Paris, December 7, 2021 - The increasingly warm relations between European countries and India are more and more driven by a common and essentially strategic imperative: containing China. While this development opens a new chapter in international relations, it remains largely underexplored. This is why Institut Montaigne is publishing today a new policy paper: The Europe-India Balance Sheet: Trade, Like-Mindedness and Strategic Interests, based on 25 interviews with public and private actors. In this publication, Dr. Christophe Jaffrelot, Senior Fellow at CERI-Sciences Po/CNRS, with Jasmine Zérinini, former diplomat and policy consultant, provide a sharp assessment of the Europe-India relationship.

Their conclusions are clear: the economic potential of this relationship remains unfulfilled - India only represents 3.8% of EU trade, trailing well behind China (16.1%) - and there are still major disagreements with the "world's largest democracy", particularly in terms of trade and investment and about the shortfalls of like-mindedness. But geopolitical issues increasingly stand out as a possible new driving force of the relationship.

Six recommendations to Brussels, New Delhi and EU Member States for a stronger and more sustainable Europe-India relationship.

Recommendation n° 1: The EU should tweak India's expectations regarding visas for professionals by opting for a policy of talent-driven migration. India, for its part, could design a common approach regarding its multilateral forms of protectionism by matching talks on key commodities.

Recommendation n° 2: The EU and India could play a major role in the global digital space: Years ahead, it is advisable for the EU to promote digital privacy with a particular emphasis on digital cooperation with India, given their shared concerns regarding climate change. The India-EU Digital Partnership could become a new pillar of the Europe-India relationship.

Recommendation n° 3: We propose facilitating exchanges and cooperation between civil society organizations in India and Europe. The EU and India governments could initiate a dialogue with other representatives of civil society in Europe and India. These interactions could be part of the EU-India Bilateral Human Rights Dialogue or could take place separately.

Recommendation n° 4: We believe that the economic potential of this relationship remains unfulfilled and that it could be improved through trade negotiations and vaccine diplomacy. European countries have their own space to contribute to alternative forms of diplomacy. For instance, in the pharmaceutical industry, not only could India and Europe cooperate to make their dependence on China's supply chains, they should also emulate the Quad and introduce a similar division of labor in the pharmaceutical industry.

Recommendation n° 5: The common concern regarding climate change that Europe and India are expressing should find expression in joint efforts going beyond transfers of technology or financial aid. To this end, the EU and India should initiate a dialogue with the European Research and Innovation Council to reduce their dependence on China in the supply chain.

Recommendation n° 6: France and India believe they must work together to promote a partnership of a new kind. With Europe and India believing that there is a need for a new kind of partnership, both should work to transform the Indo-Pacific into the new epicenter of a new kind of cold war. While Europe and India cannot shoulder the burden of containing China alone, the political will to do so is essential. France and India should find expression in joint efforts going beyond transfers of technology or financial aid. To this end, the EU and India should initiate a dialogue with the Indian government to reduce their dependence on China in the supply chain.