour, unsafe work conditions, and unfair pay. Free trade agreements are celebrated for advancing economic development between markets but there is a fundamental opaqueness and lack of responsibility from retailers and their producers. The systemic dysfunction of the current garment industry needs a revolutionary overhaul and interdependence that is as reflective of global markets as it is responsible for. Transparency is key and with that, sustainability will breed stronger in a working culture that has a long history of being opaque and hidden.

PART 3:
'PEOPLE-TO-PEOPLE'
CONNECT OF THE
STRATEGIC PARTNERSHIP

PEOPLE TO PEOPLE CONNECT IN INDIA-EU TIES: TECH, AI AND DIVERSITY

ANITA SHUKLA

Technology and AI in India-EU relations till date

By 2022, technology has started to play a major role in India – European Union (EU) ties. On April 24th 2022, in the year the two "unions of diversity" celebrated 60 years of bilateral relations, President of the European Commission, Ursula von der Leyen, and Prime Minister of India, Shri Narendra Modi, agreed to establish the EU-India Trade and Technology Council, a strategic coordination mechanism which "will allow both partners to tackle challenges at the nexus of trade, trusted technology and security, and thus deepen cooperation in these fields between the EU and India". The agreement is the first of its kind for while the second for the EU after the one it had launched with the US. In their meeting in New Delhi, the President of the EU also highlighted the special importance of the partnership with India for the next decade and acknowledged India's status as a technology powerhouse. The Council, consisting of Working Groups, will support the partners in solving trade and technology related challenges. Among the topics the stakeholders will work on in the domain of technology will be 5G, healthcare technology and artificial intelligence (AI). The very recent report "Strategic Tech Cooperation between the EU and India" by the Clingendael Institute, published in December 2022, also prominently mentions the EU - India Trade and Technology Council and highlights its significant importance.

2022 is also the year India celebrated 75 years of Independence. In his Independence Day 2022 speech on August 15th, Prime Minister Modi spoke about India's current "techade", with a large-scale development of 5G technology and semiconductor manufacturing. Furthermore, some essential points in his speech were the empowerment of women and the respect for diversity. Some months earlier, in May 2022, after a two-year break, leaders of the world met again at the Annual Meeting of the World Economic Forum in Davos under the theme "History at a Turning Point: Government Policies and Business Strategies" putting a strong emphasis on worldwide cooperation. The initiation of a digital Global Collaboration Village at the Annual Meeting demonstrated the relevance of the metaverse as a new and unique cooperation platform. India had been present at the major event with a delegation of more than 100 leaders. It is worth mentioning that five Indian startups have become part of the prestigious Technology Pioneers group at the WEF. Beside, Indian representatives from the industry gave insights about their work in the metaverse and other areas of technology.

In these times of global uncertainty and at the same time exceptional cooperation opportunities for both partners - with an apparently very resilient India setting global benchmarks in digitisation - it is very likely that the two largest democracies in the world, The EU and India, will intensify their efforts for a closer cooperation, in the domain of AI in particular. Remarkably, since November 2022, India has been the current Chair of the Global Partnership on Artificial Intelligence (GPAI), with also the EU being one of its presently 29 members. Currently, one of its four working groups focuses on the essential topic of responsible AI.

At present the EU, a bloc currently comprising of 27 member states and 24 official languages spoken, is home to an estimated 447,01 million people (2021). India, with 28 states plus eight union territories and 22 scheduled languages, has an estimated population of 1.4 billion. Professionals across different sectors from both India and the EU including leaders and innovators, men and women, are actively contributing to a common Indo-European future in technology and AI, be it in politics, in corporations of all sizes or in academia. In both the EU and India, in MNCs, SMEs, aspiring startups and unicorns, individuals are working on ground breaking – often life-saving (digital) solutions to meet the challenges of today and tomorrow. This continuously grown relationship could reach another level in the near future with technology being the main driver.

Many important steps in EU-India relations have been taken in the years before. At the 5th India-EU Summit at The Hague in 2004, the relationship elevated to become a ‘Strategic Partnership’. On July 15th 2020, the 15th EU-India summit took place (due to the pandemic as a virtual event) with India being represented by Prime Minister Shri Narendra Modi and the EU by Mr. Charles Michel, President of the European Council, and Ms. Ursula von der Leyen, President of the European Commission. On that day the leaders of the EU and India approved "The EU - India Strategic Partnership: A Roadmap to 2025" giving prominence to Information and communications technology in sections 58-63 and Artificial Intelligence in section 84. This included a further ICT cooperation under the EU-India Joint Working Group on sustainable digital infrastructure, services, norms and regulatory frameworks, promoting technical and regulatory cooperation on the development of new technologies, such as artificial intelligence among others and supporting the work between industries and startup ecosystems in Europe and India on increased cooperation on innovation and deployment of technology.

Explicitly on Artificial Intelligence, the document states to “work together to share knowledge and expertise regarding artificial intelligence, scientific support to policies and regulatory aspects including ethics, and promote a dialogue in research and innovation“. In the section 28 and 29 of the document regarding Trade and investment, Business & Economy the intensified dialogue between the EU and Indian businesses was highlighted, with the aim that corporations of all sizes, MNCs, SMEs and Start-ups, could all benefit. India and the EU will further strengthen their present business associations/chambers in Europe and India in order to give a suitable voice to both Indian and European business. Having the need for more diversity, in this case, more gender equality, in Research and Innovation in mind, the two partners stated in section 80 of the above mentioned

document that the EU and India see gender equality and the empowerment of women as all-important for social and economic development and the increase of the scientific capacity worldwide. Both have taken steps at a number of levels to encourage participation of women in sciences and identify the integration of gender dimension in research content as being indispensable for achieving excellence in science. It says that 'joint international research efforts and exchange of best practices should help speeding up realisation of women's full economic, social and scientific potential'. Also, in the 13th EU-India Joint Science and Technology Steering Committee, which took place in February 2021, the topics gender and ethics were discussed. In April 2021, at the 13th India-EU Joint ICT Working Group meeting, the Commission and India agreed to intensify their digital partnership. They expressed their determination to work at digital cooperation and establish a Joint Task Force on Artificial Intelligence. On May 8th 2021, the India-EU Leaders' Meeting took place. Prime Minister Shri Narendra Modi joined the event, having been invited by the President of the European Council Mr. Charles Michel, with leaders of all the 27 EU Member States as well as the President of the European Council and the European Commission taking part in the event in a hybrid format. Significantly, it was the very first time the EU organised a meeting with India in the EU + 27 format, the event following the suggestion of the Portuguese Presidency of the EU. On the same day, the partners declared the EU-India Connectivity partnership with an emphasis on digital connectivity, also including people to people connectivity. The latter involved further cooperation in the area of scientific research and innovation, technology and skills, help building capacities of researchers and assist in bringing together the European and Indian innovation ecosystem, SMEs and start-ups, to co-create and co-develop so they could come up with innovative high-tech solutions for challenges related to connectivity.

During the signing of the document the Indian Minister of External Affairs S Jaishankar underlined the importance of connectivity as one of the essential engagement pillars between India and the EU and mentioned digital connectivity as another field for cooperation between the two partners, in view of a strong convergence on data security, cyber security, and data privacy. In June that year, when he was taking part in a discussion on 'The future of India-EU relations' at a digital event led by Observer Research Foundation (ORF) the minister stressed the significance of digitisation in a post-Covid world and the need for a closer cooperation in the knowledge that the partners had passed a threshold with extra momentum and more energy in the mutual relationship. Minister Jaishankar also stated that, moving forward, the fields India and the EU would be observing would be technology and artificial intelligence. Likewise, representing the European Union, H. E. Ugo Astuto, Ambassador of the European Union to India, underlined that the meeting, which he called historic, had been extraordinarily successful. He commented that the leaders desire to continue their cooperation in the areas of research, innovation and digitalisation, stating that together, the partners can be a power for the global good.

In order to enable the mutual relationship and business between the EU and India to grow further, many (virtual) events and meetings have been organised so that stakeholders in business and tech can interact, learn from one another, innovate and create growth. One example would be the NASSCOM

EU Digital Business Matching Sessions, which started in December 2020. In addition to that, the Delegation of European Union to India, together with Enterprise Europe Network, NASSCOM and other partners initiated the EU-India Digital Business and Investment Roundtable in July 2021. The EU-India Digital Investor and Business Forum had been arranged as a roundtable aiming to lead to one project of the EU-India Connectivity partnership, a Digital Investment Forum. Also this year, in 2022, highly relevant functions with EU-India focus were held. As one recent example of noteworthy onsite EU-India events, with one emphasis on technology, the first EU-India Green Hydrogen Forum took place in September 2022 in Delhi. In the same month, Friends of Europe organised an important online-event on the topic of the earlier mentioned EU-India Trade and Technology Council.

Artificial Intelligence is the centrepiece and primary driver of emerging technologies. According to the PWC – Global Artificial Intelligence study: "Exploiting the AI revolution", the technology could add up to USD 15.7 trillion to the global economy in 2030, USD 6.6. trillion of it through an increase in productivity. The worldwide market for AI in 2021 had been USD 327.5. billion, while global AI startup funding for Q2 2021 reached USD 20 billion. Around 48 per cent of businesses in Europe have used artificial intelligence technology in one activity of business or more in 2020. In 2021, in India, the IT services industry had an AI market share of 51.8 per cent.

According to the most recent report by IMARC Group, "India Artificial Intelligence Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026," the Indian artificial intelligence market will grow steadily from 2021-2026, first and foremost due to the digitalisation of many industries. In addition to that, AI-integrated systems and automated technologies, for example, were also some reasons for this strong growth. Another current report found out that India has just overtaken the US as a world leader for the mature AI market. The latest report on AI in Europe by the above mentioned IMARC Group stated that the European Artificial Intelligence market will grow strongly during the forecast period, i.e. from 2021 to 2026. According to the report, some reasons for this are a significant expansion in the information technology industry, the development of 5G, more use of AI - powered robots, more need for Cloud Computing infrastructures and intelligent virtual assistants, pervasive digitisation plus an increased use of AI-integrated systems and AI - based algorithms and tools.

Diversity in focus

Artificial Intelligence brings tremendous chances and has the potential to further solve future challenges in business and beyond. Still, there is a big discussion on diversity and inclusion in AI systems affecting millions of individuals, influencing the lives of persons from various backgrounds.

A possible implicit bias within the system may be discriminatory to certain people. Examples of bias would be the cultural and gender bias in AI image generators or the gender bias in facial recognition. Very recently, one study discovered that there are biases in AI language models (Natural language processing) against disabled people. Bias in technology leads to misconceptions about clients and the

undervaluation of certain markets. Individuals from many different backgrounds should participate in Machine Learning and AI development.

Talking about gender, at present around 18 per cent of executives on a C-suite – level in AI corporations are women. A World Economic Forum report in 2022 showed that women merely held 26 per cent of AI and data positions. These numbers need to change, so that both men and women will prospectively build a highly ethical AI- world without bias. In the future, India and the EU can play an important part for this to happen.

Corporations, and ultimately, the respective economies as well, will profit hugely from more diversity in business. A study by the Boston Consulting Group (2017) revealed that boosting the diversity of leadership teams results in increased and better innovation as well as enhanced financial performance. Individuals coming from diverse backgrounds having made different experiences in life frequently see things from a different angle and find new solutions if problems arise. Hence, they are enhancing the probability that one of those solutions presented will be successful. They examined the workforce in excess of 1,700 companies in Austria, Brazil, China, France, Germany, India, Switzerland, and the US, in many industries and enterprise sizes, looking at diversity perceptions of executive leadership, taking six different factors – namely gender, age, industry background, career path, education and nation of origin into account.

In order to assess the level of innovation in the companies, they examined the total turnover - percentage from new services and products that were introduced in the last three years. It turned out that by and large 75 per cent of business persons responded that diversity is smartening in the companies. Intriguingly, they discovered a noteworthy interrelation between the management team - diversity and innovation. McKinsey (2020) analysed the correlation between financial performance and gender diversity. The outcome was that corporations having the most gender - diversity in the leadership teams are a whole 25 per cent more probable to make outstanding profit compared to those having the least diverse teams.

Regarding recruitment, corporations should bear in mind the relevance of diversity at work for a large number of potentially new employees. According to a report by Glassdoor (2021) 76 per cent of job seekers take their time to assess vacancies and businesses regarding the diversity of the workforce. A report by PwC (2017) showed that a rather high percentage of women (61 per cent), before applying at a potential employer, check how gender-diverse a company's executive team is.

Connecting people in 2023 and beyond

The next year, 2023, may be decisive for Indo-European relations, regarding technology, diversity and in general. India's, G20 presidency- encompassing 19 countries and the European Union - from 1 December 2022 to 30 November 2023 has the potential to positively impact India-EU ties. Presently, the G20 constitutes of several tracks such as the "Finance Track" having 8 work streams,

the "Sherpa Track" consisting of 12 work streams (including for example the areas Digital Economy, Energy Transition, Employment, Trade and Investment and Health) and "10 Engagement Groups" (including for instance Business 20, Science 20, Think 20, Women 20 and Youth 20), making it possible for many different groups of people to connect, also internationally.

In Prime Minister Modi's words, "India's G20 agenda will be inclusive, ambitious, action-oriented and decisive". One appreciable priority of India during its G20 presidency is women-led development. Under its presidency, the country will very likely host more than 200 G20 meetings across the country, meetings that, for instance, startups, too, will benefit from. A lot of successful discussions with the G20 members, including the EU, are expected during these meetings and the G20 Leaders' Summit in New Delhi in September 2023, with many plans for Indian innovators in technology going global, like startups by male and female founders, bringing value to a variety of markets abroad, also including Europe.

With hopefully the pandemic coming to an end in a foreseeable future, the cooperation of the EU and India will intensify through continuous on-site and virtual exchange. Also, at the next Annual Meeting of the World Economic Forum in January 2023 - for which the theme is "Cooperation in a fragmented world" - several India-related events will take place. Some of the panels and roundtables Invest India, for example, will be hosting will have EU-India relations, Indian Unicorns, Women in Indian Startups and Women in Business in focus. Undoubtedly, there will be numerous platforms for the EU and India to come together in the next years, be it in physical, digital or hybrid format.

For future success and the best possible outcomes, however, both partners will need visionaries, bridge-builders and problem-solvers of all kinds. They will need all available resources, including the best talent from different backgrounds, ages and regions, notably more female leaders, entrepreneurs, innovators, developers, specialists, researchers in tech and AI, with the help of experienced facilitators to further strengthen EU-India relations.

As a final thought, one more possible way of actively integrating women experts from various backgrounds in EU-India ties could be an additional focus on EU-India Women in Tech/EU-India Women in (ethical/responsible) AI, for example as Working Groups, contributing to the manifold innovative solutions for tech and AI - touching for example the fields of health and renewable energy - the EU and India can be building on in their joint future.

A REFLECTION ON INDIA-EU STRATEGIC PARTNERSHIP ON MIGRATION & MOBILITY

DR DIVYA BALAN

India and the European Union (EU) relations have been characterised by upholding shared values of democracy, rule of law, and respect for human rights, as well as cooperation in trade and strategic spheres, ‘and bringing peoples and cultures together’. Amidst the backdrop of both parties celebrating 60 years of diplomatic ties, they co-chaired the 6th High-Level Dialogue on Migration and Mobility in Brussels on October 27, 2022. Regarded as a critical dimension of the strategic partnership between India and the EU, the discussions covered potential areas of cooperation to facilitate migration and mobility of professionals, skilled workforce, and students. They also addressed the issues related to promoting safe, orderly, and regular migration. The dialogue was an extension of the India-EU Common Agenda on Migration and Mobility (CAMM), which was signed in 2016, that reaffirmed the mutual benefit of partnering to facilitate migration between India and the EU and the shared commitment to combat irregular migration.

These High-Level Dialogues are critical in India-EU cooperation as Indians constitute a significant migrant and diaspora population in the EU in terms of their numbers, geographical spread, citizenship status, and job profile. They are present in all EU member states; however, unlike in the cases of the United Kingdom (UK) or the United States (US), the full potential of the Indian community in the EU is yet to be utilised for the interests and gains of both sides. This has partly been due to the relatively greater focus given to trade and commerce, business, and technology transfers in defining India-EU engagements.

The projection of economic aspects of India-EU cooperation in the mainstream has often side-lined the conversations on the prospects of human mobility and migration in accelerating economic growth and attaining demographic balance, along with the mutual benefits of enhanced people-to-people connections. Presently, migration plays an indisputable role in shaping the bilateral relations between India and the EU, especially since the number of Indians migrating to EU countries for work and study is on the rise.

As per the Indian Ministry of External Affairs (MEA) records, there are approximately 1.8 million Indians in 27 EU countries. This figure excludes Indians in the overseas territories of the EU countries and irregular Indian immigrants in the Union. The tally of Indians differs considerably across member states depending on the historical linkages, colonialism, trade relations, specific

sectoral labour demands, kinship and friendship networks and, most importantly, favourable immigration and integration policies. The pull factors are the prevailing productive population deficit in the European countries and the prospect of economic prosperity due to the income and currency differentials between India and Europe. Economic difficulties coupled with limited employment and educational opportunities as well as restricted exposure in India incentivise Indians to migrate to Europe and elsewhere.

Currently, the Netherlands hosts the largest Indian community of around 2.4 lakh in the EU-27, followed by Italy and Germany, hosting around two lakhs and 1.9 lakhs strong Indian communities, respectively. This suggests, that unlike in the case of the Netherlands, France, Portugal, and Denmark, Indian immigration to Europe has thrived sans colonial links. Although the decades-long colonial ties acted as catalysts to establish a sustainable migration corridor between India and the European colonial powers, the post-World War labour demand in Europe also drove the Indian migration to the rest of the European countries. In the advent of more recent times, by capitalising on the labour demand in sectors such as the IT, health, elderly care, and accountancy, the continued immigration of Indians to Europe has sustained. The economic linkages between India and Europe have enabled migration, as in the case of Indians in Belgium. There is also a growing presence of Indian businessmen, short-term travellers, and students in Europe.

Indian students from high- and middle-income families migrate to European universities to study business, engineering, hospitality management, programming, and such. According to a 2018 estimate of the MEA, 44,084 Indian students were studying in EU universities. The drivers of student migration are international exposure, relatively lesser tuition fees and cost of living (compared to the US or the UK), funding options such as Erasmus plus and the Exchange and Credit Mobility Programme, increasing availability of courses in English-medium and ample employment opportunities post-study in India and globally.

Migration and mobility of professionals and students have become a key component of India's diplomatic deliberations with Europe. India-EU diplomatic relations date back to the early 1960s, and were initially trade oriented and economically-driven. On the other hand, annual ministerial meetings in the 1990s focussed more on political dialogues. Furthermore, Indian migration flows were majorly to the Gulf countries, the US, and the UK during the 1960s. Hence, only in the 2000s did migration-related matters begin featuring in the bilateral dialogues between India and the EU.

India-EU Partnerships on Migration and Mobility

Building on the gradual consolidation of relations, an India-EU Joint Working Group on Consular Issues was established in 2000. This initiative was part of the first India-EU summit held in Lisbon and intended to enhance cooperation in business relations, the speedy delivery of consular and visa services, and tourism. The 'Strategic Partnership' was established in 2004, followed by adopting a Joint Action Plan (JAP) at the sixth summit in New Delhi in 2005. By acknowledging the need to

facilitate mobility between India and the EU, the JAP stressed the commitment in 'Bringing together People and Cultures' to enhance people-to-people contacts, cultural cooperation, educational and academic tie-ups, and civil society exchanges. The JAP addressed the pressing need to hold comprehensive dialogues on migration and consular-related issues, conduct joint studies to identify skill-set shortages and demographic profiles in the regions, and build strategies to enhance mutual visibility through tourism initiatives and media coverage. Student mobility was a major area of focus, with recommendations to link up Indian and EU academic institutions and the continuation of the Erasmus Scholarship, among others.

After a hiatus, an Annual High-Level Dialogue on Migration and Mobility was launched at the 12th India-EU summit in 2012. The High-Level Dialogue was then held at the Secretary Level between the former Ministry of Overseas Indian Affairs (later integrated into the MEA) and the EU Directorate-General for Migration and Home Affairs. A significant development followed at the 13th India-EU summit in Brussels in 2016 when the EU-India Agenda for Action 2020 was endorsed to strengthen the India-EU Strategic Partnership. This directed both actors to resume the High-Level Dialogues and implement the EU-India Common Agenda on Migration and Mobility (CAMM).

Subsequently, the Joint Declaration on CAMM was adopted in 2016 to facilitate legal migration through relevant actions, training, and capacity building. The CAMM not only recognized the existing migration-related bilateral agreements, arrangements between India and the EU member states and the EU Global Approach to Migration and Mobility (GAMM) framework but also provided a four-pillar framework for dialogue and cooperation – (1) better organising and promoting regular migration at appropriate skill levels and fostering well-managed mobility, including the issuance of visas; (2) maximizing the development impact of migration and mobility, including cooperation on social security issues between India and the EU member states; (3) preventing and combating irregular migration and addressing trafficking in human beings, and (4) promoting international protection, in line with the obligations of India and the EU.

Following this, “The India-EU Strategic Partnership: A Roadmap to 2025” was adopted at the 15th India-EU summit in 2020. Among others, the Roadmap strategised for enhancing the mobility of students, researchers, professionals, and business persons, with return and readmission as a crucial part of the approach by strengthening dialogue under the aegis of CAMM. In the context of COVID-19, it proposed establishing “a working mechanism on cooperation in consular crises and for crisis preparedness and management”. The latest, which is the 6th High-Level Dialogue, was convened in Brussels on October 27, 2022, and reaffirmed the need and readiness to cooperate to facilitate legal migration and mobility between Indian and the EU. Concurrently, Migration and Mobility Partnership Agreements were signed with France in 2018 and Germany in 2022 and agreements with Portugal, Belgium, the Netherlands, and Luxemburg are forthcoming. These will provide a mutually favourable framework for the mobility of skills and talents from India and vice-versa.

Even though the bilateral India-EU frameworks on migration are showing a great deal of momentum,

several critical gaps exist in comprehending the India-EU migration corridor, the trends and patterns of migration, and the implementation of the above-mentioned policy frameworks.

Stumbling Blocks in the Migration Partnership

Despite the considerable increase in the Indian population in EU member states, the relatively slow progress in the policy implementation is attributed to several factors. The presumed inward-looking approach on both sides is concomitant with the bureaucratic bottlenecks and a general political non-commitment. Furthermore, the course of action toward a comprehensive India-EU migration policy framework is significantly affected by the lack of mutual appreciation and the Indian and European public perceptions of each other.

Tainted by the colonial past, many considered the India-EU partnership unequal. The EU decision-makers often regard Indian counterparts as difficult to deal with, while the Indian bureaucrats consider the EU a highly technical organisation with complicated decision-making mechanisms and cumbersome procedures to follow up with. This is partly due to diverse policies at the member state level along with the EU-level migration policy frameworks. Member states have their own immigration and visa policies, as there is a contrast in the sectoral-specific labour demand among the member states.

The EU is not yet the strategic priority of India and vice versa in the case of migration, a fact evident from the imbalances in migration policy priorities of India and the EU. The EU on its part, intends to promote high-skilled migration and student mobility and prevent irregular migration to its external borders, while India is preoccupied to a great extent with its concerns to ensure safe migration of low-and semi-skilled Indian workers in the Gulf countries. This is partly because of their astronomical numbers in the six GCC (Gulf Cooperation Council) countries. Unlike the high-skilled Indian professional class in the West, which can sustain itself without government interventions, the human rights and labour rights issues Indians faced in the Gulf pressed for immediate and constant actions by the Indian government.

At present, India's policy pays relatively more attention to the high-skilled Indians migrating to the US, UK, Canada, or Australia, but not so much to advance Indian migration to the EU countries. This low preference is because India is yet to consider the EU27 as a major migration destination for Indians. This general dismissive approach impedes both parties' well-intended attempts to proactively engage with each other on matters related to migration and mobility.

Yet another stumbling block in the migration management and partnership between India and the EU is the question of prevailing irregular migration from India, mostly from Punjab. For instance, a considerable number of Indians in Italy are reportedly irregular migrants, either entering illegally or overstaying their visas. Irregular migrants, considered a source of flexible and cheap labour, fill much of the labour demand in the informal sector in many of the EU countries, especially in Italy,

Spain, Poland, and Greece. It is high time to acknowledge that the main grounds for illegal migration are the inadequate legal channels of migration, especially for semi- and low-skilled workers from India, restrictive immigration and visa policies in Europe, anti-immigrant sentiments, and obscurity in migration-related undertakings between both the actors. The unholy link between irregular migration and transnational criminal activities such as migrant trafficking and smuggling further complicates the management of migration flows. Moreover, the undocumented status of the irregular Indians in Europe compromises their well-being and protection, especially in the emergencies like the COVID-19 pandemic.

India and the EU states should collaborate to develop collective capacities for migration data collection and policy formulations to strengthen migration management frameworks. Even though the CAMM has provisions for the repatriation of irregular Indian immigrants in Europe, the lack of reliable data on legal and illegal migration often causes faulty estimations by policymakers and prejudiced public debates on both sides. In addition, the negative public perceptions that migrant communities from diverse ethnicities eroded the common European values and the pronounced cultural differences that ensued in 'super diversity' as well as the ethnic strifes in European society led to a surge in the anti-immigrant lobbies and populist sentiments in recent years. This, in turn, consolidated the demands for restrictive and preferential policies of immigration and integration. However, case studies such as Canada show that popular support for migration comes from the public trust that the government manages the migration efficiently and in the best interest of its society and economy.

Moreover, illiberal policies and hostility towards migrant communities afflict a negative sense of belonging, deterring their social integration processes in the long run. Residential and cultural segregation will eventuate along with radical identity assertion by immigrant communities and some even turning to religious fundamentalism. Yet another contradiction is that despite the labour demand in the agriculture and dairy industry and a large presence of Indians in those blue-collar sectors, most EU countries restrict the entry of semi- or unskilled migrants into their job market.

Another impediment is the language barrier, which slows migration to most EU-27 countries. Lacking knowledge of the destination country language can negatively impact employment opportunities, productivity, upward mobility, overall migration experiences, reciprocal trust-building, and integration into the host societies. Hence, the migration partnership engagements with the EU should supplement with promoting European language classes in India from the school level.

The need for initiating such policies is apparent from the very fact that the UK is the preferred destination for Indians in Europe owing to the colonial linkages and, therefore, the cultural and language cognizance. The same is true of Indian migration from India to the erstwhile colonial powers - Netherlands, France, or Portugal, as mentioned earlier. In fact, the sweeping presence of the UK in India's polity somewhat subdued the opportunities for Indians to migrate to EU countries for a long time. India's foreign policy priorities are the US, the UK, Russia, and such, whereas the EU's

geopolitical interests in Asia align more with China. This is evident by the thin visibility of the Union in Indian media and the public domain, which limit the information flow necessary for pre-departure decision-making.

The Indians are concentrated in a few EU countries and a few professions. Though they have a few hundred Indian professionals and students, countries such as Slovenia, Bulgaria, Slovakia, or Croatia, among the others, have not gained much from the emerging trend of Indian immigration to the EU. The dearth of migration infrastructures such as Indian embassies, marginal knowledge about these countries and the available opportunities, lesser availability of jobs due to the language barrier, and relatively lesser presence of established Indian diaspora networks, unlike in the erstwhile European colonial powers, can otherwise facilitate migration flows and impede the prospects of them emerging as preferred destinations for India's students and job seekers.

The migration corridors between India and the EU states are yet to be established, and all the aspects mentioned above determine how CAMM will effectuate, despite the 'Strategic Partnership' between India and the EU and the growing engagements in the fields of business, trade, science and technology transfer, and education.

Conclusion

India is the leading migrant sending country, whereas the EU is one of the leading global destinations and hence are major stakeholders in migration and its governance. Moreover, the migration corridor between India and the EU27 has been rapidly upsurging in recent years, and the potentiality of migration in shaping the India-EU collaboration is unmissable. The EU countries are facing the twin problems of low birth rates and ageing leading to shrinking of their productive population. The Indian worker migration to the EU can fill the subsequent labour demand.

Emigration is one of the most viable options for India to manage and relocate its young but surplus human resources, especially when the country is facing rising unemployment and underdevelopment, and accelerate economic development through remittances and NRI and PIO investments. For India, diversifying its emigration pathways is critical at this juncture, considering the unfavourable global migration ecosystem and increasing restrictions imposed in the otherwise preferred destinations of Indians, such as the US, the UK, and the Gulf countries. Furthermore, India can leverage the presence of the Indian diaspora in Europe to its soft power advantage and the community networks to facilitate chain migration. The acknowledgement of this mutuality of the benefits of migration must be the mainstay of the current India-EU engagements on migration and mobility.

The priority areas of engagement should be, as identified in the High-Level Dialogues, finding and facilitating newer pathways for legal migration for their mutual benefit, accelerated trade and investment frameworks, develop EU country-specific job vacancy profiles, collaboration on skill mapping, and easing travel of Indian students, people in business and tourists to the EU. Short-term

assignments and inter-company professional transfers among India and the EU should be encouraged, and so should be the tie-ups between reputed educational institutions of India and the EU and post-study work rights. Strategies to vitalise the role of Indian embassies, the Indian Council for Cultural Relations, and Indian community associations in supporting the efforts to initiate language classes, legal awareness sessions, intercultural dialogues, and cultural events to improve the race and ethnic relations as well as enhancing the visibility of the EU in Indian public sphere and vice versa should also be the partnership priorities. Likewise, there needs to be uninterrupted high-level summits, frequent meetings, and periodic visits to strengthen diplomatic ties at the EU and member states level.

It is also imperative to identify the barriers to making progress in the India-EU partnership on migration and mobility and ground the bilateral engagements and policy initiatives within the larger socio-cultural and political realities at play on both ends. They have to ground their relations on the mutuality of benefits, the functionality of their strategies, and political commitment on both sides to comply with and implement the agreed policies/schemes. Furthermore, both parties have to regularly and closely work to devise plans for the better management of migration flows and to prevent illegal migration and instances of migrant smuggling and trafficking. After all, bringing people closer to the shared values will be the cornerstone of the future of the India-EU partnership, and safe and legal migration can play a key role in moving forward on attainable deliverables.

FOSTERING EU-INDIA RELATIONS IN RESEARCH, INNOVATION AND HIGHER EDUCATION

NIDHI PIPLANI KAPUR, MRUNAL SULE AND VIDDI THAKKER

Introduction

India and the European Union (EU) have consistently maintained a rich history of cooperation spanning across facets of economic, social, and scientific partnerships. Evolving with a series of mutually beneficial treaties in the 1990s emphasising cooperation in development and technology, the strategic partnerships between India and the EU greatly grew to incorporate internationalisation of higher education as well as research and innovation. Identifying Indian potential in these relevant fields and furthering the scope of cooperation between both stakeholders, the EU strategy on India also greatly echoed this foundation. This has been witnessed most recently in the 2018 EU-India partnership and the 'Roadmap to 2025', a project emphasising internationalisation in higher education, research, and innovation. While a considerable set of frameworks exist encouraging EU-India cooperation such as the Erasmus Programme and initiatives undertaken by the European Research Council, there still exists scope not only for improvement, but also for immense potential. India's New Education Policy and its ambition to internationalise Indian education further provides more avenues for a strong EU-India strategic partnership. It introduces new pathways for cooperation, while also revitalising the existing education frameworks to equip India with a curriculum matching global quality standards. Since India and the EU are natural partners, such a revision provides tremendous scope that both stakeholders can benefit from. This article, therefore, assesses the importance of EU-India cooperation on higher education, research, and innovation, while trying to explore its future scope and potential.

The Geo-strategic Importance of Cooperation through Education and Research

Joseph Nye in his pivotal work on soft power assesses the importance of cooperation through the use of non-military-based efforts by states such as culture, political values, and foreign policies that transcend beyond the use of traditional force to create stronger relationships in the international world order. One such instrument of diverse importance is the internationalisation of higher education, which provides scope for the diffusion of cultural and political values, thereby achieving greater influence in the geopolitical domain through the establishment of a stronger relationship. This was initially undertaken heavily by the United States (US) in the post-Cold war period, but a shift has

occurred in the same domain recently favouring the EU.

Since the formalisation of relations between the EU and India in 1994, various developments in widening the scope of their strategic partnership have taken place; more importantly, those resulting in the internationalisation of higher education, as well as the advancement of technology through research. With more than 1.5 million schools, over 40,000 colleges, and close to more than 1000 universities, India today has the second-largest education system in the world after China, flooding with immense potential and a well-equipped workforce of young individuals. This ethos of cooperation has been amplified in India's revised National Education Policy (NEP) which aims to equip the Indian education system with a diversified portfolio of education and research in order to make the country 'future ready'. A strong network of cooperation between India and the EU on criteria of social development through higher education and innovation can prove to be immensely beneficial to both stakeholders.

EU-India Cooperation in Higher Education

The Indian education space is one that consists of largely untapped potential and talent that can be used to benefit the EU in fostering greater ties with the former, particularly through a transnational system based on internationalisation of higher education. Since the 2004 Erasmus programme, the European Commission and the Government of India have introduced various policies that cater to a greater exchange of students and promote more mobility between the two (European Commission, 2020). Such relations based on cooperation also transcend beyond simply student exchanges among universities, focusing on the holistic development of systemic policies that impact the future of both counterparts. The most recent 2020 Summit between India and the European Union is one that culminated in the creation of the 'Roadmap to 2025,' which emphasises the internationalisation of higher education and greater mobility in multidisciplinary facets ensuring development of both parties. Such inclusion of cooperation, based on joint development of education and research within the mandates of the document, is symbolic of the nature of positive growth both regions view for each other.

Although India is the second largest education system in the world, access to a standard quality of education remains unevenly distributed within the country, which further restricts the mobility of students from abroad within India. In order to foster greater cooperation between the EU and India on fronts of higher education, it is imperative that greater emphasis is put upon streamlining the education system in the country by receiving substantial opportunities of reconstruction from the EU. The intra-European cooperation networks are built specifically in order to overcome these obstacles and create wider opportunities for both counterparts to develop. The Erasmus program by the EU is one such initiative that focuses on the development of educational frameworks and institutions by developing new curricula, improving governance, and building partnerships, which could be used to improve the quality of education within India.

At the same time, India's New Education Policy also focuses on internationalisation of higher education by developing internationally relevant curricula in the sciences and social sciences to maintain global quality standards. It also emphasises on the creation of Multidisciplinary Education and Research Universities (MERUs) across India at par with prestigious universities such as the Indian Institute of Technology (IITs) and Indian Institute of Management (IIMs) (NEP, 2020). The NEP also lays groundwork for incentivising the top Indian universities to set up campuses abroad, in order to ensure individuals across the world are exposed to Indian expertise. At the same time, the top 1000 universities according to the rankings from either Times Higher Education (THE) or QS from various countries would be encouraged to, in turn, set up campuses within India.

As recently as April 2022, the University Grants Commission (UGC) took one step further to discuss the creation of a network for setting up joint degrees as well as dual degree programmes with such universities. Within India, universities ranking in the top 100 through the National Institutional Ranking Framework (NIRF) or having a minimum score of 3.01 from the National Assessment and Accreditation Council (NAAC) would be eligible to be included in such a network. Such collaborative efforts prove to be crucial avenues for cooperation between India and the EU, greatly benefitting students from across continents. Such an exchange can be consolidated further by streamlining the credits-based recognition network between both parties. India and France have a mutual recognition framework; in this regard, there lies more such scope of joint recognition by other countries within the EU, thereby ensuring a smoother and more homogenous mobility of students across continents. Transcending geographical borders between both continents, the NEP also provides immense scope for exchange of higher education through open distance learning (ODL). Universities within India as well as the EU can make use this opportunity to provide education to students through a virtual platform. Such capacity-building partnerships could have immense scope in enhancing the internationalisation of education by providing more nuanced opportunities for the creation of a Global Citizenship Education (GCED) between India and the EU.

EU-India Research and Innovation Partnership

Cooperation between India and the EU in the fields of innovation and technology was undertaken to initiate joint research projects through an exchange of researchers and scientists from both places. Initially introduced as a means for development and modernisation of the Indian society and economy, the immense potential identified by both parties led to a creation of a clause in the EU-India Agreement on Scientific and Technological Cooperation allowing the establishment of cooperative activities under the EU's consolidated framework programme. This strategic partnership continues to be a pivotal pillar in the EU-India research cooperation with immense scope of benefitting both countries.

In addition to the emphasis on exchange of higher education, India-EU cooperation heavily encourages research in order to explore the untapped Indian population's potential with ideas benefitting both sides. The European Research Council under the European Commission has

developed several instruments for the creation of widespread cross-border research projects, particularly like the Marie Skłodowska-Curie Horizon 2020, which evolved into Horizon Europe beginning from 2021 to 2027. These initiatives have further achieved fruition particularly due to the enthusiastic participation and contribution by the Indian researchers and organisations that have collaborated in the creation of long-standing networks in enhancing the knowledge of European integration. The European Commission supports about 1156 researchers every year with a grant of €242 million to work at prestigious universities, research centres and private organisations within the EU. Between 2014 and 2020, about 1397 Indian researchers were provided grants to pursue a research career within the EU through projects under the Marie Skłodowska-Curie Actions as part of the innovation training transnational networks. However, in 2021 alone, 84 researchers from India were awarded this fellowship, making them the largest beneficiaries of the fellowship outside of the EU and third overall, behind researchers from Italy and Spain. These developments portray a significant growth in mobility between India and the EU and can be used to continue creating partnerships that will last for decades to come.

India's New Education Policy also identifies the importance of cooperation in light of research and innovation and in response has called for the creation of a National Research Fund (NRF) in order to enable a culture of research that permeates across all fields of education and technology. The NRF would be responsible for funding peer-reviewed research extensively across multidisciplinary platforms within universities, public institutions and other organisations in order to ensure optimisation of the immense quality of work that Indian researchers project through their work. Since India and the EU both recognise the importance of research and innovation, this platform could be used to enhance mobility between the two by the establishment of joint research funds and ensure partnerships across organisations in order to create greater work opportunities for researchers transnationally. The Europe-India Innovation Partnership (EIIP) is one such excellent example of heightened cooperation that agrees to enhance cooperation in research, innovation and technology by tapping into each other's innovation ecosystems. Most recently, the EU-India InnoCentre under the Horizon 2020 project has been launched with an aim to bring Europe's most leading technology companies to India that would ensure optimal utilisation of resources to develop the thriving start-up culture within India. As a result, there lies immense scope for exploration of different facets of cooperation in research and innovation that can be used to foster stronger relations between India and the EU.

The Way Forward

India and the EU, since the 1990s, have had a strong relationship based on mutual cooperation and benefit through the exchange of networks of higher education, research and innovation. Through various frameworks of cooperation attracting students in the EU, such as the Erasmus programme, a lot of potential lies in the development of greater relations between India and the EU. However, within the sphere of higher education, a gap remains, particularly in the lopsided nature of transnational networks which calls for the streamlining of education systems. India's New Education

Policy provides a strong foundation for cooperation based on higher education by revitalising existing frameworks and introducing newer developments such as the MERUs and Open Distance Learning platforms. Both India and the EU can make use of such partnerships to ensure greater mobility of students across continents to together create an environment conducive to Global Citizenship Education.

Complementing the internationalisation of higher education between India and the EU is also the widespread scope of opportunities pertaining to research and innovation. Although instruments introduced by the European Research Council such as the Marie Skłodowska-Curie Horizon 2020 provide opportunities for creation of collaborative research projects, the establishment of the National Research Fund under the NEP provides a consolidated framework for India and the EU to cooperate upon. The scope of growth for both counterparts through collaborative efforts is immense and will only get larger as time progresses. It is therefore crucial for both India and the EU to continue creating opportunities that tap into the potential of individuals within their countries through internationalisation of higher education, research as well as innovation.

SUMMING UP

THE FUTURE OF INDIA-EU SYNERGY AMIDST A RISING CHINA CHALLENGE

EERISHIKA PANKAJ

The established patterns and structures of the global order have been replaced with uncertainty, difficulties, and possibilities for all governments since the end of the Cold War. The EU's increased involvement with Asia was initially brought to light through the Asia Strategy document, "Towards a New Asia Strategy," published in 1994. This was an attempt to present a comprehensive and impartial analysis of the interactions between the EU and its Asian allies. Although the EU had bilateral contacts with numerous Asian nations, the main reason it gave Asia a high priority and concentrated its attention on was the shifting economic balance of power, which has only gotten stronger amidst present focus on the Indo-Pacific as the new theatre of opportunity for great power politics.

The EU's relationship with China has historically been and —until recently— remained predominantly fueled by the latter's booming economic expansion, which has led to greater European overseas investment and promoted trade flows. Despite not being a democracy and having a poor history with respect to human rights, China has been a crucial partner for the EU due to its expanding economic might and despite its greater political intransigence. In other words, the development and improvement of the EU's ties with China was driven more by economic interests than by normative ideals. This, however, has begun to change.

The EU has been able to see that the unrestrained growth of an authoritarian power in its own backyard is a sign of an impending direct security danger, which is important given what Russia's actions in Ukraine have revealed. In this context, the Global Gateway is the outcome of the EU's acknowledgment of the Belt and Road Initiative (BRI) as a shadowy project, in conjunction with the worsening of relations between Brussels and Beijing. EU sanctions against Chinese government figures implicated in Xinjiang human rights violations further soured relations, demonstrating the EU's shifting position and acceptance of China's "authoritarian shift". When the European Parliament decided not to vote on the Comprehensive Agreement on Investment (CAI) in December 2020, the "agreement in principle" was again postponed until 2021.

As EU's perception of China as a challenge grows, the scope for deeper India-EU partnership driven by pillars of not just trade but also security gains traction. Amidst present changes to the global order, India and the EU have the capacity to play significant roles in the international system's growing interdependence. Their shared support for democracy, human rights, and opinions on terrorism, reducing poverty, energy security, and sustainable growth serve as a solid foundation. Although the equation has become more political in the past decade, the focus had still remained on the economy.

Their "strategic partnership," which was formalised in 2004, reaches out to the three main pillars of the EU's political structure: the government, the parliament, and civil society. No other significant global actor has a relationship with India that is as nuanced institutionally.

India and the EU have a long history of diplomatic and economic relations which has culminated into this critical strategic partnership, and both sides have expressed a desire to strengthen ties in recent years. One of the main drivers of this has undoubtedly been the growing challenge posed by China's rising economic and military power. Both India and the EU have expressed concerns about China's BRI, which they see as an attempt to spread Chinese influence in the region. They have also expressed concerns about China's assertiveness in the South China Sea and its human rights record, while to India, China remains a sovereignty threat amidst a tense border situation.

The two partners have been consistently working to improve their partnership. They have held annual summit meetings since 2000, and have established a Joint Action Plan to guide their cooperation on a wide range of issues, including trade, investment, energy, climate change, and security. Both are committed to the Paris Agreement on climate change, and they have cooperated on issues such as sustainable development, peacekeeping, and counter-terrorism.

Yet, differences remain. For instance, in trade, the EU and India are engaging in negotiations for a free trade agreement known as Broad-based Trade and Investment Agreement (BTIA) which started in 2007. Although the talks have been paused, but there are indications of both sides making an effort to revive the talks. On the security front, India's ties with Russia and strategic silence on the Ukraine war has impacted trust in Brussels. However, it has also highlighted that India's strong national interest driven diplomacy is the driving force behind Indian foreign policy presently, as seen via India's refusal to change its stand on Russia post the Ukraine war despite pressure from partners like the EU, US and Japan.

There exists now a dire need for upgrading their strategic partnership to a 'comprehensive' one, especially as Chinese belligerence continues to rise making both Brussels and Delhi insecure about a potential Russia-like action by Xi Jinping in the Indo-Pacific or Asia (especially vis-à-vis Taiwan). The failure of the EU-India strategic partnership to conclude the long-delayed FTA, the alliance's single largest objective, has likely received the most criticism. Additionally, the lack of a well-defined strategy on bilateral trade has led to market asymmetry, which has led to the EU repeatedly filing complaints against India with the World Trade Organization (WTO) over various issues, mainly those involving import duties and intellectual property rights. Without a question, an extensive, thorough, and balanced FTA between India and the EU will provide a more meaningful agenda and a stronger collaboration across all sectors of cooperation. Such a future-oriented upgradation of the India-EU partnership will be driven by their shared threat perceptions, with each regarding the other as a significant actor. Connectivity, security, trade and people-people connect will shape the next decade of their partnership, with containing, if not countering, China as a key guiding objective.

Connectivity contours as 'the' means to an end

States in the Indo-Pacific region have started alternative multilateral projects like the United States' Blue Dot Network (BDN) with partner states to contain China with a focus on infrastructure, despite their inability to match the investment capital Xi Jinping has set aside for his ambitious venture — figures estimate USD 1 trillion to USD 8 trillion. Other recent attempts in this field include the "Build Back Better World" (B3W) headed by the Group of Seven (G7) and the "Clean Green Initiative" led by the United Kingdom, both of which are demonstrations of their aim to create their own infrastructure aid brands. Asian economies have tried to create alternatives, such as Japan through the Expanded Partnership for Quality Infrastructure (EPQI) and India through ventures like Security and Growth for All (SAGAR) as well as the Indo-Pacific Oceans Initiative (IPOI).

In keeping with this, the EU also emerged as one of the most significant additions with the potential to lead this global consensus by announcing its Global Gateway strategy in 2021 after identifying BRI as an opaque undertaking that threatens the "traditional model of multilateral infrastructure financing" and calling for a "joint Western alternative." EU Commission President von der Leyen noted that the EU wants to be seen as a reliable and admired partner in the world while specifically stressing that Global Gateway is a different method to supply infrastructure internationally. The primary objective of the EU is to democratically replicate the Chinese model by entering new markets and contributing to infrastructure and increased communication. However, the EU will have to work hard to convince its allies of the merits of its plan.

The EU has been able to refocus its attention on economic leadership as a result of the recognition that it is not a military force, as was underlined during the dependence on enlarging NATO during the conflict in Ukraine. In this regard, the Global Gateway is a wise choice for creating its own "gateway" into Asia. Overall, the project offers the EU a fantastic chance to reconsider its China policy in light of its Indo-Pacific strategy. The EU's new infrastructure plan is well-positioned to succeed amid multipolarity, driven by its own ideas, keeping in mind its long-term strategic goals. By utilising multilateralism, the Global Gateway may collaborate with already-existing projects like EPQI, B3W, and BDN to expand its goals and growth and create a larger umbrella of democratic partner governments working together to promote value-based infrastructure throughout Asia and beyond.

Geographically speaking, the BRI has grown to encompass the entirety of Africa and Latin America, but more worrisomely for Europe, it has advanced well into the Arctic through a Polar Silk Road. Moreover, the EU now views India as a key link in physically connecting the two continents, especially so in linking Central Asia to Southeast Asia, where any other alternate route would be commercially unviable. This is in addition to the already strong human network between India and the EU, which includes the approximately 55,000 Indian students who study abroad in the EU each year. India holds a significant position in this complicated geostrategic region thanks to its prime location at the intersection of major trade routes between Europe and Asia. India's diplomatic and se-

-curity outreach to its neighbours has significant value for the EU as a stabilising regional force, one that can guide the way of Global Gateway into the region alongside Japan.

An exceptionally significant project in this respect is the 7200 km North-South Transport Corridor (INSTC), which will transport freight between India, Iran, Afghanistan, Central Asian countries of Armenia and Azerbaijan, extending into Russia and Europe. The EU hopes that this project will eventually result in the development of a more extensive cross-border network, built on a set of just and transparent rules, that will assist European businesses in expanding their presence in Asia and the Indo-Pacific and in planning for long-term, sustainable, and high-return investments.

The Indo-Pacific as a key guarantor of collaboration

As the second biggest exporter and the third biggest importer in the world, the EU depends vigorously on maritime transport and infrastructural connectivity. Subsequently, guaranteeing a safe sea climate is a worldwide need as over 90% of global trade is water-bound; an agenda so broad requires global participation to fight the rising threats connected with geo-strategic competitions, piracy and coordinated maritime based crime. Such developing oceanic threats for partners, maritime nations and maritime businesses as well as for its own national security have led to the EU wanting to assume a more prominent role in the maritime domain especially in the Indo-Pacific. Importantly, the EU has the technical capacity and the capability to address a considerable number of challenges, from handling a wide range of seaborne crimes to regular or man-made disaster reaction.

Keeping such a capacity-capability drive in mind, the EU's focus on maritime domain has been accompanied with a surge in its practice of maritime politics. The launch of ventures like Global Gateway has gone on to show the emergence of EU as a serious actor in the infrastructure development of Asia and the Indo-Pacific, whereas growing linkages with Indo-Pacific democracies have highlighted Brussel's pivot towards the region. India, Japan, US, South Korea, Vietnam, Australia and more have become increasingly important in EU's political outreach, especially in lieu of a rising China challenge. As the situation in Ukraine brings about security concerns in the EU, which has long endeavoured to curb Russian assertiveness, the EU fears a similar anti-democratic power grab in the Indo-Pacific by China.

EU's Maritime Security Strategy (EUMSS) focuses on building collaboration within the EU and maritime partner states in areas ranging from fisheries, ocean governance, rule of law and freedom of navigation, external border control, maritime infrastructure, natural resources and environmental health as well as climate change preparedness. The policy ascribes to a rules-based order and Freedom of Navigation (FON) in order to ensure open sea lanes of communications (SLOCs). The action plan of the EUMSS follows risk management, training, capability development, maritime surveillance and international cooperation as its core variables of focus wherein Blue Economy emerges as a critical area. Here, India's participation as a marine partner should not be missed, especially as Delhi in 2022 prepared its first draft of a Blue Economy policy. Third-country cooperation with Japan on this front in Indo-Pacific littorals can be ideated. India is growing as a ma-

-jor provider of services globally, but it also provides a sizable market for a wide range of goods and services. India is actively modernising its military and buying a variety of weaponry, which creates prospects for additional India-EU defence business cooperation especially vis-a-vis technology sharing and defence trade.

The launch of EU's Indo-Pacific Strategy (EUIPS) has marked its most concentrated and overt effort at projecting itself as an active player in the Indo-Pacific region specifically. Here, the Global Gateway strategy emerges as a historic opportunity for the EU to revisit its China policy in accordance with its newly released Indo-Pacific strategy. Keeping in mind its long-term strategic interests, the EU's new infrastructure strategy is well-poised to find success in multipolarity driven by its own individual outlooks. By making use of multilateralism, it can tie together with existing ventures like Japan's EPQI, the US led B3W and the US-Japan-Australia BDN as well as IPOI to further expand its objectives and growth, building a broader umbrella of rules-based, democratic partner states coming together to promote value-based infrastructure in Asia and beyond. Synergy with the Quad on this front is also increasingly possible, wherein a potential formalisation of a Quad Plus narrative should be pushed that allows for rotational membership making EU-Quad synergy a more plausible ideation.

Any government-to-government collaboration, and especially any strategic partnership between two major powers, should involve all relevant parties. It must be founded on a quadruple network that encompasses the executive branch, higher education, business, and, last but not least, civil society. The strategic alliance between the EU and India is important, even if it is not yet entirely comprehensive. There remains a strong belief that the relationship has the ability to develop into a strong one through fresh perspectives and diversified interactions in order to reach strategic convergence that maximises its potential. As this special issue has highlighted, the ties between India and EU are multifaceted, with immense realistic potential for collaboration in the near future. Ensuring dedicated implementation of a nexus between politics and policy is needed, and this special issue aims to provide a launching point for such convergence coming from a lens of industry experts.



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