

After reading the chapter, the reader will be able to develop an analytical understanding on the following:

- Diplomatic history of relations and core dimensions
- Analysis of bilateral visits

INTRODUCTION

India and Germany enjoy very advanced levels of diplomatic relations. Apart from the political visits at the PM level, Germany is also an economic gateway for India to Europe. Germany, after the World War-II, was divided into two parts—the Federal Republic of Germany (FRG, or West Germany) and the German Democratic Republic (GDR, or East Germany). India supported diplomatic relations with the FRG and stayed away from recognising the GDR. The reason India recognised the FRG was an economic one. India also felt a proximity in shared visions of nation building, which was a common goal both India and the FRG. To study Indo-German relations, we can broadly outline three phases of interaction and individually analyse each phase.

Phase 1: 1947 to 1972

The German policy of India evolved after India became independent. At the time of its independence in 1947, the task for India was to carefully choose a factor of recognition that would help decide its relations with the FRG or the GDR. As time went by, India diplomatically evolved relations with FRG and decided to put the agenda to recognise the GDR on hold. The reason was because the FRG was the only representative of the German population representing German interests legitimately. India established diplomatic relations on 7th March, 1951.

Hindu-German Conspiracy

During the World War-1, Germany prepared a plot to smuggle weapons from US. Germany wanted to use those weapons against the British Raj. This was the first time when some radical sections of the Indian National Movement made a common cause with Germany through the revolutionary exiles in US and Europe. During the World War-1, Germany found allies in Ghadar party, Bengal revolutionaries, Deobandi's and Hindu Princes. In 1915, a Provincial Government was established by the British in Kabul, Afghanistan. The government was led by Raja Mahendra Pratap Singh who was from Aligarh. Germany decided to bring 20,000 German and Turkish soldiers to Afghanistan and use Afghanistan to attack India in the North West Frontier. Though

the idea of fomenting trouble was naive, it still establishes a collaboration between Indian and Germans in the said period.

A very interesting situation evolved over a period of time. India advocated non-alignment and initially wanted to maintain equidistance from both the FRG and the GDR. Russians mounted increasing pressure on India for the recognition of the GDR. India diplomatically did recognise the FRG. It initially moved away from its policy of advocacy for German unification. Then moved to grant de jure recognition to the GDR and finally recognised the GDR in 1972. By this kind of vacillation in the policy, it did create mistrust in its relation with the FRG but was effectively able to balance Cold War competition.



Nehruvian Imprint in India's German Policy

In order to understand why India recognised the FRG, it is important to study it through the understanding and experience of Nehru. In 1936, Nehru had visited Nazi Germany. In 1938, he visited Spain, which had also been badly affected by war. After both visits, Nehru understood that if fascism and imperialism were to continue, they will pose grave threat to international peace. This made Nehru sympathise with the FRG. He almost perceived the division of Germany as another act of partition, the way it had transpired in case of India and Pakistan, and had sympathy for Germans due to its tremendous impact on their. India and the FRG also had a similar challenge—that of nation building in a democratic state in times of the Cold War. Initially, these were the factors that shaped India's German policy. East Berlin, which was under communist control, was a place where that Soviets had essentially established a puppet rule. Since this puppet rule imposed by the Soviet in the GDR was against the policy doctrine of self-determination that India held ideologically close, Nehru decided not to recognise the GDR.

Things began to take a different turn from 1955. The FRG joined the NATO alliance of USA. In contrast, the GDR joined the Russian Warsaw Pact. India did not appreciate these moves. Nehru, in 1956, had delivered a speech in University of Hamburg, where he hinted India's growing discomfort over military alliance and asserted that joining such alliances would, in all likelihood, prevent any possible future unification for the two sides of Germany.

After independence, India was economically weak, but the FRG witnessed tremendous growth due to immense support of the West. India wanted to take assistance from the FRG for economic rebuilding of India and asked the FRG for support. Many economic firms from the FRG began to assist India in the infrastructures sector. The FRG firms played an important role in trucks, road construction and heavy industry. The Rowkela Steel Assistance, envisaged and designed in the Second Five Year Plan in India, saw German assistance (from the FRG), which also assisted India in the establishment of IIT Chennai (then Madras) and provided adequate support at the academic level.



Principle or Political Realities?

The relations between India and the FRG were not going to be completely smooth after, the FRG Chancellor Adenauer's introduction of the Hallstein doctrine in 1955. Named after Walter Hallstein, it was a key doctrine in the foreign policy of West Germany which prescribed that the Federal Republic would not establish or maintain diplomatic relations with any state that recognised the German Democratic Republic (East Germany). As per the doctrine, if any state having diplomatic relations with FRG gives any recognition to GDR, then the FRG would perceive the move as an unfriendly act. This would lead to sanctions being imposed upon the signatory. India was not at all comfortable with this. But as India needed German assistance for the second five-year plan in 1957, when it witnessed a Balance of Payments crisis, it went on to grudgingly accept the doctrine.

Phase 2: 1972 to 1988

In the 1960s, certain domestic imperatives played out for India in a way as for it to recognise the GDR in 1972. In 1966, there was a change in the government in the FRG. Adenauer was replaced by a liberal Kurt Kiesinger (1966–69), followed by Willy Brandt (1969–74). In India, there was simultaneously the rise of Indira Gandhi, post Lal Bahadur Shastri. In 1967, Kiesinger visited India and advocated consensus and cooperation. He decided to tone down the rhetoric of the Hallstein doctrine, paving the way for his Ostpolitik—a policy whereby he introduced a detente in the relations between FRG and GDR. 'Neue Ostpolitik' finally led to the normalisation of relations between the Federal Republic of Germany and Eastern Europe, particularly the German Democratic Republic, beginning in 1969. India welcomed this policy and effectively changed stance in 1972 to recognise the GDR at the diplomatic level. In 1974, Willy Brandt was replaced by Helmut Schmidt. He adopted a pro-China and transatlantic diplomatic policy, thereby reducing relations with India. In the meantime, in 1975, India had declared emergency. The FRG government severely condemned the emergency as an undemocratic practice which India labelled as interference in its internal affairs. All this took relations between India and the FRG to a very critical level.

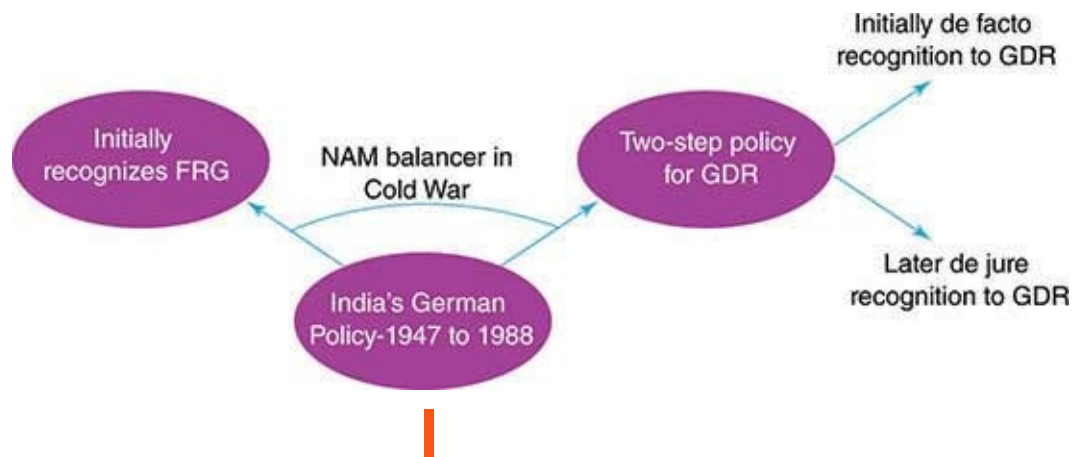


India and the GDR Push

It was not only Ostpolitik that brought the change in India's policy back in 1960s in India with regard to the GDR; a new GDR friendship movement was established which exerted pressure on Indira Gandhi to recognise the GDR. It received a lot of support from Leftists. In 1967, India initially allowed a Bureau of State Trading Corporation to be established in Delhi and in 1968, the Bureau was upgraded to a General Consulate. East Berlin also made offers to India for aid which contributed to an opening up of relations between India and the GDR.

In 1960s and 1970s, India also witnessed its own share of domestic crises. In 1965, there was a severe draught and in 1973, the oil crises of the Middle East also created an economic dent in India. The GDR could not be of much help economically as it itself was domestically occupied with its own concerns. In this context, India domestically exercised the option of nationalisation. This led to a lot of German firms to pull out of India. The

economic aid from the FRG also declined. The final blow to India–FRG relations came in 1974, when India tested the Peaceful Nuclear Explosion (PNE), which was severely condemned by the FRG outright. However, even though economic relations dipped after the PNE, the subsequent period saw cultural and academic relations continue.



Rise of the Drift with the FRG

It was not just the Ostpolitik of Brandt that motivated India to diplomatically recognise GDR. The 1960s saw the FRG giving effect to American policy in South Asia. In the 1965 Indo–Pak war, West Germany gave arms and economic aid to Pakistan. This was a turning point for India in its relationship with the FRG. In 1971, the FRG once again supported Pakistan. India, grateful for Russian support in the 1971 war, grew closer to the GDR. After 1971 came the Treaty of Friendship and Cooperation with USSR and subsequent recognition to the GDR. The GDR stood by India and also became the first state in Europe to recognise Bangladesh.

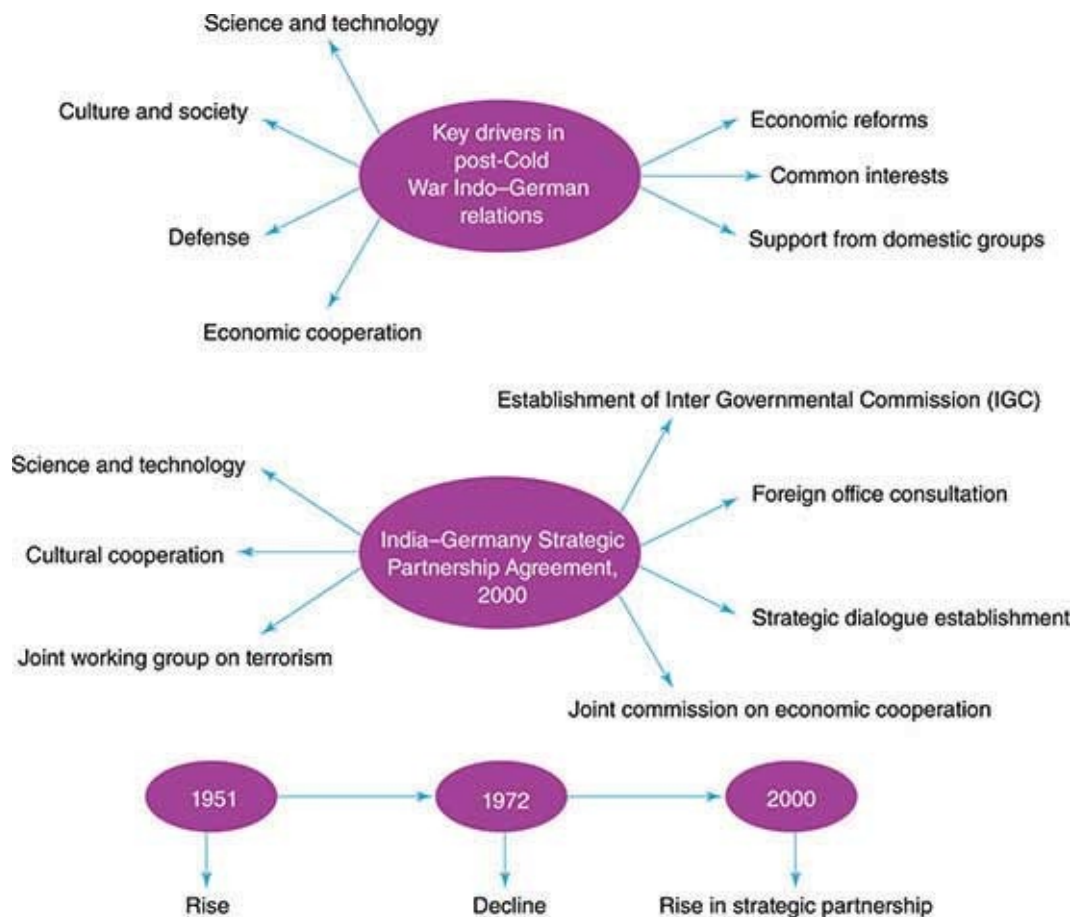
Phase 3: 1988 to Present

The period from 1988 onward was a historic period for Germany. German unification was on cards. In 1988, Rajiv Gandhi visited Bonn. The event of 1988 is rightly recognised as a relaunch of Indo–German relation in 1990. The high-level visits began to increase between India and Germany post German unification. In 2000, India and Germany concluded the India–Germany Agenda Partnership in the 21st Century and signs of strategic partnership began to emerge. As the Cold War ended in 1991, PV Narsimha Rao visited Germany. He participated in the festival of India. In 2000, Vajpayee went on to take the relations to a new level by signing the Strategic Partnership Agreement. The most important dimension of diplomatic relations is commercial diplomacy. Important German firms like Bosch, Chrysler, Bayer and Allianz finance are doing good business in India. Germany is today the second largest investor from EU to India. Germany has raised some factors that hinder India-Germany commercial relations:-

1. Corruption
2. IPR related barriers
3. Absence of legal provisions for business grievances
4. Absence of a framework for investment

If Germany is important for high technology and manufacturing, Germany also recognises Indian talent in Information Technology and advertising. Germany knows that

India has a special significance in contemporary Germany.



Is Germany India's Natural Ally?

India feels Germany is a natural ally and India and Germany are natural partners. Normally, a natural partner is one where India feels that the state may not act as a competitor in marketplace nor in power politics but offers something which India lacks. India feels that Germany is neither a competitor in the marketplace nor in power politics. India feels that Germany has something to offer to India in its quest for geo-economy and development. Germany has surplus capital and technology while India lacks in capital and technology and has human capital worth exporting to Germany. India and Germany have only talked about defence, commerce and culture till now. But, now the two sides in the recent times have embarked upon a new dialogue of grand strategy to change balance of power. Germany is looking for stable partners in the era of uncertainty and India can be a reliable partner.

SCIENCE AND TECHNOLOGY

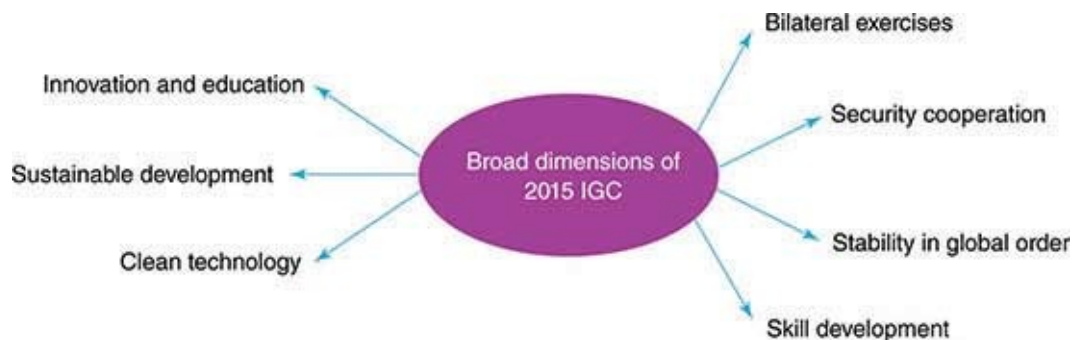
In 2006, India participated in the Hannover Messe, which is a technology fair where technology participation is envisaged through bilateral investments. India and Germany, in 2006, had concluded a defence cooperation agreement for joint defence training, defence exchange and defence technology transfer. In 2008, India and Germany successfully organized and concluded a bilateral naval exercise. The German counter terrorism police also provide training to National Security Guards of India and in 1994 a G-4 group was formed to reform the UN and Security Council. In 2015, India participated again in the

Hannover Messe and pitched for Make in India.

ANALYSIS OF THIRD AND FOURTH IGC (2015, 2017) AND PM'S VISIT TO GERMANY—2015

The India–Germany Inter-Governmental Consultations (IGC) was established by the strategic Partnership Agreement in 2000. The IGC provides a broad framework for bilateral cooperation. After, the decision to establish the IGC was taken in 2000, the very first IGC followed in 2011 in New Delhi while the second IGC took place in 2013 in Berlin. In October 2015, Angela Merkel came to India to participate in the third IGC. The visit of the German Chancellor coincided with the 25th anniversary of the Fall of the Berlin wall and German Reunification was celebrated as a victory of democratic values. During the third IGC in 2015, Germany decided to add depth to strategic Partnership by enhancing cooperation on security and foreign issues.

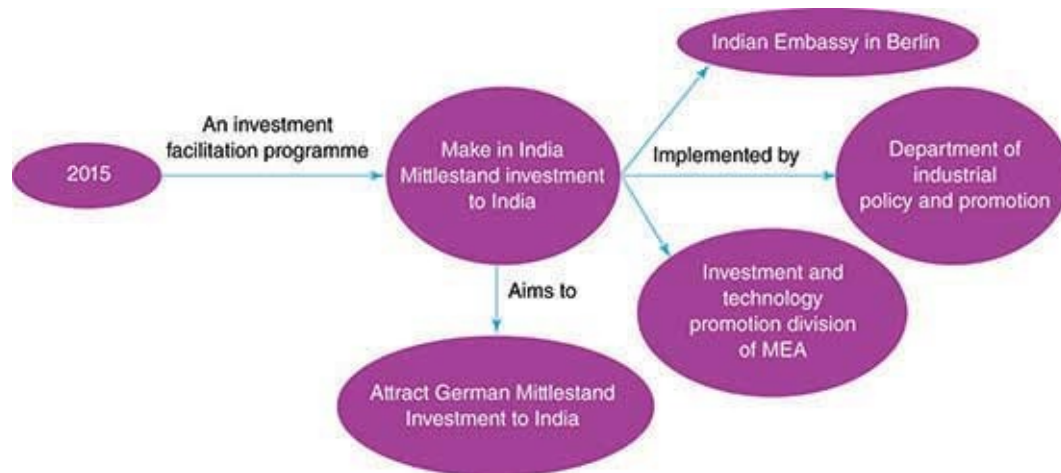
jo



The two sides discussed the need to establish a stable global order. The IGC made references to envisaging peaceful solutions in Syria, Ukraine, and Afghanistan. Both intly made an assertion to envisage freedom of navigation in the high seas. Both sides also decided to jointly work with Iran, especially after the nuclear deal between the US and Iran. A decision was taken to strengthen the joint working group on terrorism and cooperate on cyber security. A new policy planning dialogue has been established between the two to promote bilateral exchanges. Germany has committed support for Make in India, Skill India mission, defence manufacturing and the SME sector. The Indian Railways has decided to explore the possibility of rail modernisation with Germany. During the German Chancellor's visit, negotiations for a DTAA were picked up as an agenda item and a decision was taken to conclude the talks at the earliest. Germany also committed 1 billion Euros for green energy corridors in India—an investment that shall be done through the India–Germany Energy Forum. It has pledged support for solar participation for multiple projects from 2015 to 2020.

Germany has also committed to provide 360 million euro for sustainable urban development and India has decided to use the monetary support for smart city development. Germany has also committed 120 million Euros for the cleaning of the River Ganga. The most significant contribution of the German Chancellor's visit, however, has been an attempt by Germany to assist India in the Make in India campaign. Germany had raised concerns about corruption, lack of skilled labour and absence of a single window clearance system in India. The Indian government has conveyed India's firmness to tackle the concerns raised by Germany. The Indian PM decided to set up a Fast Track System for the German companies in the Ministry of Commerce in India by March 2016. India and Germany decided that, since Germany has competence in high

technology, it will collaborate with India as a lender in the Make in India movement with support at the high technology level. The German SMEs also committed investment of 3000 crore rupees under the Make in India Mittelstand initiative for settling up on manufacturing plants in India.



In April 2015, the Indian PM Narendra Modi had also visited Germany. In Germany, here iterated 3Ds as the core advantages of India (Democracy, Demography, and Demand). He invited German participation to the Make in India campaign and help transform India into a manufacturing hub. The PM sought German support in low cost manufacturing due to the availability of cheap skilled labour in India. The PM attended the Hannover fair and inaugurated the Indo–German Business Summit. At Hannover Messe, the PM reiterated that Make in India is not just a slogan but a national movement for radical transformation of India, touching every aspect of the Indian Society. He sought German cooperation and participation in manufacturing, skill development, railways, river cleaning and education.

At the fourth IGC in Berlin held in May–June, 2017, the two leaders were expected to clinch a host of agreements and sign MoUs to enhance the strategic partnership between the two countries.

The Indian PM had declared that the two countries would “chart out a future roadmap of cooperation with focus on trade and investment, security and counter-terrorism, innovation and science and technology, skill development, urban infrastructure, railways and civil aviation, clean energy, development cooperation, health and alternative medicine.”

As of now, Germany is the largest trade partner for India in the European Union (EU) and one of the leading sources of foreign direct investment (FDI) into the country.

There are more than 1,600 German companies and 600 German joint ventures in India and the German economic profile supports excellence and expertise that match with India’s development priorities of Make in India, Clean India, Skill India, Digital India, Smart Cities, as per the information circulated by the Ministry of External Affairs.