

Principles or Pragmatism?

Can Germany and India take the next step?

The world is experiencing a fundamental transition in the global balance of power. In the West, the common values that have long formed the basis of the transatlantic alliance are eroding – a development that is going hand in hand with loosening security ties. But while economic interests are shifting towards the high-growth Eastern economies, the West appears fixated on China. To be sure, the latter’s perspective on China is changing: The US has identified Beijing as a strategic competitor and revisionist power, and even the famously cautious EU has characterized China as a “systemic rival”. Simultaneously, Germany and other European countries continue nurturing strategic partnerships with China. During her 14 years in office, Chancellor Merkel has visited China twelve times, compared to four visits to India. However, Europe may not be able to sustain this ambiguity much longer. The time has come at which, to play a constructive role in the emerging new order, and in the Indo-Pacific region in particular, EU member states – who combined still form the largest economy in the world at \$ 19 trillion – will have to make hard choices: between principles and pragmatism, between democracy and commerce, between India and China.

From an Indian point of view, relations with Germany and Europe have been positive but not



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frictionless: Since the end of WWII, large parts of Europe have practically outsourced their security to NATO. Germany alone hosts approximately 35,000 American troops. However, having taken shelter under the US nuclear umbrella, the European Union imposed sanctions on India for undertaking its own nuclear tests, driven in no small part by China’s growing nuclear arsenal, a perpetually hostile Pakistan, and their military nexus.

Of course, India and Germany share a deep interest in multilateralism and globalization. That

is why India has worked with Germany for 14 years for an expansion of the UN Security Council. But can Delhi trust Berlin? Does Germany really want to reform the Security Council when, as part of the OECD and the G7, it is already being treated as a de facto member? Is Berlin genuinely prepared to challenge the permanent seats held by France and the UK, two countries that are no longer global powers and are being surpassed economically by India?

Along with the P-5, the EU and Germany played key roles in negotiating the Joint Comprehensive Plan of Action with Iran. After President Trump repudiated the agreement, Europe tried to encourage Iran to uphold its part of the deal. However, its lackadaisical efforts were overtaken by events in the form of the attacks on Saudi oilfields. The ensuing US sanctions continue to negatively impact India's oil trade with Iran and weapon purchases with Russia. Singed by the extra-territoriality of American sanctions and the resulting adverse effects on European corporations, the EU should increase its efforts to challenge the mistaken idea that the efficacy of sanctions will positively influence Iran's, or any other country's behaviour.

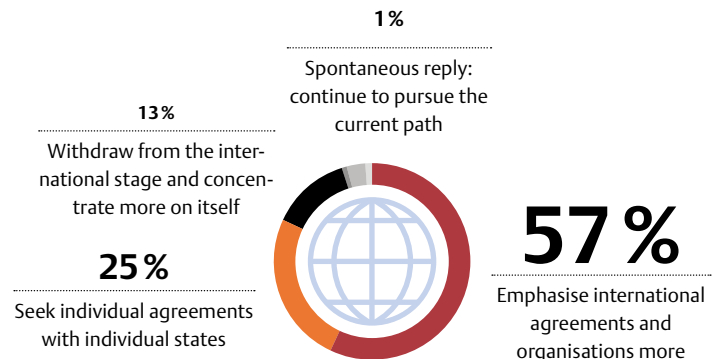
On trade, Germany, as the strongest economy in the EU, should support the granting of better access to the Single Market for developing countries, including India. Instead, a potential EU-India FTA has been held up for twelve years by the Europeans' pressure on India to reduce its import tariffs on wine and cars. Germany's disinterest in the asymmetry of current trade arrangements was encapsulated recently by Berlin's ambassador to India, who was quoted by Indian media as follows: "We want to sell more cars here, and if you want to sell more saris in Germany, then go ahead."¹ As the Trump administration is undermining the World Trade Organization, Europe and India should be working together to regulate trade – but to do so, Indians would want to see Europe trying to salvage not only the WTO itself, but also, and more importantly from an Indian point of view, its principles.

In the changed global configuration, developing countries are becoming ever more conscious of their markets' attractiveness. Germany, Europe, and the

West should be aware that those who are inclined to use their newfound power coercively are not the only game in town. While differences in perceptions will remain, liberal Europe and a democratic India have much to contribute to an equitable, dynamic world order. Every decision taken or choice not made by Europe can nudge the world in a certain direction, be it towards democracy or autocracy. ✂

1 <https://www.indiatoday.in/india/story/india-germany-chancellor-angela-merkel-visit-summit-meeting-1531462-2019-05-21>

We are always hearing and reading that the international order is crumbling. How should Germany react? Should Germany ...



2019: don't know 3 %, no answer 1 %

Source: representative survey conducted for Körber-Stiftung by KANTAR PUBLIC Germany in April 2019. (1000 interviewees, eligible to vote and aged over 18). All results: www.koerber-stiftung.de/survey-multilateralism