

A Special Relationship Between Two Democratic Powers

The Strengthening Germany-India Partnership

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The recent visit of the German federal chancellor, Dr. Angela Merkel, to New Delhi symbolized the close bonds between Germany and India. The German-Indian relationship has been built on common democratic principles and respect for the rule of law, human rights and fundamental freedoms, and multilateral cooperation, based on the principles of the UN Charter, including equality, sovereignty and territorial integrity of all countries. The relationship is marked by close cooperation, deep trust and mutual respect for each other's aspirations and goals. At a time of global geopolitical flux, Germany and India are among the important countries that have taken up the baton to champion freedom, international norms and rules, inclusivity, and free and fair trade.

Close cooperation and collaboration between Germany and India is important for international peace and security and to help underpin an equitable, rules-based and inclusive order. As the [joint statement](#) at the end of Merkel's visit put it, "India and Germany are committed to close cooperation, bilaterally and with partners, in the G-20, the United Nations and other multilateral forums, to address existing and emerging challenges to international peace and security and global economic stability and growth. In this respect, India and Germany particularly look forward to close cooperation during the Indian G-20 Presidency and the German G7 Presidency in 2022."

India is a natural strategic ally of Germany. The interests of the two countries converge on most major international issues, including reform of the United Nations Security Council. This was illustrated by the formation of the Group of Four (G-4) to press for Security Council reform, including addition of new permanent members. Security Council reform, although a pressing imperative, has run into resistance from the existing permanent members. At their recent meeting, Merkel and Modi underlined the “steadfast efforts of the G-4 and other reform-oriented countries and groups in moving toward initiation of text-based negotiations on Security Council reform to be initiated during the 74th session of the UN General Assembly. Both countries reiterated their full support to each other’s candidatures for a permanent seat in a reformed and expanded UN Security Council. Reforming the Security Council is central to safeguarding and strengthening the multilateral rules-based order. The lack of representativeness of the Security Council at the heart of the international order for international peace and security affects the legitimacy of its decisions and its effectiveness. In light of the global challenges we are facing, we need strong, legitimate and effective United Nations.”

Within the framework of the Group of 20 (G-20), Germany and India hold regular consultations on global issues, including sustainable development and climate change. In other consultations, the two countries discuss both global and regional issues, ranging from nuclear disarmament, nonproliferation, export controls and cyber security to Eurasia and East Asia.

After the end of World War II, India was among the first countries to establish diplomatic ties with the Federal Republic of Germany. During the Cold War years, India maintained good relations with both parts of a divided Germany. India’s cooperation with West Germany, of course, was broader and more intense. After the German reunification, India-German relations took off

in a major way in both the political and economic realms. Today, India counts Germany as one of its closest and most-important partners, both bilaterally and globally. Some of the bilateral mechanisms that predate German reunification remain in place, including the Indo-German Parliamentary Friendship Group, which was established in the German Bundestag in 1971 and which continues to strengthen links between the two national parliaments.

Today, Germany, not Britain or France, is India's largest trading partner in Europe. Germany-India bilateral trade, however, is no match to the level of Germany-China trade, which explains Berlin's greater commercial focus on China and the frequency of high-level Germany-China visits. Still, there is great potential to boost trade between India and Germany, especially in the knowledge-driven sectors.

Germany is the seventh largest foreign direct investor in India, with German foreign direct investment (FDI) in India much larger than China's. Indian investments in Germany are also significant, with more than 200 Indian companies operating there in sectors such as information technology (IT), auto parts, pharmaceuticals and biotechnology. India's leading IT firms like TCS, Infosys and Wipro have penetrated the German market. German investment in India, for its part, is mainly in transportation, electrical equipment, metallurgical industries, insurance, chemicals, automobiles and some other sectors. Major German companies such as Bosch, Siemens, Daimler, Bayer, Volkswagen, BMW ThyssenKrupp, BASF, SAP, Deutsche Bank, Metro and Munich Re have significant presence in India.

India's Department of Industrial Policy and Promotion has set up a fast-track system for German companies seeking to invest in India. This mechanism was agreed upon at the biennial Intergovernmental Consultations (IGC), which

happen at the head-of-government level. The Mittelstand (the small and medium-sized firms) constitute the backbone of Germany's economy, and the Indian government is seeking to also encourage such companies to set up operations in India to help boost Modi's "Make in India" initiative. Indeed, this initiative has helped bring more than 135 German Mittelstand and family-owned companies to India. Joint German-Indian ventures or collaborations are growing. Today, more than 1,600 joint collaborations and over 600 joint ventures are in operation.

Meanwhile, military and strategic relations between Germany and India have been on the upswing since 2006, when the German federal ministry of defense and the Indian ministry of defense signed an accord to promote deeper engagement on security and defense issues. The agreement was signed by Indian Defense Minister Pranab Mukherjee (who went on to become India's president) and his German counterpart, Dr. Franz Josef Jung. That pact helped elevate German-Indian defense cooperation beyond arms trade to a broad range of subjects, including exchange and training of military personnel, joint defense production, technology transfer and strategic consultations. The strategic consultations are held through a High Defense Committee (HDC), which meets annually and is co-chaired by the state secretary of the German MoD and the defense secretary of the Indian MoD. The HDC approves about [30 to 40](#) joint projects every year.

It is not widely known that Germany and India are important partners in science and technology projects. For example, such collaboration extends to outer space, with the Indian Space Research Organization (ISRO) launching a number of German satellites since 1999. India demonstrated its space prowess by winning Asia's race to the Mars in 2014 and then, in March 2019, using a ballistic missile interceptor to destroy one of its own satellites orbiting at nearly

30,000 kilometers an hour. This “kill” made India the fourth power — after the U.S., Russia, and China — to shoot down an object in space. ISRO and the German Aerospace Center (Deutsches Zentrum für Luft-und Raumfahrt, or DLR) have now signed an accord for exchange of personnel between them.

Germany-India science and technology cooperation was established by agreements signed in 1971 and 1974. Today, Germany ranks as one of India’s leading science and technology cooperation partners, as exemplified by the Indo-German Science and Technology Center (IGSTC) outside New Delhi, which receives an annual contribution of four million euros from each country and which will celebrate its 10th anniversary in 2020. Another example is the solar energy partnership between the two countries since 2015 that includes a concessional one-billion-euro loan from the German government. As part of this partnership, the two countries are exploring ways by which solar technologies could make a difference to the people living in rural areas, especially women, while also cooperating on storage-cell and micro-grid solutions for electrification.

Leading German research and development institutions, such as the Max Planck Society, Fraunhofer Laboratories and the Alexander von Humboldt Foundation, have set up collaboration with Indian scientific establishments, as underscored by more than 150 joint research projects and 70 direct partnerships between universities. India, for its part, has invested in science projects in Germany like the Facility for Anti-Proton and Ion Research (FAIR) at Darmstadt and the Deutsches Elektronen-Synchrotron (DESY) to conduct experiments in advanced materials and particle physics.

Even less known is the extent of German technical and financial cooperation assistance to India, which has totaled over €16 billion since 1958 in

fields such as energy, sustainable development and environment protection, including management of natural resources. The technical and financial assistance has been extended as soft loans, composite loans or grants and routed through institutions like the KfW Entwicklungsbank (KfW Development Bank). Some of the leading current initiatives of the Indian government, including “Smart Cities,” “Clean India” and “Skill India,” have been assisted by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, which translates as the German Corporation for International Cooperation — an official development agency headquartered in Bonn and Eschborn that provides services in the field of international development cooperation. The GIZ, for more than six decades, has [worked jointly](#) with Indian partners for sustainable development, including in the fields of energy; environment, climate change and biodiversity; sustainable urban and industrial development; and sustainable economic development.

Add to the picture the cultural and academic exchanges between the two countries, including a Joint Declaration between German and Indian museums to promote museum cooperation, preservation of cultural heritages and museum restoration. The signatories to the Joint Declaration include India’s National Museum, the Stiftung Preußischer Kulturbesitz (Prussian Cultural Heritage Foundation) and the Humboldt Forum. The Indo-German Partnerships on Higher Education (IGP) aims to increase the number of Indian students studying in Germany, which presently stands at 20,800. The number of German students studying in India is also increasing.

The Deutsch-Indische Gesellschaft eV (Indo-German Society), established in 1953 in Stuttgart, aims to promote people-to-people exchanges and help increase public awareness and understanding in Germany of modern India and its many-sided religious, ethnic and cultural facets. The Goethe-

Institut in India operates a number of centers in major cities. Each center is known as the Max Müller Bhavan (Center), in honor of Max Müller (1823-1900), a German scholar of comparative religion and co-founder of modern Indian studies. Interestingly, Max Müller, the first scholar from Europe to translate and publish the ancient Indian sacred literature, the Upanishads and the Rigveda, is better known in India than in Germany. The Max Müller Bhavans, through cultural events, seek to present German culture to Indians, particularly its contemporary aspects. The Indian government, for its part, has funded several rotating chairs of Indian studies in German universities. The German Academic Exchange Service (DAAD), the largest German support organization in the field of international academic cooperation, facilitates joint research, training and exchange of young scientists/research scholars with India. As a gesture of goodwill, Chancellor Merkel handed over a precious stolen statue of Goddess Durga to Prime Minister Modi at the 3rd IGC.

German political foundations have also played a key role in promoting closer German-Indian cooperation and advancing a better understanding of Germany in India and of India in Germany. Germany's political foundations — a legacy of the young Federal Republic, which, after World War II, sought to learn from the failure of the Weimar Republic (1918-1933) — are unique in the sense that no other democracy has such institutions. These publicly funded foundations, tasked with the sustainable promotion or establishment of democracy and civil society, are each associated with an established political party that, in two consecutive elections, has received at least 5% of all second votes nationwide — the threshold to enter Germany's federal parliament, the Bundestag. There are currently six political foundations funded by the German taxpayers: the Konrad Adenauer Stiftung (Christian Democrats, CDU); the Friedrich Ebert Foundation (Social Democrats, SPD); the Friedrich Naumann Foundation (Free Democrats, FDP), the Hanns Seidel Foundation (Bavarian

Christian Democrats, CSU); the Heinrich Böll Foundation (Alliance 90/the Green Party); and the Rosa Luxemburg Foundation (the Left Party).

Several of these foundations have been active in India for years. The Konrad Adenauer Stiftung, in particular, has had a decades-long and close association with India, where it has played a major role in advancing public discourse on important issues and in developing close partnerships with key institutions, intellectuals and other professionals. The Konrad Adenauer Stiftung and the other German foundations with a foothold in India, through their independent activities, aid the efforts of the German government to promote closer collaboration with India. The foundations, despite their links with political parties, are legally and financially independent and free to organize their activities and programs and select their partners. Yet, as underscored by their activities in India, these foundations significantly contribute to Germany's international diplomacy.

Germany and India in a fast-changing world

Germany and India rank among the key diplomatic players on the world stage. In a rapidly changing world, Indian and German foreign policies face important challenges. These challenges have been underscored by the ongoing global power shifts, including new technological and geopolitical realities, the rise of unconventional threats, and the continued role of brute force in international relations. The tendency of the powerful to quote international law to weaker states while blithely ignoring it when it comes in their way has made universal adherence to a rules-based order a global challenge by itself.

At a time when the international order is clearly in transition, German and Indian foreign policies need to continually evolve to remain dynamic and forward-looking. The tectonic power shifts make fundamental reforms in the existing global institutional structure inevitable. The extent and timing of such reforms, however, hinge on the ability of new powers like Germany and India to provide the necessary push for wide-ranging institutional changes in order for the world to effectively manage its new challenges, some of which are unique in nature.

Today, technological forces are playing a greater role in shaping geopolitics than at any other time in history. The fast pace of change in technology, transportation costs, and regulatory environment has acted as a spur to accelerated economic growth and to the ascent of the developing economies. The pace of geopolitical change has been no less extraordinary. The world has changed fundamentally since the fall of the Berlin Wall, the most momentous event in post-World War II history that heralded the end of the Cold War and spurred the collapse of the Soviet Union. The world has witnessed the most-profound geopolitical change in the most-compressed timeframe in history.

Developments in Germany, in other words, have helped profoundly reshape international geopolitics. While the fall of the Berlin Wall and the consequent end of the Cold War transformed the world, no continent benefited more from these developments than Asia, as has been epitomized by its dramatic economic rise. The post-1989 shift from the primacy of military power to a greater role for economic power in shaping international geopolitics helped promote not only an economic boom in Asia, but also led to an eastward movement of global power and influence.

The year 1989 was a turning point not only because communism's most notorious wall came down; another defining event of 1989 was the Tiananmen Square massacre of pro-democracy protesters in Beijing. But for the end of the Cold War, the West would not have let China off the hook for those killings. China's rise is tied with the pragmatic Western policies to shun trade sanctions despite Tiananmen and to integrate that country into the global networks of production, on the premise that subjecting it to the liberalizing influences of economic globalization would redress its historical grievances and tame its revisionist zeal and territorial ambitions.

Broadly, one can assume that the next three decades will bring international geopolitical and economic change as dramatically as was witnessed in the past 30 years. Yet, just as no one predicted the sudden collapse of the Soviet Union or the dramatic ascent of Asia since the 1990s, there can be no reliable predictions on the nature of major changes in coming years. That is why it is important for policymakers in Germany and India, as elsewhere, to focus on emerging geopolitical trends and fault lines to deal with both the opportunities and the risks.

Any country's economic security depends not just on sound economic policies but also on dynamic and proactive foreign-policy and national-security strategies. National security is essential for any nation to focus on wealth generation. It is not an accident that the most-successful and most-stable economic partnerships in the world, including the Atlantic community and the US-Japan and US-South Korea partnerships, have been built on the bedrock of security collaboration. Economic ties that lack the underpinning of strategic partnerships tend to be less stable and even volatile, as is apparent from India's or Germany's or America's economic relationship with China.

The German-India strategic partnership

Chancellor Merkel's Oct. 31-Nov. 1 visit to New Delhi was for the Intergovernmental Consultations (IGC). These consultations are held at the head-of-government level to help deepen bilateral cooperation. The IGC process has helped strengthen the strategic partnership that Germany and India entered into in 2001. For example, the recent IGC agreed to institutionalize the mechanism of Foreign Office Consultations, held annually between the Indian foreign secretary and the state secretary of the German Federal Foreign Office. A Track 1.5 strategic dialogue is being established to enable key stakeholders to engage annually in an open exchange of views and ideas on national, regional and global issues.

But as the latest IGC publicly acknowledged, India and Germany “need to further deepen bilateral defense cooperation as strategic partners to jointly address global and regional security challenges.” One decision taken by Merkel and Modi was to strengthen and expand defense-related cooperation, including through co-development and co-production of defense equipment under the Indian government's “Make in India” program. The Indian government has set up defense-production corridors in the states of Tamil Nadu and Uttar Pradesh. In addition, according to the joint statement that was issued, “Germany will work toward facilitating export of military equipment as well as technology sharing with India according to relevant international, European and national rules.” Earlier in 2019, the two countries signed the “Implementing Arrangement concerning Bilateral Defense Cooperation” in an effort to increase cooperation, including on security policy issues. Indeed, it has been agreed that the defense ministers of the two countries would hold regular dialogue by meeting alternately in India and in Germany, at least once every two years.

On her latest visit, Merkel unfortunately reached New Delhi just as noxious smog blanketed the Indian capital, forcing a shutdown of schools for five days and a temporary ban on construction activity and millions of private vehicles. Indeed, Merkel's two-day visit coincided with the declaration of a public health emergency in the city, prompting her to pitch for green urban transportation, including electric buses. New Delhi's buses are already green: They run on compressed natural gas. The city's seasonal smog problem, which comes with cooler temperatures and slower winds in the post-monsoon period, is largely linked to a deleterious agricultural practice in nearby states — after harvest, farmers burn crop stubble to clear their fields.

The fumes from the stubble burnings mix with New Delhi's vehicle emissions, construction dust and smoke from fireworks set off during Diwali, the festival of light. This creates an annual toxic haze that lingers for days or even weeks, partly due to topography. The cool air with its pollutants gets trapped by the hills that surround the Indian capital on three sides. During Merkel's visit, New Delhi had the dubious distinction, in terms of the air quality index (AQI), of topping the list of the world's most-polluted capital cities, with levels of deadly particulate matter reaching multiple times the global safety threshold. The opaque haze reduced visibility to such an extent that even some planes could not land at the international airport. However, Merkel's itinerary, including her public engagements in New Delhi, were not affected.

The New Delhi smog is a reminder that human health is inextricably linked to nature's wealth, which we must cherish and protect. In fact, unprecedented pressures on natural resources and ecosystems in India and other countries are triggering a broader range of adverse environmental impacts. Rapid development, breakneck urbanization, large-scale irrigated farming,

lifestyle changes and other human impacts have resulted in degraded watersheds, watercourses and other ecosystems, as well as in shrinking forests and swamps. The illicit diversion of sand from riverbeds for the construction boom has damaged rivers and slowed the natural recharge of aquifers.

To be sure, India's environmental challenges mirror those of many other developing countries, from Mexico and Peru to Indonesia and the Philippines. The imperative to develop environmentally friendly policies and practices, however, transcends the developing world. Wealthier countries with disproportionately large [environmental footprints](#) — from the United States to Australia — also need to embrace environmental protection in earnest.

Environmental protection, in the long run, is cheaper than environmental cleanup and restoration. If India's national planners were more forward-looking, the country could avoid repeating the mistakes of other countries, instead of investing resources in tackling air, soil and water pollution and other environmental degradation. The degradation adversely affects climate, ecosystems, biodiversity and public health. The fact that China's environmental-contamination problems are worse than India's, despite Beijing's improved air quality, can give Indian authorities no comfort. As the world's factory floor and largest exporter, including of coal-fired power plants, China is [exacerbating](#) the global environment crisis. India, with a services-led, import-dependent economy that relies largely on domestic consumption for growth, can scarcely defend its levels of air, soil and water pollution.

The Germany-India strategic partnership must extend to non-traditional security areas, extending from environmental protection to the fight against illegal non-state actors, including terrorists, criminal syndicates and seaborne pirates. For example, India can learn from Germany on how to adopt a more

holistic and integrated approach to development that places environmental protection at the center of strategic planning. Without such an approach, the linkages between a healthy natural environment and human health could trap India in a vicious cycle in which environmental degradation contributes to public health issues, and vice versa.

Another promising area for Indian-German cooperation is the Indian Ocean, home to prominent strategic chokepoints such as the Malacca and Hormuz straits. More than half of the world's container traffic, 70% of its seaborne petroleum trade and a third of all maritime traffic traverses the Indian Ocean, the world's third largest body of water, which connects Asia with Africa and, via the Middle East, with Europe.

The emerging centrality of the Indian Ocean for global trade and energy flows and for a stable balance of power in Asia is sharpening geopolitical competition in the region. Indeed, the Indian Ocean Rim may be poised to emerge as the world's fastest-growing region in economic terms over the next decade, according to an assessment by the Center for International Development at Harvard University. After two centuries of Atlantic domination followed by the rise of the Pacific Rim, the Indian Ocean Rim could become the next growth engine, amid relatively slow growth in the mature economies and a relentless slowdown in China.

Meanwhile, as outside and local powers joust for access, influence and relative advantage in the region, the Indian Ocean is witnessing a maritime version of the 19th century Great Game — the rivalry between the British and Russian empires for influence in Central Asia. Four national strategies — China's Maritime Silk Road project, America's "free and open Indo-Pacific" policy, Japan's western-facing approach, and India's Act East Policy —

intersect in the Indian Ocean. China's Maritime Silk Road — a catchy name for Beijing's "string of pearls" strategy of advancing strategic interests along its trade routes — is centered in the Indian Ocean, with China employing aid, investment and political leverage to pursue geostrategic objectives. A pet project of President Xi Jinping, its larger goal is to redraw Asia's geopolitical map by pulling strategically located states closer to China's orbit. It also seeks to deal with China's problem of overproduction at home by winning lucrative overseas contracts for its state-run companies to build seaports, railroads, highways and energy pipelines in states located along the great trade arteries.

The Indian Ocean is important for German trade and economic interests. The U.S., however, has the largest military footprint of any power in the Indian Ocean, including a major naval and air force base at the British-controlled atoll of Diego Garcia, which is located halfway between Africa and Indonesia and serves as a logistic-support center for the current American military missions in Afghanistan, Syria and Iraq. One manifestation of the increasing geopolitical competition in the Indian Ocean is a naval arms race, especially under the waves. China boasts one of the fastest-growing undersea fleets in the world. It has already surpassed the U.S. submarine fleet in quantity, although not quality. But as it works to further expand its force of diesel and nuclear attack submarines, China's territorial and maritime assertiveness and muscular actions are prompting other countries to acquire submarines as well as submarine-hunting aircraft.

For New Delhi, China's increasing naval forays into India's maritime backyard carry long-term strategic implications. Just as China's annexation of Tibet in 1951 created a northern, trans-Himalayan military threat for the first time in Indian history, its Maritime Silk Road promises to open an oceanic threat from the south for the first time since the European colonial depredations

of the 18th and 19th centuries. The larger strategic risk for India is that China, in partnership with its close ally Pakistan, could encircle it on land and at sea. Although trade through the Indian Ocean accounts for half of India's gross domestic product and the bulk of its energy supplies, accidents and project delays have left its diesel submarine fleet severely depleted. India has one nuclear-powered sub on lease from Russia and is completing another indigenously as it seeks to bolster its anti-submarine capabilities.

India has also stepped up its military diplomacy and is doling out billions of dollars in credit to key littoral states. At the same time, New Delhi is working to revitalize relationships with Indian Ocean Rim states in the Persian Gulf and elsewhere, including neighboring Myanmar, Bangladesh, Sri Lanka and Indonesia, whose northern tip is close to India's Nicobar Islands territory. Using as an asset what China lacks in the Indian Ocean region — cultural affinity — India has sought to revive linkages along the ancient Spice Route, which had the Indian peninsula as its hub.

As part of its strategic partnership with Berlin, New Delhi should encourage a greater German interest and role in the Indian Ocean. Indeed, the joint statement from the latest IGC says that, "Maritime projects between the Indian and German naval industries (e.g., submarines) are encouraged in view of the shared interest in the stability of the Indian Ocean region." The contest for influence in the Indian Ocean is pivotal to shaping the international maritime order. As U.S. Admiral Samuel Locklear pointed out, two-thirds of the world's 300 submarines that are not part of the U.S. Navy (which deploys 73) are already in the Indo-Pacific region. This is a game that all democratic powers must positively influence to underpin peace, stability and prosperity in the Indian Ocean and the wider Indo-Pacific region.

Make no mistake: India is located in a very troubled neighborhood. To India's west lies an arc of crises stretching from Pakistan to Jordan. From transnational terrorism to illegal refugee flows, unconventional threats are becoming more and more significant in India's security calculus. India's location next to the Pakistan-Afghanistan belt makes it very susceptible to terrorist attacks staged from across its borders. The horrific Mumbai terrorist attacks of 2008, carried out by 10 Pakistani gunmen, serve as just one example.

In this light, India counts on Germany as an important partner in the fight against the scourge of transnational terrorism. India and Germany cooperate within the framework of the Joint Working Group on Counterterrorism, which they have established to share information and intelligence, including on terror networks, and to share their experiences on dealing with the growing phenomenon of violent Islamism. At their recent meeting, Merkel and Modi "called upon all countries to work toward rooting out terrorist safe havens and infrastructure, disrupting terrorist networks and financing channels, and halting cross-border movement of terrorists."

The two leaders stressed the need for stronger international partnerships in combating terrorism and violent extremism, including through increased sharing of information and intelligence. They also emphasized "the need for all countries to ensure that their territory is not used to launch terrorist attacks on other countries in any manner. The two leaders stressed the importance of the combined effort of all countries to fight global terrorism and to send out a consistent message that terrorism in all its forms and manifestations is not acceptable to the international community. Referring to the need for presenting a united front in the fight against this global menace, the two leaders called for the finalization and adoption of the Comprehensive Convention on International

Terrorism (CCIT) in March 2020.”

Today, the jihadist theology helps to globally link diverse local Islamist groups. Because the cross-border linkages of these outfits are often based not on structured coordination but simply on a shared ideology, the global jihadist movement is essentially self-organizing. This is why a sustained information campaign is needed to discredit the ideology of radical Islam. Only a robust response — from governments and civil societies — to the mounting threats from the Islamist ideology can help contain the spread of terrorism. Otherwise, this Frankenstein monster could devour our freedoms.

The Germany-India Intergovernmental Consultations (IGC)

The Intergovernmental Consultations (IGC) between Germany and India are central to reviewing progress on building closer bilateral cooperation, as well as to identifying new areas of collaboration or engagement. The IGC builds on other existing institutional arrangements for cooperation, including Foreign Office Consultations, High Technology Partnership Group, High Defense Committee, Indo-German Energy Forum, Indo-German Environment Forum, India-Germany Committee on Science and Technology, and Joint Working Groups in various fields, including skills development, automotives, agriculture, coal, tourism, counterterrorism and water and waste management. A 2006 defense cooperation agreement established the framework for bilateral cooperation, including the defense secretary-level High Defense Committee (HDC).

Five rounds of IGC have been held so far. These consultations, and other institutional engagements, have not only built closer cooperation but also promoted a growing number of high-level bilateral visits. For example, Chancellor Merkel's recent New Delhi visit followed her earlier visits to India in 2007, 2011 and 2015. Prime Minister Narendra Modi, for his part, visited Germany in 2018, twice in 2017 (once for the IGC process and then to attend the G-20 summit in Hamburg), and also once earlier in 2015.

In the latest IGC, Merkel was accompanied by her ministers of foreign affairs, science and education, and food and agriculture. A large business delegation comprising a number of CEOs also accompanied her during her New Delhi visit. A long [joint statement](#) issued at the end of the latest IGC stated that, "Chancellor Merkel and Prime Minister Modi reiterated that the Indo-German Strategic Partnership is based on the common values and principles of democracy, free and fair trade, and rules-based international order, as well as on mutual trust and respect. Key issues in the discussions included jointly driving the digital transformation through innovation and frontier technologies, especially artificial intelligence (AI), making economic growth sustainable by cooperating on climate change, creating space for people-to-people contacts through legal mobility for skilled labor, and contributing to a reliable international order by strengthening and updating multilateral institutions."

Significantly, the two countries agreed to collaborate on frontier technologies, including AI, and to build a digital partnership. The joint statement noted that, given that "AI will fundamentally impact the way the world lives and works in the coming years, both sides intend to work together to foster, encourage and develop cooperation on AI technologies and thereby promote innovation and sustainable development." The digital partnership will aim to leverage the advantages each country currently has to promote

integration of hardware and software in developing the Internet of Things (IoT) and AI solutions for societal benefits. Specifically on AI, the joint statement said, “The potential synergies in focus areas such as health, mobility, environment and agriculture offer immense opportunities for enhancing cooperation and building on our comparative advantages.” In agriculture, for example, AI can help cut down food losses and waste while boosting crop yields.

Among the key issues that Merkel and Modi discussed at the latest IGC was trade, including boosting bilateral commerce and investment. “Both sides confirmed the importance of a balanced Free Trade Agreement (FTA) between India and the EU and agreed to deepen efforts to restart negotiations between the EU and India on the Bilateral Trade and Investment Agreement,” according to the joint statement. In 2003, India and the EU nearly clinched an FTA. However, a couple of sticking points resulted in the draft agreement collapsing. In that period, India signed several FTAs, including with Japan, South Korea and ASEAN. India, however, has not been able to take advantage of these FTAs to substantially expand its own exports. Even Indian information-technology (IT) companies have not fared well in East Asia, in large part because of language barriers and preference for indigenous solutions.

In this light, India recently pulled out of the planned 16-nation Regional Comprehensive Economic Partnership (RCEP), just as the United States withdrew from the Trans-Pacific Partnership. The RCEP was originally designed as an FTA among the 10 ASEAN countries and their six summit partners: India, China, Japan, South Korea, Australia and New Zealand. But unlike the other states negotiating RCEP, India is not an export-driven economy; rather India is more like the United States — an import-dependent economy. As largely domestic-consumption-driven economies, the U.S. and

India have big trade deficits in goods with the rest of the world and believe that they can leverage outsiders' access to their huge markets to shape trade norms and practices without necessarily being part of trading blocs. This is already the approach of U.S. President Donald Trump's administration.

India already has FTAs with 12 out of the other 15 RCEP partners and is negotiating one with Australia. The main beneficiary of India's entry into the RCEP thus would have been China, which is already flooding the Indian market with cheap products. So it was the China factor that prompted India to exit the RCEP. Harvard's Graham Allison has called China "the most protectionist, mercantilist and predatory major economy in the world." China, while exploiting India's rule of law for dumping, keeps whole sectors of its economy off-limits to Indian businesses. It has dragged its feet on dismantling regulatory barriers to the import of Indian agricultural and pharmaceutical products and IT services.

Against this background, it will require concerted efforts for an India-EU trade deal to be clinched. However, the fact that both the EU and India support free but fair trade based on the World Trade Organization (WTO) rules should aid these efforts. Indeed, Merkel and Modi called for restoring the full functioning of the WTO dispute settlement system and reforming the WTO without undermining its fundamental principles, including consensus-based decision-making and the "special and differential treatment" norm. The two leaders also called for accelerated efforts to conclude an investment protection agreement between Europe and India.

The IGC process has helped to spotlight the commonalities between Germany and India. For example, on issues relating to climate security and sustainable development, Germany and India have more in common with each

other than with the United States. For example, during the recent IGC, Merkel and Modi acknowledged a “joint responsibility for the protection of the planet and mitigating climate change through enhanced promotion of renewable energy and increasing energy efficiency and, at the same time, reducing their carbon footprints. For both countries, the Sustainable Development Goals (SDGs) and the Paris Agreement serve as guiding frameworks in their cooperation. They underlined that for a successful energy and transport transition in India and in Germany, both countries need to closely cooperate, to learn from each other, and to capitalize on the economic potential of climate protection,” according to their joint statement. In fact, Germany and India have established the Indo-German Environment Forum, whose last meeting was held in February 2019 in New Delhi.

India's foreign-policy challenges

Under Prime Minister Narendra Modi, India has shaped a nonideological foreign-policy vision, with an emphasis on shoring up long-term national security. India, a founder leader of the Nonaligned Movement (NAM), now makes little mention of nonalignment. In fact, for a second year in a row, the Indian prime minister in 2019 did not attend the annual NAM summit.

Nonalignment has been replaced with multi-alignment as the leitmotif of Indian foreign policy. Through multi-alignment, India has sought to build close strategic partnerships with other democratic powers across the world — from Germany to the United States and Australia. Modi has built a good personal rapport with Merkel and other world leaders.

Building closer partnership with the United States and other democratic powers has been Modi's signature foreign-policy initiative. India is now a "major defense partner" of the U.S., with which it holds more military exercises than with any other country. The U.S. has also emerged as India's largest arms supplier. The Cold War-era India-Russia camaraderie has been replaced by India-U.S. bonhomie, although Russia remains important for India's strategic interests. India, for example, relies on Russian spare parts for maintenance of its Russian-made military hardware, some of Soviet origin.

India, for its part, is central to America's "free and open Indo-Pacific" strategy, which U.S. President Donald Trump unveiled more than two years ago. The Trump administration's "free and open Indo-Pacific" strategy is the successor to the "pivot" to Asia, which was unveiled by Barack Obama in 2011 and became subsequently known as the "rebalance" to Asia. But the pivot to Asia failed to gain traction.

Economically and strategically, the global center of gravity is clearly shifting to the Indo-Pacific region. This region holds the key to the future of the U.S.-led liberal international order. The regional security competition is occurring largely in the maritime context, which explains the increasing use of the term "Indo-Pacific" — representing the fusion of two oceans, the Indian and the Pacific. The increasing use of the term "Indo-Pacific," rather than "Asia-Pacific," underscores the growing importance of the maritime dimension. After all, Asia's oceans and seas have become an arena of competition for resources and influence. It now seems likely that future crises in the Indo-Pacific will be triggered at sea or at least settled at sea.

The geo-economic competition is also gaining traction in the Indo-Pacific. That the Indo-Pacific holds the key to global security can be seen from

the fact this region boasts the world's fastest-growing economies, the fastest-increasing military expenditures and naval capabilities, the fiercest competition over natural resources, and the most dangerous hotspots.

The challenges in the Indo-Pacific demand action on three different fronts: establishing a pluralistic, stable and rules-based regional order, ensuring respect for existing borders, and safeguarding freedoms of navigation and overflight. This imperative is largely linked to China's muscular rise and its territorial and maritime revisionism. China has become the main catalyst of the changing Indo-Pacific power dynamics.

From the South Pacific to the South China Sea and the Indian Ocean, China is seeking to change the status quo. China also seems to be on an island-buying spree: In the Maldives, it secretly acquired a couple of islets. More recently, it signed a secret agreement aimed at acquiring Tulagi in the Solomon Islands on a renewable 75-year lease.

How rapidly the Indo-Pacific security situation has changed can be gauged from one fact: It was less than six years ago that China began pushing its borders far out into international waters by building artificial islands in the South China Sea. The first Chinese dredger arrived in this sea in December 2013. In less than six years, China has not only built and militarized those outposts and presented a *fait accompli* to the rest of the world, but has also started focusing on the Indian Ocean and the western Pacific. India and Germany have jointly underlined the importance of unimpeded commerce and freedom of navigation in accordance with international law, which is primarily anchored in the 1982 United Nations Convention on the Law of the Sea (UNCLOS).

Meanwhile, China's influence in the small island countries of the South Pacific is growing rapidly. China has also been positioning itself in strategic ports along key shipping lanes in what has come to be known as a "string of pearls" strategy. Against this background, India must work with other democratic powers to manage China's rising economic and military power and its territorial revisionism by establishing counterbalancing coalitions around that country's periphery.

Such a shared strategy among democratic powers is becoming more likely because of a paradigm change in America's China policy under Trump — a shift that enjoys bipartisan support in the United States. This shift will likely outlast the Trump presidency. Washington is more polarized and divided than ever before. So, it is highly significant that, in this toxic environment, a bipartisan consensus has emerged that the decades-old U.S. policy of "constructive engagement" with China has failed and must give way to active and concrete counteraction. The policy change promises to reshape global geopolitics and trade.

The new policy approach, in essence, seeks to ensure that the U.S. will no longer enable China's rise. The Nixon-Kissinger thesis — that helping China to rise would unleash market forces that would open up the country — is now widely recognized as wishful thinking. The Communist Party of China has actually gone in the opposite direction — toward greater centralization and control and toward establishing a digital surveillance state.

It is important to note that the Trump administration strategy seeks to primarily use economic levers to rein in China, including a gradual decoupling of the U.S. economy from the Chinese economy in key technological sectors. The earlier American strategy since the 1970s also was primarily economic: It

was based on the premise that, by assisting China's economic modernization, a more open and liberal China would emerge. But since that premise backfired to create a geopolitical rival, the new U.S. strategy seeks to use economic levers to try and reverse some of the damage, especially ending the free ride that China has long enjoyed.

Against this background, India's recent decision to withdraw from the China-led Regional Comprehensive Economic Partnership, or RCEP, is welcome news for Washington. It parallels the U.S. withdrawal from the Trans-Pacific Partnership (TPP). Unlike the export-driven Germany or Asia's "tigers," the U.S. and India are two major economies that are import-dependent and have large trade deficits with the rest of the world. Both believe that they can leverage outsiders' access to their huge markets to help shape trade norms and practices through bilateral trade deals.

For India, the RCEP would have meant a back-door free trade agreement (FTA) with China, which already enjoys a surging trade surplus with India—a surplus that is today nearly 50% larger than India's total defense spending. India's exit from the RCEP deals a blow to the plan to create a trading bloc covering more than half of the world's population. But it is likely to accelerate India's FTA negotiations with the European Union and Australia and result in an early conclusion of a U.S.-India trade deal. In other words, India's withdrawal from the RCEP is likely to strengthen the country's economic and trade partnerships with the other democratic powers.

This is in keeping with India's new policy of multi-alignment as well as its efforts to broker cooperative international approaches in a rapidly changing world. Since taking office in 2014, Modi has shaken up the country's reactive and diffident foreign-policy establishment with his proactive approach. The

Modi foreign policy has moved India from its long-held nonalignment to a contemporary, globalized practicality. A multi-aligned India pursuing omnidirectional cooperation for mutual benefit with key democratic powers will be better positioned to expand its strategic influence and promote peace and cooperation in international relations.

Building close partnerships with other democratic powers to pursue a variety of interests in diverse settings will not only enable India to advance its core priorities but will also help to preserve strategic autonomy, in keeping with its longstanding preference for policy independence. India has long cherished “strategic autonomy” and sought to stay clear of “entangling alliances.” Yet, when an outside power like China encroaches on India’s strategic backyard, New Delhi needs strategic partners that it can count on to help place discreet checks on the conduct of that aspiring hegemon. New Delhi’s strong, diversified relations with other democratic powers can be a critical asset if India is able to show itself as a credible and important power. Indeed, Modi has made revitalizing the country’s economic and military security his main priority. He has surprised many by investing considerable political capital in high-powered diplomacy.

To be sure, the Modi foreign policy faces major challenges in India’s own troubled neighborhood, including a strengthening axis between a renegade Pakistan and an irredentist China. The Modi government needs to address India’s foreign-policy challenges, above all an ascendant China’s muscular revisionism. For too long, New Delhi has taken a cautious and reactive approach. But with Beijing spreading its influence deep into India’s backyard, New Delhi needs to reverse its eroding regional clout. Modi’s foreign-policy actions thus far suggest a clear intent to recoup India’s regional losses and to boost its global standing.

A dynamic diplomacy needs strong, bipartisan policies. But, given India's fractious politics, building bipartisanship has long been tough in the world's largest democracy. Pragmatism, zeal and showmanship have been trademarks of Modi's foreign policy. Early on in his term, he unleashed Modi-mania among Indian diaspora audiences by taking the stage like a rock star at several places, including New York's storied Madison Square Garden. More recently, he did the same in Houston, where he was joined by Trump before more than 55,000 cheering, mostly Indian-American supporters.

A penchant for diplomatic surprises, however, has got Modi into trouble. For example, during a 2015 visit to Paris, Modi pulled a rabbit out of a hat by announcing an on-the-spot decision to buy 36 French Rafale fighter-jets. In the run-up to the 2019 national election, the opposition claimed that, behind that decision, there was a scandal involving inflated pricing and cronyism. But India's Supreme Court has given Modi a clean bill of health on that issue.

Modi has helped shape a nondoctrinaire foreign-policy vision. In practice, this has meant India tilting more toward the U.S. and the other democracies in Europe and Asia. India, however, relies on Russian spare parts for its Russian-made military hardware. More importantly, Russia has transferred to India offensive weapons that the U.S. does not export, such as an aircraft carrier and a nuclear-powered submarine. So, ties to Moscow remain important.

India has also sought — unsuccessfully — to shield from U.S. pressures its cooperation with Tehran. Iran has been an important oil supplier to energy-poor India and is the route for a transportation corridor India is building to Afghanistan that bypasses New Delhi's arch-enemy Pakistan. However, thanks to U.S. sanctions against Iran, India has been forced to suspend all oil imports

from that country. U.S. sanctions pressure has actually driven up India's oil import bill by stopping it from buying crude at concessional rates from Iran or Venezuela. The U.S. is seeking to supplant Iran as a major oil supplier to India. But it has been selling India crude at a higher price than Iran.

When Trump in September 2019 joined Modi's public rally in Houston, it showcased the growing closeness of the U.S.-India relationship. Trump's predecessor, Barack Obama, had [declared](#) the U.S.-India relationship "one of the defining partnerships of the 21st century." And the latest U.S. national security strategy [report](#) says America welcomes "India's emergence as a leading global power and stronger strategic and defense partner." The U.S.-India "two plus two" defense and foreign ministerial dialogue highlights the deepening strategic cooperation.

However, it has not been entirely smooth sailing for the U.S.-India relationship. Given Trump's defiant unilateralism, what stands out is a White House belief that the U.S. can pursue hard-edged negotiations with friends without weakening broader strategic ties or undermining efforts to balance China. One reminder of this has been Trump's mini-trade war against India, including raising duties on 14.3% of India's exports to the United States and imposing a restrictive visa policy targeting the Indian information-technology industry. Indeed, Modi's second term in office started in May 2019 with Trump expelling India from the U.S. Generalized System of Preferences. Also, not content with having emerged as the largest seller of arms to India, Washington is seeking to lock that country as its exclusive arms client by using the threat of sanctions to deter it from buying major Russian weapons, including the S-400 air defense system.

The paradox is that the U.S. regards India as the fulcrum of its Indo-Pacific strategy, yet the two countries' security interests diverge in India's own neighborhood, especially in relation to Pakistan, Afghanistan and Iran. Despite such differences, the U.S.-India relationship is set toward closer cooperation and collaboration. In fact, there is strong bipartisan support in Washington for a closer partnership with India. India has been a U.S. foreign policy bright spot under successive presidents.

For India, the U.S. has become more vital, especially in relation to China. Modi has worked to deepen India's cooperation with the U.S., Japan and the other Indo-Pacific powers that share Indian concerns about China's territorial and maritime revisionism. But vexed by the Trump administration's unpredictability and transactional approach, Modi has also sought to mend ties with China, or at least stop them from deteriorating further. At an "informal" summit in Wuhan, China, in April 2018, followed by another similar summit more recently in the Indian coastal temple town of Mamallapuram, Modi and Chinese President Xi Jinping agreed to "reset" relations.

This, however, has not stopped Xi from embarking on a major military buildup along the Himalayan border with India. The buildup has included deploying new offensive weapons and advertising live-fire combat exercises. Chinese encroachments in India's maritime backyard have also increased. Meanwhile, Chinese exports have flooded India, with Beijing more than doubling its bilateral trade surplus, on Modi's watch, to over \$60 billion a year. This trade surplus, by dwarfing India's total defense spending, underscores how India unwittingly is underwriting China's hostile politics.

India's most urgent foreign-policy problems relate to the country's neighborhood. When Modi took office, many expected him to reinvigorate

foreign policy at a time when the yawning power gap between India and China had widened. But, despite considerable Indian efforts, China's influence in India's backyard has grown, even in countries long symbiotically tied to India, including Nepal, Sri Lanka and the Maldives. Dealing with an aggressive China or complex regional-security challenges demands a decisive leadership that takes a long-term view and does not confound tactics with strategy.

To be sure, India has been imbibing greater realism as its quixotic founding philosophy centered on nonviolence assumes a largely rhetorical meaning. Yet India remains intrinsically diffident and reactive. Without proactive diplomacy, India will continue to punch far below its weight.

Germany's foreign-policy challenges

Pragmatism and caution have been the hallmarks of German foreign policy. Germany has long shied away from a doctrinaire approach to foreign policy, preferring instead to invest in geopolitical pragmatism. Its foreign policy is widely viewed in the world as placing greater emphasis on conciliation and bridge-building with regard to international issues than the foreign policies of the other two major European powers, Britain and France, both of which are nuclear-armed and hold permanent seats in the United Nations Security Council.

German foreign policy also tends to emphasize the centrality of international law in interstate relations and in resolving international disputes. In that sense, Germany serves as a model country for establishing a truly rules-based international order. By contrast, China heaps disdain on international rules. For example, the Philippines-initiated South China Sea case marked the

first time that China was hauled up before an international tribunal. China's dismissal of the tribunal's 2016 ruling in that case shows that it is willing to absorb the cost to its reputation as long as it maintains and expands its hold on territory and resources in the South China Sea.

In a world in which power respects power and money talks louder than words, reputation can be repaired. China, after all, paid no lasting international costs for gobbling up Tibet, or for causing the death of tens of millions of Chinese during the so-called Great Leap Forward and Cultural Revolution, or for carrying out the Tiananmen Square massacre of pro-democracy demonstrators. Indeed, as if to underscore that nothing succeeds like aggression, no one today is talking about getting China to vacate the seven reefs and rocks that it has turned into military outposts in the South China Sea after massive land reclamation. Rather, the talk is about finding ways to dissuade it from further expansionary activities.

International law is powerful against the powerless, but powerless against the powerful. The five veto-wielding permanent members of the U.N. Security Council serve as prime examples of a unilateralist approach to international relations. Like China, the other four permanent members have refused in the past to comply with rulings from international arbitration or adjudication, including on issues relating to the United Nations Convention on the Law of the Sea ([UNCLOS](#)), which was at the center of the South China Sea verdict. The United States has not even ratified UNCLOS, and it rejected a 1980 International Court of Justice verdict directing it to pay reparations to Nicaragua for illegally mining its harbors.

Although globalization has fundamentally transformed economics, politics, cultures and communications, the world has remained the same in one

basic aspect — the powerful cite international law to other states, demanding compliance, but ignore it when it comes in their own way. The notion of universal compliance with a rules-based order remains an illusion. Against this background, Germany stands out as a rules-promoting power seeking to shape a world truly governed by international law.

Erring on the side of caution is always a good principle to follow. The note of caution that Germany sounded against the 2011 toppling of Muammar Gaddafi's regime through NATO aerial bombardment, for example, has proved right. The U.S.-led "humanitarian intervention" in Libya has clearly backfired, turning that country into a breeding ground for transnational militants and raising doubts about Libya's ability to hold together in the face of lawlessness and recrudescence of tribal divisions. Indeed, the intervention inadvertently aided the rise of Al Qaeda-linked militants, leading to the killing in Benghazi of the U.S. ambassador. A system based on *sharia* (Islamic law) has been imposed in large parts of Libya, human-rights abuses are legion, and cross-border movement of weapons and militants has undermined the security of Libya's neighbors.

Germany had rightly warned that military intervention cannot be the solution to Libya's problems. Who will restore national unity in Libya now? Sadly, the lessons of the Iraq War were ignored when outside powers militarily intervened in Libya, turning it into what still remains a failed state.

German foreign policy has also long displayed caution even in terms of promoting the country's own interests in Europe. Germany is the largest European state and economy and is strategically located at the heart of Europe. Yet it does not aspire for dominance in Europe. Rather, in respect to the other European powers, it has learned and accepted to be one among equals,

especially in the framework of the European Union. In fact, by not seeking the limelight, Germany over the years has actually created greater strategic space for itself to pursue foreign-policy objectives.

However, at a time when the EU finds itself at a crossroads, Germany's importance is rising, including its role in Europe. Time, circumstance and financial clout seem to be conspiring to increase Germany's profile and clout. But there is no evidence that German policy is consciously seeking leadership, despite a new willingness in Berlin to play a bigger role. Rather, leadership is being thrust upon a cash-rich Germany at a time when economic and political challenges wrack Europe.

Germany, in this sense, is setting an example for other powers, including China. In Asia, classical balance-of-power politics and China's desire for geopolitical preeminence have widened geopolitical fault lines. An Asia free of the struggle for dominance by any single power could chart a more stable, prosperous, and cooperative future for itself. Unfortunately, the geopolitical situation in Asia today bears a striking resemblance to the one that prevailed in Europe at the beginning of the twentieth century.

Yet another strength of German foreign policy is rooted in the fact that Germany has consciously worked to free itself of the baggage of history. Its museums, archives, memorials, and exhibitions underscore its efforts to face up to its past in a way some other powers have been loath to do so. Moreover, Germany has repaired its relations with all its neighbors and learned to accept its existing borders. By coming to terms with its past, Germany has only strengthened its foreign policy and built stronger cooperation with its neighbors as well as with distant powers. This stands in stark contrast to the reluctance of Asian powers like Japan, China and South Korea to reconcile with history.

Actually, challenges ranging from fervent nationalism and territorial disputes to sharpening competition over natural resources and toxic historical legacies weigh down all important interstate relationships in Asia. Asia's history problem — or how the past threatens to imperil its present and future — has spurred competing and mutually reinforcing nationalisms.

Despite its inherent strengths, German foreign policy faces important tests, given Germany's new economic and geopolitical challenges. The challenges have been compounded by domestic political flux, which suggests that Germany is entering a period of transition to a new political order at home. With the entry of important new players, including the far-right Alternative for Germany (*Alternative für Deutschland*, or AfD) party, which is gaining grassroots strength, the country's political system appears clearly in transition. Germany's two main parties, the Christian Democratic Union (CDU) and the Social Democratic Party (SPD), have lost ground, especially the SPD. Merkel's approaching political exit has also accentuated the uncertainty about the country's leadership.

Merkel has been a towering figure on the European and global stage, and it will be hard to find someone to fill her big shoes. And even though Merkel is from the former German Democratic Republic (GDR), the divisions between East and West Germany have not healed even three decades after reunification. Indeed, the AfD has drawn considerable support in the eastern parts of Germany, while the Greens in western Germany are eating into the support base of the established parties, especially the SPD.

Add to the picture a changing security environment in which Germany finds itself. Europe is under pressure. Integrating asylum-seekers and other [migrants](#) – 1.1 million entered Germany alone in 2015 – into European

society poses a major challenge, one that has been complicated by a spike in crimes committed by new arrivals. Making matters worse, many European Muslims have become radicalized. The Paris and Brussels terror attacks showed that some European Muslims had received training in Iraq and Syria. According to the head of Europol, some 5,000 European jihadists have been to Syria and Iraq, and “several hundred” of them could potentially [plot](#) further attacks in Europe after returning home. All this has contributed to the often-incendiary nativist rhetoric of populist political leaders, and the dominant narrative in Europe is increasingly one of growing insecurity.

Many European countries are moving to strengthen internal security. Germany and others have introduced new [measures](#), including an increase in police personnel, accelerated deportation of migrants who have committed crimes, and the authority to strip German citizenship from those who join foreign “terror militias.” Other steps include enhanced surveillance of public places and the creation of new units focused on identifying potential terrorists through their Internet activities. The pressure to reassure the public has driven several European countries to ban the burqa (the full-body covering worn by ultraconservative Muslim women) and other face-covering veils in some or all public places.

To be sure, the refugee influx into Germany has changed German politics forever. The entry of large numbers of Muslim refugees into Germany, of course, resulted from the destabilization of Syria due to outside powers’ proxy war there. But this was not the first wave of immigration from Muslim countries to Germany. Beginning in the 1960s, roughly three million migrants from Turkey settled in Germany to meet the booming economy’s demand for labor, without posing any internal security threat. The internal-security challenges

posed by the latest influx of migrants is linked to radical Islamism – a fundamentalist vision of society reordered according to Sharia law.

In this light, limiting the flow of refugees has become imperative for German policymakers, including through improved vetting procedures. Indeed, to keep the refugees in the Middle East, Germany took the lead to clinch the European Union's [deal with Turkey](#)'s president, Recep Tayyip Erdoğan. However, the only way to address the threat of terrorism effectively is to tackle the radical Islamist ideology that underpins it. This means working to stop the religious-industrial complexes in Saudi Arabia, Qatar and elsewhere in the Gulf from using their abundant petrodollars to fund the spread of extremist ideology. It also means launching a concerted information campaign to discredit that ideology, much like the West discredited communism during the Cold War – a critical component of its eventual triumph. This is a job for all major powers, but it is a particularly urgent task for Europe, given its proximity to the Middle East, especially the new jihadist citadels that countries like Syria, Iraq and Libya represent.

Against this background, Germany tends to still shy away from playing a leadership or activist role on pressing geopolitical challenges in the world. Germany remains content to be an industrial force and export powerhouse while leaving the geopolitics to other major powers. It largely continues with the tradition it set over the past seven decades to not seek the limelight but to focus its priorities on economic and trade issues. Of course, developments in the Baltics, Balkans, Central and Eastern Europe, and the Middle East have periodically compelled Germany to face up to pressing strategic problems.

While operating away from the limelight is a strength, shirking responsibility is not. Striking a balance between quiet pragmatism and a

readiness to assume a leadership role when necessary represents a foreign-policy test for Germany.

More fundamentally, Germany has struggled to give concrete meaning to the “strategic partnerships” it has with an array of important countries. These partnerships, with countries ranging from India and China to Mexico and Australia, have remained largely symbolic, lacking tangible strategic content. Any strategic partnership endowed with real strategic substance can serve as a major boost to the bilateral relationship. In this light, German foreign policy must strive to make the promise of its strategic partnerships real.

More fundamentally, Germany is coy to lead by example. Still, Asian powers like China, South Korea and Japan can learn political reconciliation from Germany to help tame festering tensions over history-related issues, including war memorials, textbooks and territorial disputes. Booming trade in Asia has failed to mute or moderate territorial and historical disputes, highlighting that economic interdependence by itself cannot deliver regional stability unless rival states undertake genuine efforts to mend their political relations.

Germany — eager to remain free of entanglements — has shown little inclination to play the role of a facilitator or mediator in East Asia. It thus has made no effort to try and invite representatives of China, Japan and South Korea for reconciliation discussions in some quiet German town. Reconciliation, of course, is not easy and, as Germany’s own experience indicates, entails a long and complicated process. At least a modest beginning is needed to help set in motion any process of reconciliation.

The German membership in NATO, meanwhile, comes with important security-related advantages. But NATO membership can also crimp foreign-

policy options. For example, on international geopolitical and geo-economic issues, Germany remains vulnerable to pressure from other NATO powers, especially the United States. Indeed, it often tends to bend to such pressure even when it carries significant economic and diplomatic costs for Germany. There have been umpteen cases where, despite its principled initial resistance, Germany has fallen in line with American sanctions against a third country, despite their major costs for German businesses. Consider the 2011 overthrow of the Gaddafi regime through aerial bombardment. Germany demonstrated both courage and a commitment to upholding international law by not participating in the bombing campaign. But, ultimately, Germany paid a high diplomatic price as the U.S. insisted that it make up for its Libya abstention by extending support on other critical issues. Today, Germany, like the other EU states, is fully complying with U.S. sanctions against Iran, although Berlin still endorses the Joint Comprehensive Plan of Action (JCPOA) signed between Iran and major powers but from which the United States has walked away.

The only mechanism to enforce international law is the United Nations Security Council, yet the Council's permanent members happily use international law against other states while breaching it at will. This is the reason why the world is witnessing the triumph of brute power even in the twenty-first century. In this situation, it has become incumbent on powers like Germany to put renewed emphasis on the critical importance of a rules-based order.

There is no reason for Germany, despite its post-World War II tradition of pacifism, to duck international duties. It needs to confidently step out on the world stage to leverage its strengths for realizing foreign-policy goals.

Looking ahead

Germany and India have forged a special relationship, which is set to strengthen and deepen in the coming years. As the German-Indian joint statement issued at the end of Chancellor Merkel's recent New Delhi visit says, "India and Germany have over 60 years of long-standing and successful development cooperation. The leaders appreciated the mutual benefit that has accrued to both countries over this period of time by working together in the areas such as energy, sustainable and climate friendly urban development and transport, environment and sustainable management of natural resources and the protection of biodiversity."

This relationship between two of the world's major democratic powers will continue to serve as an example of a bilateral partnership helping to underpin a rules-based international order. At a time of greater international uncertainty, the rule of law, fundamental freedoms, respect for the principles of the UN Charter and multilateral cooperation have become more important than ever to ensure global security.

One key international challenge is to accommodate not only the new powers that have been emerging *after* the Cold War's end, like India, but also the new powers that emerged *before* the Cold War ended. Indeed, the powers that emerged before the Cold War's end (such as Germany) do not pose any of the special challenges that some of the newer powers like China do, in the sense that they are liberal democracies promoting rules-based international governance and eschewing muscle-flexing.

Geoeconomics is not dictating geopolitics, as some pundits had romantically visualized when the Cold War came to an end. In fact, politics

today influences economics, with political risk dominating the financial markets. But not to accommodate the powers that emerged by the 1980s would only signal that a country counts as a power only when it begins to flex its muscles.

Take Germany, the only booming economy in the eurozone today. Should Germany indefinitely remain a rule-taker rather than be accommodated as a rule-maker? This issue poses the most-critical test for German foreign policy — one that demands that Germany step out of the sidelines of international affairs in a carefully calibrated way to play a role that is both proportionate to its geopolitical weight and in keeping with its new self-confidence.

Likewise, India cannot remain content with being a rule-taker. It is home to about 18% of the world's population. In fact, because of its geographical location, India is the natural bridge between the West and the East, and between Europe and Asia. Through forward thinking and a dynamic foreign policy, India can truly play the role of a facilitator and soother between the East and the West, including serving as a link between the competing demands of the developed and developing worlds.

At a time of heightened geopolitical uncertainty and tensions, the world needs both India and Germany as bridge-builders.