

# **Managing Connectivity Conflict: EU-India Cooperation and China's Belt and Road Initiative**

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Connectivity initiatives are the latest geopolitical tool for advancing influence in international relations and diplomacy. Against the backdrop of an emerging connectivity conflict, the responsibility is on likeminded countries and organizations to promote initiatives that embody transparency and universalism in connectivity projects and that benefit citizens in the long term. The EU and India are two important actors in this regard.

This paper analyses the scope of cooperation in the field of connectivity between the EU and India, arguing that they are two important strategic poles of the current world order with shared interests. Europe and India are key actors of the western and non-western democratic liberal, both aiming to strengthen an “open, transparent and rules-based system of international politics and economics.” Realizing this potential requires candid and engaged strategic and economic exchange between the two sides.

Responding to the need for both hard and soft infrastructure systems, many governments have factored connectivity as the lynchpin of their foreign policy. China's Belt and Road Initiative (BRI) is only one of these, but it is the most developed of these initiatives by far. It could become the arch of the 21st-century world order. What is clear, is that this Chinese initiative challenges the current open and transparent rules-based system of international politics and economics advanced in the 20th century. Seen as a “manifestation of China's re-globalization ambitions,” the BRI raises expectations of economic and political opportunities at one level while inviting scepticism and doubt over its operational mode at another.<sup>1</sup>

Set against this context, the US, Japan, India, Australia and the EU have started their own counter-initiatives to balance the Chinese outreach under the BRI. By and large, these “likeminded” actors are yet to add real projects and funds to their proposed initiatives. Also lacking is a consensus on how to interrelate their connectivity propositions, which now largely run parallel at best and cross-

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<sup>1</sup> The paper was finalised before the publication of the document by the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy, *EU-China – A Strategic Outlook* (JOIN/2019/5), 12 March 2019.

purpose at worst. Obviously, there is dearth of substantive engagement about one another's strategic thought.

The EU and India are particularly affected by the ambitions of China's BRI, as Beijing is enhancing its political and strategic influence in Europe and around India's neighbourhood. This provides strategic momentum and political imperative for the two sides to bind forces and promote sustainable connectivity as their overarching connectivity narrative. That means commercially viable and transparent, guaranteeing a level-playing field for businesses, a respect of labour rights and environmental standards, and avoiding financial dependencies.

We argue that if India and the EU are to capitalise on the political momentum for increased cooperation that exists today, a focus on geo-economics must take place. This means devising a framework for cooperation that bridges the political and economic fields, while incorporating a long-term vision with concrete action points for collaboration.

Sustainable connectivity - as per the EU's new Connectivity Strategy and discussed in this paper - makes for such a vision, as it addresses a field where both sides really share interests, approaches and prioritization. Much needed now, is practical on-the-ground cooperation within this framework. This can be pursued in each of the three connectivity pillars to deliver local, visible and quicker solutions to practical challenges.

Regarding economic connectivity, enhanced cooperation on the ground in Africa appears to have great potential. Moreover, the EU and India can draw lessons from the Asia-Africa Growth Corridor (AAGC) as the approach to concrete projects. What should also be taken from the AAGC is its strength in adding interregional focus, explicating where the partners complement each other.

The main hindrance to EU-India joint partnerships in connectivity seems to be the limited economic engagement between the two entities, especially in comparison to the EU's trade with China or the US. For the EU and India to jointly undertake overseas projects, there needs to be an increase in their strategic trust and economic weight, which can come about only through increased trade and investment with each other. Both should increase their investments in strategic and economic cooperation to take their relationship forward.

France can lead the way for Europe since it has already achieved a niche for itself in the Indian set-up, through its extensive cooperation with the Indian defence forces. There are opportunities for other EU states as well, such as the Netherlands which can invest in India's blue economy as well manufacturing industries. The EU can also collaborate with Japan to explore the dynamics of investing in India.

For people-to-people connectivity to increase between the two continental actors, dialogue at all levels should also be enhanced to deepen mutual understanding and identify avenues for joint collaborations. Recent dialogues have revealed a growing convergence between European and Indian stakeholders on issues of promoting a rules-based international order, strengthening a multipolar Asia, and prioritizing connectivity. Now is the time to capitalize on this momentum.



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