

## India and the World

Perspectives from Northern Europe on India in world affairs. Issued on a regular basis by the Project for Nordic-India Relations at the Swedish Institute of International Affairs (UI).

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## How Europe-watchers in India view recent European outreach towards China

What European politicians and officials have to say about China is being watched in India. European positions are important not only because of Indo-Sino competition, but also because the world has for some time received mixed messaging from Europe about where its China policy is heading. In some respects, India and Europe find themselves in similar positions. China is an important trading partner to both, and both have, to a varying degree, dependencies on China that call for management. An open and rules-based international trade environment is paramount for both India and Europe, and increasing great power rivalry makes economic cooperation more complicated. Rising political tensions internationally, the weaponization of supplies and modes of exchange, as well as growing awareness about how easy value chains can be disrupted, makes it necessary to build and secure capacity in critical sectors at home, whether that is in Europe or India. Hence, ideas about strategic autonomy – and the need to strike a path concurrent to own interests - have receptive audiences in the EU as well as in India.

Given this, the most recent outreach to China by the EU and individual member states, has been watched closely by observers in India. Professor <u>Gulshan Sachdeva</u> (JNU) suggests that India must study closely the new European approach of "de-risking" of economic and political cooperation with China. Implementing "de-risking" rather than "de-coupling" from China could be a way to keep robust and deep transatlantic ties, while not being caught up in growing US-China rivalry. How Europe handles de-risking from China may also have consequences for its wider Indo-Pacific engagements and relations with India.

Harsh Pant at ORF notes the differences in positions taken by European leaders on China. Pant finds that President Emmanuel Macron's statements in connection to his visit to China has made Europe's partners in the Indo-Pacific doubt whether France really is "managing the negative externalities of China's rise". Also, for Pant, the EU's attempts to achieve "strategic coherence as a global geopolitical actor" were derailed by Macron.

This point of view is shared by ORF's <u>Rajeswari Pillai Rajagopalan</u>, who also takes note of the differences in recent statements, where, for example, President of the European Commission von der Leyen or Germany's Foreign Minister Annalena Baerbock, are viewed by Rajagopalan as being more realistic. However, contradictory statements by Europe's political leaders, seem to reflect a China policy in "disarray".

<u>C Raja Mohan</u> (Asia Society Policy Institute) suggests that Macron's statements will make Europe's Indo-Pacific outreach more difficult, and the differences shown in European approaches to China is weakening Europe's position. Does Europe's division on China make it less important for India to engage with Brussels and member state capitals? Quite the opposite, suggests Raja Mohan. A weakened Europe is not in India's interest, as it is "enhancing the prospects for a bipolar world" dominated by the US and China.

New Delhi should now make it easier for European businesses to "grow" in India, so that it "can get much more strategic benefit out of the partnerships with Brussels and individual European actors".

Clearly, some recent statements from European leaders on China have not gone down well in the Indo-Pacific region. Moreover, differences in messaging causes confusion about Europe's positions and commitment to rethink its approach to China. It is too early to tell if this unclarity will have a negative impact on perceptions of the EU in India in the long-term. For now, New Delhi will be closely watching Europe's damage control.

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