

Strategic Analysis Paper

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Germany: National Involvement in the Indian Ocean Region

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Key Points

- Berlin is active in promoting social, political and economic engagement in a region of declining European influence and is anxious to secure access to resources as China and India become more engaged in the region.
- Germany seeks to promote a “value-driven foreign policy” in the region, championing conflict resolution, democracy and human welfare.
- While officially supporting non-proliferation and disarmament, Germany is also encouraging its booming arms export industry. The weapons could potentially be a destabilising factor in the region.

Summary

The transformation of global politics since the 9/11 attacks on the United States has significantly influenced the course of Germany's foreign policy framework over the past decade. Germany's rising economic strength and political influence has resulted in a shift of expectations, with both Berlin and foreign governments increasingly keen to see Germany take on greater international burdens and become more involved outside Europe. Political engagement, economic and security interests, conflict resolution and human rights are common themes underlying much of Germany's involvement in the Indian Ocean region.

Analysis

Political Engagement

Germany's political interests in the Indian Ocean region focus on the resolution of regional conflicts, non-proliferation and disarmament, multilateral dialogue and the promotion of liberal values, such as freedom, democracy and human rights. At the forefront of Germany's political engagement is the concept of a "value-driven foreign policy". Chancellor Angela Merkel has emphasised that 'interest-driven foreign policy must also be value-driven foreign policy. We cannot accept specific living circumstances as an excuse for the fact that human rights are not taken into account.'¹ The Chancellor has warned against complacency and has also drawn attention to the capacity of the European Union to generate greater international awareness of human rights.

Berlin has actively pursued a strong humanitarian agenda in the Indian Ocean region, emphasising that Germany's values are universal and should be respected by all governments. 'Those who dismiss this declaration violate our entire value base,' Merkel has said, referring to the Universal Declaration of Human Rights. 'This thus requires – and that is one of the pleasures of globalisation – a true engagement with other cultures.'² Berlin has contributed extensive aid and assistance to nations ravaged by war and natural disasters. Germany has active humanitarian missions across the region, including Sri Lanka, Somalia, South Sudan and Indonesia. These missions are facilitated through such agencies as the United Nations High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC), and the World Food Programme (WFP).

Other missions feature more direct German involvement. Following the 2004 Boxing Day tsunami off the coast of Indonesia, in which over 200,000 people were killed, Germany funded a €45 million early warning system that was developed for the region. Germany's humanitarian efforts in Indonesia and other countries have generated much goodwill and strengthened German influence in the region, making it easier for Germany to accomplish other objectives, such as access to resources and foreign direct investment. Over 200 German companies, among them such big names as Allianz, Bayer, Beiersdorf and Heidelberg Cement are operating in Indonesia.

German political engagement in the region is also motivated by the global financial crisis, which Germany sees as a catalyst in facilitating a major shift in the balance of power from the North Atlantic to Asia. India and China are becoming increasingly significant stakeholders in the international marketplace – and leading players on the international stage. Berlin sees European influence as waning in South-East Asia and is therefore focussing on developing partnerships in a region that is increasingly dominated by China. The German Government is seeking to favourably align members of the Association of South-East Asian Nations (ASEAN) towards Germany and Europe, with the intention of facilitating greater multilateral engagement. Germany pursues a comprehensive approach within the framework of the

¹ 'Fundamental values define our foreign interests', Konrad Adenauer Stiftung, 17 September 2008.

² *Ibid.*

European Union's Strategic Partnerships, in which factors such as cultural relations, education policy and economic promotion all play important roles.

China's increased presence in Africa has not gone unnoticed, either. In June 2011, Germany announced its new Africa policy. Divided into six categories, the policy focuses on peace and security, economics, human rights, environment, energy and development across the African continent. 'What we are experiencing in Africa is possibly *the* most fascinating sign of our world in flux,' German Foreign Minister Guido Westerwelle said. 'Our aim is to use the potential of our co-operation for the good of the people in Africa, but also, and let's not forget this, also for our own good, also in our own interests.'³ Westerwelle's words typify the scope and ambition of German foreign policy in the region and its interest in humanitarian and economic aspects.

Security

Germany views peace and security in the region as a multilateral task and its contributions reflect that view. Germany's security interests in the Indian Ocean region are motivated to a large degree by the proximity of Europe to Africa and the Middle East. There is concern in Europe that conflict abroad will have negative outcomes for Europe and expose it to unwanted problems – particularly where conflict affects the stability of markets and access to resources. Germany's chief security aim for the region, therefore, is to improve regional stability while improving human welfare.

Germany's continuing partnership with one-time colony Tanzania is a significant example of German security interests in Africa. The two countries are hopeful that ongoing co-operation will bring stability and facilitate common economic, security and humanitarian interests in the region, particularly in Somalia and the Horn of Africa. Foreign Minister Westerwelle noted that the Africa policy coincided with a 'time of dramatic change and upheaval taking place right next door to Europe.' Such change directly affected Germany when the German Embassy in the Sudanese capital, Khartoum, was stormed and set alight on 14 September by demonstrators protesting an amateur anti-Islamic film and alleged anti-Muslim graffiti in Berlin.

Plagued by anarchy since 1991, Somalia has also suffered severe environmental disasters, including droughts and flooding. These have left in their wake a humanitarian disaster and a country still struggling to achieve any form of effective government. Rampant piracy off the coast of the stricken nation has made Somalia the piracy capital of the world. Maritime trade off the Horn of Africa has been severely affected as a result. Together with the activities of the Islamist *al-Shabaab* militia, it continues to be extremely difficult for aid groups, such as the World Health Organization and the World Food Programme, to access the many in Somalia who are in need of aid.

'The deeper roots of the Somali crisis are insecurity. The population needs a security guarantee so that they can rebuild their society,' reasons Bernard Membe, the Tanzanian Foreign Minister. Germany is providing that security guarantee in partnership with Tanzania,

³ Mara, D., 'Trade and security key to Germany's new Africa policy', *Deutsche Welle*, 15 June 2011.

in a strategy that has mutual benefits. Both countries enjoy good trade relations: Germany exports machinery, chemical products and cars, while Tanzania supplies Germany with agricultural products.

Between August and December 2011, Germany held official responsibility for Operation ATALANTA (also known as Task Force 465), the European Union's anti-piracy mission that is tasked with escorting merchant fleets off the coast of Somalia and directing humanitarian aid vessels into the region. On 18 April 2012, the German Cabinet voted to further the country's involvement by extending the ATALANTA mandate to allow, for the first time, air attacks against pirate facilities located up to two kilometres inland. While the expansion, which was approved by the *Bundestag* (Parliament) in May 2012, could prove to be an additional deterrent, the difficulty of clearly distinguishing between a dedicated logistics facility and a coastal village in which pirates are living among local residents nonetheless remains. Other than rescue missions, the deployment of ground troops was explicitly ruled out.

With some 3,500 ships, Germany has the world's third-largest commercial fleet. Consequently, Germany has also supported International Maritime Organization initiatives to improve the safety of shipping through the Strait of Malacca.

Germany also actively contributes to multilateral, UN-endorsed military interventions. With a current troop contribution of 4,900 personnel, Germany has been the third-largest contributor to the NATO-led International Security Assistance Force in Afghanistan.

Economic Engagement

Its export-driven economy plays a significant role in driving German involvement in the Indian Ocean region. Germany is the largest European economy and the world's third-largest exporter. Goods and services exports accounted for 50.7 per cent of German Gross Domestic Product in 2011; the 2012 estimate is 50.6 per cent. As of 2011, total German exports amounted to some US\$1.4 trillion. In spite of Europe's continuing economic woes and occasional falls in Germany's current account and trade surpluses, German exports, despite some dips, have generally experienced an overall upward trend.

German economic involvement in the wider Indian Ocean region seeks to strengthen existing partnerships, to promote and protect German economic interests and to foster new development. Increasing demand for German technology, luxury goods, pharmaceuticals, hardware and services presents attractive prospects beyond Germany's traditional European market, particularly as new middle and upper classes emerge in the region. India alone saw a 20 per cent increase in trade with Germany in 2011. Other countries, such as Indonesia and South Africa, have seen similar growth. While Germany exported some €20 billion (\$25 billion) worth of goods to Africa in 2010, Berlin is nonetheless very aware that its current level of economic engagement with the continent is not in line with its full potential.

Figures from the Department of Foreign Affairs and Trade show that two-way trade between Australia and Germany in 2011 was valued at over \$12.9 billion, of which \$10.6 billion were imports from Germany. On the other side of the ledger, major Australian exports to

Germany included \$408 million in gold coin and legal tender coin, as well as \$310 million worth of coal – significantly up from the 2010 figure of \$193 million.

Germany is relatively poor in raw materials and, as the world's third-largest exporter, its relationship with the Indian Ocean region – and access to the raw materials that it contains – is becoming increasingly important. As China attempts to secure access to rare earth elements, oil and natural gas in countries across the region, Germany is scrambling to avoid being left behind. In exchange for access to natural resources, Germany has invested back into regional communities, not only in monetary terms, but also in education and capacity building, particularly in governance. It is an aspect that Germany sees as differentiating it from the Chinese approach to building influence by supplying regional governments with high-profile buildings and projects.

Germany is also the world's third-largest exporter of arms, with exports amounting to €15.1 billion (\$19.7 billion) between 2005 and 2010.⁴ Germany actively pursues trade with pro-Western countries in the region. According to the Trend Indicator Value figures produced by the Stockholm International Peace Research Institute, Singapore is a leading regional buyer of German arms, purchasing some US\$389 million worth of German military ordinance in the period 2007-11. Other significant buyers in the region include South Africa (US\$1.02 billion), Malaysia (US\$641 million), Brunei (US\$257 million), India (US\$182 million) and Australia and Pakistan (both US\$122 million).

The Merkel Government is seeking to make it easier for the German arms industry to export its products. In addition to contributing to export figures, increased arms exports can also aid suitably pro-Western governments to maintain stability in their immediate neighbourhoods, thus obviating the need to put German troops on the ground. In a document sent to the European Commission in Brussels on 27 October 2011, titled *Position Paper on the Protection of Interests of the German Defence Industry in Europe*, Merkel's administration asked that both 'foreign and security policy considerations' and 'economic interests [be] adequately considered' in terms of export controls on arms shipments. 'The effort to prevent proliferation and destabilising arms accumulations should not unreasonably hinder or impede legal trade,' the document states, 'particularly when it comes to economic relations with new regional powers.'⁵

The secret approval in June 2011 of a €1.5 billion (\$1.85 billion) deal for the delivery of over 270 *Leopard 2A7+* battle tanks to Saudi Arabia is an example of the new attitude in Berlin, as is the reported sale to Egypt of two *Class 209* submarines. The Saudi deal also highlights the chief difficulty in the new approach because, while the Kingdom is a principal bulwark against Iran, it was equally instrumental in crushing the "Arab Spring" protests that broke out in Bahrain in mid-2011. The sale of the tanks, and the subsequent Brussels policy paper, have been widely criticised and mark, according to some critics, a fundamental shift in decades of German foreign policy practice. 'Either Saudi Arabia is no longer in the crisis region of the Middle East under the German government's definition, or Angela Merkel, [Foreign Minister] Guido Westerwelle and Economics Minister Philipp Rösler no longer feel

⁴ 'Merkel Seeks to Ease German Arms Exports', *Spiegel Online*, 8 November 2011.

⁵ *Ibid.*

bound by these guidelines’, wrote the left-wing *Berliner Zeitung* newspaper. ‘Instead of openly standing by their decision, the centre-right coalition government has fled into secrecy. Such a policy isn’t value-bound, it’s nefarious.’ On the other hand, Israel, as a key actor in the Middle East and a close German ally, said it was unconcerned by the tank deal and, initially at least, also by the Egyptian submarine sale (although concern has grown since the change of government in Cairo). In any event, a degree of risk remains that Germany’s self-styled image as a pragmatic “civilian power” might be undermined when its customers deploy their purchases.

Cultural and Educational Engagement

Germany’s political and cultural interests are strengthened by the activities of government and non-government organisations, including the Goethe Institute and the German Academic Exchange Service (*Deutscher Akademischer Austauschdienst*, or DAAD). Such organisations play an active role in promoting the study of the German language abroad, encouraging international cultural co-operation and providing information on German culture, society and politics.

Germany is Australia’s largest European market for international students and a bilateral working holiday scheme is popular with young people from both countries. Through the DAAD, German companies, including Siemens and Bosch, offer scholarships for international students to undertake post-graduate courses in German universities. There are around 4,500 Indian students in Germany alone, with many studying Engineering and Management courses on a self-financed basis.

Conclusion

Germany’s involvement in the Indian Ocean region is, for the most part, very positive – for both Germany and its regional partners. Economically, Germany is the main trading partner for many regional countries, providing access to one of the key markets of the European Union. Germany’s political and security engagements are making positive contributions to stability in Africa, while German humanitarian efforts have reduced suffering in countries devastated by regional conflict or natural disasters through aid, support and capacity building.

While Germany’s “value-driven foreign policy” agenda for the region is praiseworthy in itself, contradictions exist in regard to its flourishing arms industry. When Germany exports arms to countries in troubled areas while simultaneously ‘advocating better protection for children in situations of armed conflict,’ it is not always clear that all German involvement in the region is pushing in the same direction. The Friedrich Ebert Foundation acknowledges that contradiction by conceding that, in the ‘... pursuit of values and interests, but also quite specific goals of German foreign relations, [those goals] tend to come into conflict more quickly.’⁶

⁶ Steinhilber, J., ‘Compass 2020 – Germany in International Relations: Aims, Instruments, Prospects’, Friedrich Ebert Stiftung, 2008, p. 5.

Germany will continue to seek a role the Indian Ocean region, spurred on by the needs of its economy, its foreign policy ambitions, the rise of China and India and its commitments in the international community. Germany's involvement in the region also illustrates the need to remain accountable and transparent by fully articulating controversial foreign policy decisions.

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