

Indo-German ties.

EXPLORING COMPLEMENTARITIES



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German Chancellor Angela Merkel's short visit to India recently attaches a special symbolism to the growing relationship between New Delhi and Berlin because Indo-German relations are currently at their strongest. Long gone are the vestiges of the Cold War-era shunning of India by West Germany, which, as a faithful US ally, saw India as a Soviet satellite. After the disintegration of the Soviet Union and German reunification, and the steady integration of post-liberalisation India with the global political economy, the two have found common ground from where to act in tandem to develop common policies and initiatives.

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The "strategic partnership" of India and Germany, started in 2001, has found an institutional basis in the mechanism of intergovernmental consultations (IGCs), which allow for a comprehensive review of cooperation and act as a platform to identify fresh areas of engagement. The high level visits in the recent year have focussed on bilateral and global issues of interest to both countries, on skill development, agriculture, water, coal among others, in addition to the conventional areas of trade, security and international relations.

Both India and Germany aspire to become permanent members of the United Nations Security Council (in an event of its expansion) and their cooperation and warmth was manifested this year too in the UN General Assembly meet that concluded in September. A blossoming strategic relationship and cooperation in world forums including the United Nations provided a decent background to cement this relationship further with the German Chancellor's visit to India.

This visit of the Chancellor became all the more important because Merkel comes to Delhi at a time when her status back home is at its peak because of her leadership role in the Greek debt crisis, addressing the pressing refugee situation in Europe, build-

ing bridges in international conflicts by going on a short visit to Russia to pay her respects to the Russian soldiers who died in the World War II (when the U.S. and all the Western countries boycotted the event in wake of Ukraine Crisis) and also being the key interlocutor on the talks between Iran and the P5 EU. Amidst these serious issues, her visit to India shows how much importance Berlin attaches to New Delhi.

Visiting the country after four years, Merkel's visit now becomes the basis of a new partnership between the two. Calling Germany a "natural partner", Prime Minister Narendra Modi accompanied his German counterpart to travel outside to Bengaluru, to showcase India "beyond Delhi", reciprocating to Merkel's gesture as she hosted him at the Hannover Messe in April this year. Eighteen pacts were inked between the two leaders in the recent visit, the important takeaways being, skill development, science and technology, education, aviation and harnessing solar energy. There were deals made for fast track clearances for German investments in India and discussions to simplify visa procedures, especially for businessmen, entrepreneurs, investors, professionals and students.

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Germany is India's largest trading partner in Europe, and has consistently been among India's top 10 global trade partners. However, there are two strategic issues that are critical to keep up the momentum in Indo-German economic ties. The first concerns the asymmetry in the relative positions of the two leaders. Merkel comes to Delhi at a time when her status back home is at its peak whereas Modi cuts an increasingly solitary figure in South Asia and is beleaguered at home with consistent parliamentary obstructionism by the Opposition.

Second, there are structural problems of the disconnect between the front office, headed by Modi, and the back office, where the absence of capable people ready to take some risk to implement the Modi agenda has now become abundantly clear. Red tape, slow pace of deregulation and an unpredictable tax regime have emerged as the main concerns of potential investors from Germany which the Modi government has to seriously look into.

Having said this, however, it is important to state that India-Germany relations are on an upswing and Berlin, for India, has emerged as an important partner in trade, a provider of technology and means to clean energy, and as a partner on the UN stage. In this

regard, this relationship is to be preserved with a much needed "dose of reality".

One important area to be looked into is the fate of the India-EU free trade agreement (FTA) that was called off to protest against GVK Pharma. This FTA would have allowed enhanced market access for German industries, from automobiles to wine, and given Indian software engineers enhanced rights to work in that country. Even though Merkel's visit has raised hope that would help accelerate progress on the India-EU FTA, it is now known that the EU is turning its energies to the under-negotiation Transatlantic Trade and Investment Partnership, relegating the long-stalled India-FTA down its list of priorities. Modi has asked Merkel to use her influence in the grouping to remove impediments so that talks could resume.

Second, reality check is in the field of international relations. Behind the polite speeches, Merkel's visit provided India's leaders a brutal education in the limits of dramaturgical diplomacy. Her historic decision to allow a large number of refugees into Germany from West Asia when all other European countries refused to accept them talks ounce about the humane side of Merkel as a leader and has gone on to Ger-

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many huge admiration and respect in the international sphere.

India, on the other hand, has less than luminous record in regional leadership as the region is mired with problems - starting from violence over Constitution and allegations of blockade from Nepal, deadlocked dialogue and spat between India-Pakistan in UN, resurgence of Taliban in Afghanistan and growing crisis in Maldives. As both India and Germany aspire to have UNSC permanent member seat, it is high time New Delhi learns from Germany not only to set its house but also the region in order by playing a leadership role. Only then, together, they can realise a shared agenda of creating a multi-polar global power system.

Both Germany and India are important powers in Europe and Asia respectively and their collaboration can ensure a more just, balanced and a multipolar world which would avert the possibility for the rise of any hegemonic power in their respective regions as well as in the world. Germany has surplus capital, modern technology and a demographic deficit and India has a deficit of finance and technology but surplus human capital. Being natural allies, they can explore the complementarities in their relationship and make each other stronger. It is

rather ironic that in spite of being big powers in their respective regions, they are yet to be taken seriously by the whole. This is manifest in the dilly-dallying attitude of the UN to give both the countries permanent seats in the Security Council. It is here that their relationship becomes exceedingly important because cooperation in this field could earn rich dividends for both countries.

History has witnessed the rise of two very dynamic leaders with untiring personalities in both the countries and from here things are bound to pick up pace. In this regard, the multiple agreements on economic cooperation unveiled by the two leaders suggest that a new commercial momentum is at hand. The challenge is really at the political level, where India's imagination of a changing Europe's strategic possibilities has been insufficient and its capacity to seize the emerging opportunities, inadequate.

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