

India and Germany: Realising Strategic Convergence

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SUMMARY: In their current form, India-Germany bilateral ties date back to the 1950s. Despite Cold War considerations, West Germany contributed significantly to India's military development, and relations only diversified between a unified Germany and an economically liberalised India after the Cold War. However, competing security priorities, strategic alignments, and mismatched capabilities have prevented bilateral security competition from reaching their full potential. Counter-terrorism, maritime security, and cyber security offer areas of possible cooperation going forward, but a truly strategic relationship will also require improving commercial and people-to-people relations.

India and Germany are both emerging as important international leaders in the 21st century. India has seen its economic growth rate accelerate over the last quarter century, and in that time it has doubled its share of global gross domestic product.¹ India's growing resource base and market are beginning to manifest themselves in an expanding commercial and diplomatic presence around the world.² Germany, meanwhile, has grown in political and economic importance, particularly in Europe. Its exports, manufacturing, and technology base have seen its economy make significant progress even as much of the rest of Europe has slowed or stagnated.³ International leaders and policymakers are increasingly turning to Berlin for major decisions regarding the European and global economy, and even on matters of European security.⁴

The relationship between India and Germany has been described by the two governments as a 'strategic partnership' since 2001. Indeed, just as Germany's leaders have started to turn their attention to India, successive Indian leaders have recognised that Germany can play a role in transforming India in a manner in which few other countries are capable.⁵ But is the relationship, as yet, truly strategic in nature? That would require close consultations on issues that define both countries' national interests, as well as broad-ranging cooperation and coordination on security, commercial, and developmental issues. Despite enhanced

¹ International Monetary Fund, World Economic Outlook Database, April 2016.

² See, for example, C. Raja Mohan, *Modi's World: Expanding India's Sphere of Influence* (New Delhi: HarperCollins, 2015); Waheguru Pal Singh Sidhu, Pratap Bhanu Mehta, and Bruce Jones, eds., *Shaping the Emerging World: India and the Multilateral Order* (Washington: Brookings Institution Press, 2013).

³ Richard Anderson, "German Economic Strength: The Secrets of Success," BBC News, August 16, 2012; Mehreen Khan, "German Trade Surplus Swells to Fresh Record," *The Financial Times*, May 10, 2016.

⁴ Simon Bulmer and William E. Paterson, "Germany in the European Union: Gentle Giant or Emergent Leader?" *International Affairs*, Vol. 72, No. 1, January 1996, pp. 9-32; Josef Janning, "Germany – Europe's Lonely Leader," European Council on Foreign Relations, January 7, 2016.

⁵ Ashwini Phadnis, "Be Part of India Story: Manmohan Singh Tells Germany," *The Hindu*, April 12, 2013; "Germany Pledges Billions for India's Growth: 5 Takeaways from Merkel-Modi Meet," *Economic Times*, October 5, 2015.

diplomatic contacts, economic relations, and socio-cultural ties, the relationship arguably does not yet qualify as such. What, then, can be done to realise strategic convergence between the two? Answering that question requires assessing bilateral relations to date, analysing some of the difficulties in forging closer strategic ties, identifying areas of convergence, and considering possible ways to forge a strategic relationship in the truest sense of the term.

Lows and Highs

In their current form, bilateral relations between India and Germany can be traced back to the 1950s, when the Federal Republic of Germany emerged after the Second World War and a newly-independent India began to find its place in the post-War international order. Diplomatic relations between New Delhi and Bonn were established in 1951, with India being one of the first countries to recognise the new republic. Indian Prime Minister Jawaharlal Nehru visited West Germany in 1956 and again in 1960, marking some of the earliest high-level contacts.⁶

Strategic relations between India and Germany – both West and East – saw some curious developments during the Cold War period. In the aftermath of World War II, West Germany became an important source of defence technologies for India. The German aeronautical engineer Kurt Tank came to Bangalore in 1956 to help design India's first indigenous fighter aircraft, the HF-24 Marut.⁷ The later Cold War era also saw the sale by West Germany of submarine torpedoes and second-hand aircraft for India's aircraft carrier, as well as the licensed production in India of West German Dornier aircraft, which were manufactured in Kanpur.⁸

However, despite India having recognised the economic and technological importance of West Germany – and therefore initially refusing to recognise East Germany – relations between Bonn and New Delhi soured in the 1960s. Nehru chose not to criticise the construction of the Berlin Wall and West Germany soon cleared defence agreements with Pakistan for aircraft and tanks. West German relations with India only improved with the election of Chancellor Willy Brandt, whose social democratic policies and Ostpolitik approach to East Germany were welcomed by his Indian counterpart Indira Gandhi.

Meanwhile, India's relations with East Germany proved equally complicated. For many years, India did not have formal diplomatic ties with East Berlin, although an East German trade mission was established in India in 1954. East Germany and India did, however, cooperate in recognising Bangladesh, a step that East Berlin felt would help in normalising diplomatic ties with New Delhi.⁹ India finally established diplomatic ties with the German Democratic Republic in 1972.

⁶ "India-Germany Relations," Ministry of External Affairs, Government of India, July 9, 2015.

⁷ Sushant Singh, "In fact: 49 Years Before Tejas, India Had Its Own Fighter – Marut," *The Indian Express*, July 8, 2016.

⁸ SIPRI Arms Transfer Database, Stockholm International Peace Research Institute (SIPRI), 2016.

⁹ Srinath Raghavan, *1971: A Global History of the Creation of Bangladesh* (Harvard University Press, 2013).

Attempts at defence-technological tie-ups between India and West Germany during the later Cold War years did also result in unwelcome scandal, particularly that involving Kiel-based German shipbuilding firm Howaldtswerke-Deutsche Werft (HDW). After signing a contract in 1981 for submarines, it emerged in 1987 that a 7 percent commission had been included to secure the contract.¹⁰ This eventually led to the firm's blacklisting by India. Among other negative implications, including for broader India-West Germany defence ties, the controversy raised the costs for India's acquisition of spare parts for the submarines already acquired.¹¹

Despite the difficulties at both ends during the Cold War, the early 1990s saw a series of structural shifts that enabled better relations. The fall of the Berlin Wall in 1989 and German reunification a year later meant that India no longer had to equivocate between Bonn and East Berlin. The collapse of the Soviet Union in 1991 also ensured that India was no longer bound by Cold War considerations of its own, creating an opportunity for New Delhi to forge new kinds of relationships with other international actors. India's economic liberalisation efforts that same year also helped in making the Indian economy more open and dynamic, creating new commercial possibilities for German and international firms.

For much of the 1990s, Germany was preoccupied with the mechanics of unification and European enlargement, while India had to confront a series of domestic challenges. Bilateral relations took greater shape in the aftermath of India's 1998 nuclear tests. In 2000, the two countries' foreign ministers agreed to an 'Agenda for German-Indian Partnership in the 21st Century.' This laid out the objectives of broadening and increasing the frequency of high-level contacts; highlighting security and disarmament; expanding economic relations, media contacts, and environmental cooperation; and cooperating on reforming the United Nations Security Council (UNSC).¹²

High-level diplomatic contacts between India and Germany soon increased visibly in their frequency and substance. Between them, Indian Prime Ministers Atal Bihari Vajpayee, Manmohan Singh, and Narendra Modi made five visits to Germany between 2003 and 2015. German Chancellors Gerhard Schroeder and Angela Merkel reciprocated with an equal number of trips to India between 2001 and 2015, while President Joachim Gauck embarked upon a significant state visit in 2014. These regular high-level interactions assumed greater structure under the guise of Intergovernmental Consultations and the establishment of several high level working groups covering such issues as industrial cooperation, high technology partnerships, and counter-terrorism.¹³ The importance of India as a commercial partner for Germany was reflected in its privileged position as a Partner Country at the 2015 Hannover Messe. German and Indian attempts at lobbying for permanent membership of the UNSC, along with Japan and Brazil as part of the G4, lay dormant for many years. But

¹⁰ Prabhu Chawla, "HDW Submarine Deal: The Scandal Surfaces," *India Today*, March 15, 1990.

¹¹ Sanjoy Hazarika, "India Charges 6 Over Submarine Kickbacks," *The New York Times*, March 7, 1990; Times News Network, "Past Still Haunts Defence Ministry," *Times of India*, January 2, 2014.

¹² Marian Gallenkamp, "Indo-German Relations: Achievements and Challenges in the 20th Century," IPCS Special Report 78, Institute of Peace and Conflict Studies, July 2009.

¹³ "India-Germany Relations," Ministry of External Affairs.

they gained renewed attention with a meeting of the G4 leaders on the side lines of the UN General Assembly meeting in September 2015.¹⁴

Security cooperation between the two countries in the post-Cold War period received a fillip with the signing of a bilateral Defence Cooperation Agreement in 2006. This has been followed by regular defence secretary-level talks, and meetings involving the heads of the two countries' armed forces. In 2008, the two countries took part in naval exercises off the western coast of India, involving an air defence ship, frigate, and tanker from Germany, as well as two frigates and training ships from India. Such initial military-to-military contacts were accompanied by renewed German efforts at pushing forward military sales and joint defence production with India. That year, Ambassador to India Bernd Mutzelburg articulated Germany's willingness to transfer high-technology weaponry to India as part of a "partnership of equals."¹⁵ The 2000s saw licensing arrangements for German anti-submarine sonar and for the further production of Dornier aircraft in India, as well as the delivery of diesel engines for India's submarines, surface naval vessels, and Arjun tanks.¹⁶

Interests, Alignments, and Capabilities

For all the forward movement since 1990-1991, the strategic dimensions of the relationship have faced certain structural obstacles. One has simply involved different threat perceptions and priorities. Germany's post-1990 security priorities initially revolved around European enlargement, including intervention in the Balkans. Many in India at the time saw Germany and NATO's humanitarian motives as a "smokescreen to justify the pursuit of traditional strategic interests," and believed that Western intervention in the Balkans set a dangerous precedent for external involvement in India's disputes.¹⁷ Following the 2008 Georgia War and 2014 Ukraine crisis, the prospect of Russian belligerence grew in immediacy in Europe. New Delhi partly interpreted these events as an outcome of Western meddling in Russia's sphere of influence.¹⁸ An additional security concern in recent years for Germany relates to the consequences of the massive refugee inflow from Syria, Afghanistan, and North Africa. This has stoked anti-immigration sentiments in Germany, which may come directly or indirectly at the expense of closer relations with India.¹⁹

For India, the post-Cold War international environment saw rather different priorities, with immediate external security preoccupations relating primarily to China and Pakistan, both nuclear-armed neighbours with which India disputes large tracts of territory. Beginning in the late 1980s and early 1990s, concerns about terrorism and insurgency supported by elements of the Pakistani state assumed political and national security prominence. Germany traditionally adopted an even-handed approach to India-Pakistan affairs, and its

¹⁴ "Joint Press Statement at the Meeting of Leaders of the G-4 Countries on UNSC Reform," September 26, 2015.

¹⁵ "Indo-German Naval Exercise Begins Today," *The Hindu*, April 8, 2008.

¹⁶ SIPRI Arms Transfer Database.

¹⁷ Alan Bloomfield, *India and the Responsibility to Protect*, (Farnham: Ashgate, 2016); Gaurav Kampani, "India's Kosovo Conundrum," *Rediff*, April 1999.

¹⁸ Dhruva Jaishankar, "A Crimean Crisis for Delhi," *Economic Times*, March 28, 2014; John J. Mearsheimer, "Why the Ukraine Crisis is the West's Fault," *Foreign Affairs*, September/October 2014.

¹⁹ Neetha Mahadevan, "Being an Indian Expat in Germany," *The Wall Street Journal*, July 14, 2015; Anthony Faiola, "New Far-Right Anti-Immigrant Sentiment Hits German Streets," *The Washington Post*, January 24, 2015.

emphasis on human rights has not always gone over well in New Delhi.²⁰ Moreover, lax export controls in Europe – including in Germany – contributed to Pakistan’s nuclear development in the 1970s and 1980s.²¹ This was to have important consequences for India’s security in the post-Cold War period. The other major Indian external security priority has related to China. Although both India and Germany enjoy significant commercial relations with China, Germany’s enthusiasm has not necessarily been tempered by the security concerns shared by India and other Asia-Pacific powers.²²

A second, and related reason for strategic divergence involves the two countries’ existing security alignments. For Germany, security involves a considerable degree of cooperation with other European and transatlantic partners, whether through NATO or the European Union. There are no regular, working-level contacts between India and NATO, and the idea of deeper European Union security cooperation – while supported by some in Germany – is as yet stillborn.²³ India, for its part, prefers bilateral security arrangements, although it is gradually moving towards greater trilateral coordination, particularly with like-minded partners. Nonetheless, India’s presence outside U.S.-led alliance structures and lack of institutionalised contacts with NATO – even on areas of overlapping interest – has so far prevented more fruitful security cooperation and coordination with Germany. This has been particularly applicable to matters relating to Afghanistan. Both Germany and India have shared similar objectives concerning Afghan stability and reconstruction, but found themselves often working at cross-purposes, with Berlin occasionally deferring to Pakistani sensitivities.

Finally, India and Germany often suffer from mismatched capabilities. Differences between the two economies can lead to complementarities and, as such, greater opportunities for cooperation. However, different capabilities in the security sphere often prove unnecessarily complicating. India’s military has had to grapple with a range of scenarios from nuclear conflict to counterinsurgencies. Its army is extraordinarily large volunteer force, its air force has to maintain air superiority in its region, and its navy is gradually growing in resources and reach. Germany’s military remains comparatively small, featured conscription until 2011, and is operationally limited.²⁴ The mismatch further complicates joint exercises and military to military contacts, as well as the possibility of joint operations. These factors are unlikely to change given that public opinion in Germany remains predominantly pacifist. A 2015 public opinion survey indicated that a vast majority of Germans – 69 percent – believed that Germany should limit its military role in world affairs.²⁵

²⁰ Maharajkrishna Rasgotra, ed., *The New Asian Power Dynamic* (New Delhi: Sage, 2007), p. 11.

²¹ Christopher O. Clary, “The A.Q. Khan Network: Causes and Implications,” Thesis submitted to the Naval Postgraduate School, Monterey, Calif., December 2005.

²² Christoph Schnellbach and Joyce Man, “Germany and China: Embracing a Different Kind of Partnership?” Working Paper, Center for Applied Policy Research (CAP), University of Munich, September 2015.

²³ David Scott, “NATO and India: The Politics of Strategic Convergence,” *International Politics*, Vol. 49, Issue 1, January 2012, pp. 98-116; Stefan Wagstyl, “Germany Calls for More Joint European Military Initiatives,” *The Financial Times*, July 13, 2016.

²⁴ Julian Borger, “Germany Slowly Comes to Terms with Sending Its Armed Forces Abroad,” *The Guardian*, September 18, 2012.

²⁵ Andrew Kohut and Bruce Stokes, “Legacy of WWII Still Evident in German and Japanese Public Opinion and Relevant Today in Dealing with Russia and China,” Pew Research Center, August 4, 2015.

A Path Forward

Taken together, the differences between the interests, alignments, and capabilities of Germany and India suggest a modest future for bilateral strategic relations. But that need not be the case. The two countries are both rising economies, federal democracies, navigating complex issues of identity, and committed to the rule of law. Realising strategic convergence between India and Germany requires, in addition to frequent high-level consultations and mutually beneficial defence-industrial cooperation, a clearer way of translating shared values into outcomes. In the security sphere, this is most readily apparent in three domains: counter-terrorism, cyber security, and maritime security.

Both Germany and India understand the immediacy of the threat posed by terrorism. Although the number of large-scale attacks in Indian urban centres has declined since the 2008 Mumbai attacks, the frequency of terrorist incidents in India has increased in recent years. Similarly, after a decline in the mid-1990s, Germany has witnessed a sharp rise in the number of terrorist incidents since 2013.²⁶ The same can be said of Europe as a whole, which has in recent years experienced major terrorist assaults in London, Madrid, Paris, and Brussels, among other places. The greater frequency of lethal terrorist attacks by poorly trained individuals inspired by movements such as the so-called Islamic State poses a new threat to law enforcement authorities in both India and Germany. Addressing such a challenge requires bringing to bear a complex set of issues, particularly for liberal democracies such as Germany and India that seek to preserve the rule of law.

A second area of possible convergence relates to maritime security, which is assuming greater importance for both countries given its importance for international commerce. German vessels have fallen victims to piracy in the Indian Ocean, and since 2008, German forces have helped in protecting merchant vessel shipping as part of the EU Naval Force Operation Atalanta.²⁷ Around the same time, India also began anti-piracy missions in and around the Gulf of Aden. The resulting operations by the two countries along with several other countries led to a sharp decline in piracy in the vicinity beginning in 2013. But fears of complacency and the possibility of similar security challenges compromising other key sea lines of communication make this an area for Germany and India to cooperate further.

Finally, cyber security and Internet governance offer another area in which Germany and India find themselves confronting similar challenges. Both countries have certain limitations to freedom of expression which translate into the online space – including in the Constitution in India's case and in the Strafgesetzbuch in Germany – and both share concerns about securing critical infrastructure. Sharing lessons learned on counter-terrorism, maritime security, and cyber security are all ongoing. But by elevating their importance and highlighting these areas of convergence, the countries may be able to better set an agenda for a stronger strategic relationship.

²⁶ Global Terrorism Database, National Consortium for the Study of Terrorism and Responses to Terrorism (START), 2016 (<http://www.start.umd.edu/gtd>).

²⁷ David Petrovic, "The Fight against Piracy: One Aspect of Germany's Maritime Security," Facts & Findings, No. 129, Konrad Adenauer Stiftung, September 2013.

A true strategic relationship will, naturally, have to move beyond the bounds of the narrow confines of security. It will require deepening trade relations, for example, which remain rather underwhelming. Trade with Germany constitutes just 3 percent of India's total trade, and both exports and imports have declined over the preceding five years.²⁸ Strategic convergence will also require cooperating on the future of energy, an area in which Germany possesses considerable strengths and where India has possibly the highest future demand of any country. And finally, it will require consolidating people-to-people relations. The Indian-origin community in Germany – which is now over 100,000-strong and comprises over 60,000 German nationals and more than 40,000 Indian passport holders – is a valuable conduit for bringing the two countries closer together.

Ultimately, a true strategic relationship will require a realisation in Berlin that India's rise is good for Germany. And for New Delhi, it will be equally important to internalise the fact that good relations with Germany matter more than ever.

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²⁸ Export Import Data Bank, Department of Commerce, Government of India, July 20, 2016.