



MAGAZINE

India Abroad
September 27, 2013

The International
Weekly Newspaper

THE ROAD AHEAD

US, India: A Unique Fellowship



GUEST EDITOR: AMBASSADOR NIRUPAMA RAO

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US-India The Way Forward



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Indian Prime Minister Manmohan Singh's upcoming meeting with President Barack Obama shines the light on a vital relationship of great importance not only because of its bilateral impact, but the difference it makes for peace and progress everywhere.



JASON REED/REUTERS

The Silent Revolution

The US and India share more than a partnership, they share a fellowship forged on the anvil of shared interests, values, and concerns. **AMBASSADOR NIRUPAMA RAO** on the journey so far and the way forward.

When strategic partners and sister democracies like India and the United States of America meet, the world sits up and takes note. Therefore, the visit of India's Prime Minister, Dr Manmohan Singh to Washington, DC and his upcoming meeting with President Barack Obama shines the light on a vital relationship of great importance not only because of its bilateral impact, but the difference it makes for peace and progress everywhere.

Contributors to this supplement have raised several important questions in the context of this relationship and its growth over the last decade. It is acknowledged that there has been a remarkable improvement in relations between the two countries over the last decade, and that for

India, the range of engagement with the US (over 30 dialogue mechanisms) far exceeds that with any other country. No longer are there hyphens attached to India in thinking circles in Washington; the civilian nuclear deal overcame difficult legacies of the past, and the US has reset not only its vision of India, but also India's place in Asia and the world.

The defense of pluralism, of diversity, of democracy is a mutually shared perspective. There is also recognition of the pivotal role played by the Indian-American community.

But our learned contributors also speak of a need for work on both sides to re-launch the partnership, to dispel perception of a loss of momentum, to set long term goals in the bilateral relationship, to impress upon Americans that India is a place where they can do business. With the good sense possessed by democracies,

it is also amply recognized that uni-dimensional approaches cannot dictate the manner in which the relationship is transacted.

This cannot detract however, from the fundamentally positive orientation of relations between India and the United States.

Speaking in Mumbai during his visit to India in July this year, the Vice President Joe Biden put it in his inimitable way, 'I am absolutely confident — absolutely confident in the future of this relationship. Not because I'm naïve. I've been around longer than most of you. I've been doing this kind of business my entire adult life. My confidence is based on the history of the journey of both our countries. But I am confident.'

And as Vice-President Biden also put it, there is no hyperbole in the



PARESH GANDHI

India's Ambassador to the United States Nirupama Rao.

A little more than eight years ago, on July 18, 2005, Dr Manmohan Singh embarked on perhaps the most audacious diplomatic mission an Indian prime minister has undertaken — to completely transform the long troubled relationship with the United States of America.

By "removing the fish bone in the throat" — as a senior Indian diplomat once described the US decision to sign a civilian nuclear agreement with India — President George W Bush enforced his administration and his nation's commitment to a new and powerful association with India.

Much has happened in the years since. There have been many moments of exhilarating triumph as there have been moments of intense disappointment.

Despite the belief in some quarters that the US-India relationship has not achieved its full potential, despite the occasional anxiety and the frustrations on both sides, it is amply clear that the world's two greatest democracies are closer today than they have ever been.

To mark what could be Dr Singh's final visit to the United States as prime minister, *India Abroad* invited diplomats and strategic thinkers in New Delhi and Washington, DC to assess the current state of the US-India relationship and suggest a road map for the future.

For the first time in *India Abroad's* 43-year-old history, we invited a Guest Editor to edit this special issue of the *India Abroad Magazine*. One of the finest diplomats in the history of the Indian Foreign Service, Ambassador Nirupama Rao.

When we invited India's Ambassador to the United States to be our first-ever Guest Editor, she gracefully consented on condition that she would see every word that went into this, the special issue of the *India Abroad Magazine*.

She has been a tough editor, scrutinizing every article, making numerous valuable suggestions and bringing her 40-year-old most distinguished diplomatic career to bear on the rich portfolio of insights we bring to you this week.

This is an issue of the *India Abroad Magazine* like none other.

What you will find within are a colorful tapestry of views that profile what President Obama described as the most decisive relationship for this, the 21st century. We are pleased to feature these contributors in this special issue and deeply honored to have Ambassador Rao as its Guest Editor.

— The Editors

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definition of this relationship as a 'defining partnership.'

Congressman Joe Crowley, co-chair, House Caucus on India and the Indian Americans, writing in this supplement, says, "We have simply come too far together to turn back," adding that "the fruits of cooperation far outweigh the costs of discord."

There is a sense of maturity in the relationship today, as Robert Hathaway notes in these pages, which more than compensates for the sense of anticipation that coursed through the veins a few years ago. A "settled routine" prevails. A measured sense of mature realism underscored by basic goodwill and empathy is not to be lightly dismissed. It can be the lodestar for a durable relationship where the best is yet to be.

When I recce the landscape of our bilateral relations, I direct the pointer towards our enhanced engagement in areas like defense and security, exchange of high-level visits, the regular meetings of the India-US Strategic Dialogue since 2010, our burgeoning trade and economic partnership, and the sharper focus that has been brought to the "people-centric" dimension of our relationship, together with our cooperation in sectors such as education, energy, S&T, innovation, health and space science. Contacts between states in India and those in the United States have also been a feature of our exchanges. The US Congress, and particularly members of the India Caucus, have time and again shown their focus and commitment to the cause of better US-India relations. This is a silent revolution, not a blockbuster one, but epochal all the same.

In civil nuclear cooperation, negotiations between India's Nuclear Power Corporation and Westinghouse as also GE-Hitachi are under way. Progress even if slow, is steady, sustained by the political will of both governments to ensure that this cooperation achieves its goals. We look forward to continued US support and cooperation in securing India's membership of the four multilateral export control regimes.

In defense, our cooperation has intensified with growing defense trade, joint exercises, personnel exchanges, cooperation in maritime security and counter piracy operations. The aggregate worth of India's defense acquisitions (including the C-130 J-30, C-17 Globe Master III, and Poseidon 8 I aircrafts) from the US has crossed \$9 billion. There is intention to now take our defense ties to a level where we can simplify technology transfer policies and explore possibilities of co-development and co-production of defense systems.

Our strategic consultations and our dialogues covering East Asia, Central Asia and West Asia are also an important aspect of our partnership. Trilateral mechanisms for dialogue with Japan, and also with Afghanistan are additionally, a key feature.

As Lisa Curtis puts it in these pages, there is a strategic logic in our ties. This is especially so when we widen the lens beyond bilateral relations to the Asian stage and beyond.

Cooperation in counter-terrorism has seen considerable progress with intelligence sharing and information exchange, and the institutionalization of the Homeland Security Dialogue covering engagement in megacities polic-

The Silent Revolution



PARESH GANDHI

Indian Ambassador to the US Nirupama Rao edits this special issue of the India Abroad Magazine at the Ambassador's residence in Washington, DC. This is for the first time in the newspaper's 43-year-old history that we invited a Guest Editor.

ing, combating illicit finance, bulk cash smuggling and counterfeiting, cyber-security and critical infrastructure protection, port, border, maritime, transportation and supply chain security, science and technology cooperation and capacity building.

The business of diplomacy is business, as has been said. Noteworthy is the growth in trade volume, both in goods and services between our two countries (close to 100 billion \$ last year). We have set our sights on an early convening of the bilateral Trade Policy Forum. Negotiations on a Bilateral Investment Treaty have recommenced in July this year. There is a fulsome discussion ongoing by both government and industry on the Indian side with US stake holders that highlights our concerns on any restrictions sought to be imposed on the movement of high-skilled non-immigrant professionals employed by Indian information technology companies into the United States. We endorse the view recently expressed by five distinguished former US Ambassadors to India that there should be a "clean" immigration reform bill that does not include any discriminatory provisions that may harm US or Indian interests, and which supports the growth of the US-India knowledge economy. Our IT and other companies whose investments in the US economy are significant, have generated a few hundred thousand jobs in the US, creating livelihoods and wellbeing.

It is true that concerns are expressed in the US about the pace of reform in India. We are sensitive to these concerns because we value our investment ties with US businesses. India has prioritized the improvement of its investment climate, and significant foreign direct investment liberalization has occurred in the past year in multi-brand retail, single-brand retail, civil aviation, telecommunications and defense. Clearances for pending projects have been fast-tracked by a Cabinet-level empowered committee, (170 projects worth US \$ 30.45 billion cleared until early August, 2013), taxation issues have been addressed upfront and clarified, including General Anti-Avoidance Rules and

transfer pricing for research and development centers. Preferential Market Access guidelines for private sector companies have been kept in abeyance in view of the concerns expressed by US-based investors.

In areas like energy, education and health, our partnership is robust and flourishing. Strong public-private partnerships have been forged in solar energy research, building energy research, and advanced biofuels. There have been encouraging developments concerning openings for shale gas exports from the US to non-Free Trade Agreement countries, from which India (with its huge and only partially fulfilled energy requirements) hopes to benefit.

Our Higher Education Dialogue is also promoting strategic institutional partnerships, deepening collaboration in research and development, fostering partnerships in community college education, junior faculty development and empowered classrooms through online education. Sixteen joint India-US research projects have been awarded under the Singh-Obama 21st Century Knowledge Initiative. Considering India's "demographic dividend" of young people, our cooperation in Higher Education is a critically important pillar

of the Strategic Partnership.

The cutting edge for the future of both our countries is innovation. Nowhere is this more apparent than in our cooperation in science and technology. And, even more importantly, this involves the youth of both countries. The S N Bose and Khorana fellowships for young students are examples. The Millennium Alliance involving India's Department of Science and Technology, the Trade Development Board, USAID and the Federation of Indian Chambers of Commerce and Industry, the India-US. S&T Endowment Fund for Innovation & Entrepreneurship, the Joint Clean Energy Research and Development Center, the monsoon desk at NOAA, collaboration in the prevention and management of Diabetes and the India-US Science & Technology Forum are forums that illustrate our innovations partnerships.

In the field of health, the Vaccine Action Program is a productive collaboration and the momentum it has created has seen the development of a new rotavirus vaccine: ROTAVAC, the first entirely new vaccine developed within India in over 100 years.

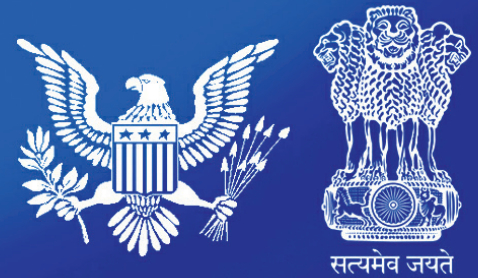
India's relations with the US began in 1792, when President George Washington commissioned Benjamin Joy, of Newburyport and Boston, to be Consul at Calcutta (as it was then called) 'and other ports and places on the coast of India and Asia.'

Truly, our relations have endured the test of time. There is continuity, there is hope and promise, never denied, but to be fully fulfilled. The two countries share more than a partnership, they share a fellowship forged on the anvil of shared interests, values, and concerns.

A steady, steadfast, and mature approach to the relationship in its present state, as well as in charting the course forward should propel us in our journey to the future. And, we need to take a holistic view always, relating everything to context, because uni-focal approaches cannot do justice to this unique fellowship, this sisterhood of democracies.

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Former Assistant Secretary of State for South Asian Affairs
KARL F INDERFURTH
outlines ways the fizz
can return to the
India-US relationship.

As Prime Minister Manmohan Singh arrives in Washington for his second White House visit with President Obama, there are two competing narratives regarding the current state of US-India ties. One says the relationship has gone off the rails; the other says it is still on track.

My assessment is that both are partially correct and that Obama and Singh have an opportunity to dispel the first narrative, re-enforce the second, and put, in the words of a former Indian ambassador to the US, some of the 'earlier effervescence' back into the relationship. Over the past 13 years, under three US administrations and two Indian governments, the two countries have worked hard to build a strategic partnership for the 21st century, across the full spectrum of the relationship.

In the past year alone, there have been 44 senior meetings, most recently with visits to India by Vice President Joe Biden in July (the first VP to do so in three decades) and Secretary of State John Kerry in June, for the fourth annual US-India Strategic Dialogue. These meetings represent a huge step forward from the past. But we can and should do more. So, what can President Obama and Prime Minister Singh accomplish during their time together?

First, a reality check is in order. The two leaders should have a private one-on-one meeting to share with each other the domestic challenges they are facing — Obama most immediately with the Syria crisis and upcoming budget and debt ceiling battles with Congress; Singh with India's slumping economy and next year's national elections and the concomitant prospects for a 'lame duck' government.

These domestic considerations will understandably constrain the degree to which Washington and New Delhi will be able to focus on each other in the immediate months ahead. Neither should be surprised or take this amiss. That said, the two leaders should then roll up their sleeves, exert some political will to untangle some of the unfinished business that is holding the relationship back, and then ascend to thirty thousand feet to articulate several longer-term goals that will underscore the undeniable benefits to both countries of our strategic partnership. Here are three suggestions for them to consider:

Economic and trade relations: Here the unfinished business is a bilateral investment treaty.

Over a year ago the two sides agreed to 'expeditiously conclude' negotiations on an agreement. Still waiting.

We also need a long-term framework that would include a free trade agreement as an achievable goal. We should bring India into APEC (Asia-Pacific Economic Cooperation) and the Trans-Pacific Partnership discussions.

For its part, India needs to vigorously pursue and implement economic reforms and trade liberalization, of which they have heard a great deal recently from both our public and private sectors. They've got the message. They have one for us about proposed US immigration legislation.

Defense and security ties: The Defense Trade Initiative needs a push by both sides, which is why Deputy Secretary



ADNAN ABIDI/REUTERS

Vice President Joe Biden and his wife Jill in New Delhi July 22. In the past year alone, there have been 44 senior meetings, most recently Biden's. While these meetings represent a huge step forward from the past, the US and India can and should do more.

The Need for Effervescence

of Defense Ashton Carter recently traveled to New Delhi. This is not just about arms sales, but co-development and co-production projects and technology transfers.

In addition, the US and India should commence negotiations to renew their bilateral defense cooperation framework with a Comprehensive Security Compact by 2015.

Prime Minister Singh's comments about India's willingness to be a net provider of security in the Indo-Pacific region are significant in this regard.

Energy partnerships: At the top of the US-India unfinished business 'to do' list is implementation of the 2008 civil nuclear agreement.

When entered into five years ago, it was billed as the cornerstone of the burgeoning strategic partnership between the countries. Then it bogged down, which is unfortunate considering how much political capital was expended in both Washington and New Delhi.

Finalizing a commercial agreement between India's Nuclear Power Corporation and Westinghouse for a nuclear reactor in Gujarat could be the signal that things are back on track and moving forward.

Beyond nuclear, India's power needs are extraordinary; we can help in many ways, especially now that the way has been cleared for liquefied natural gas

(LNG) exports. Collaboration on clean energy and renewables should continue to forge ahead. The August 2 cover story in *India Abroad* on Vice President Biden's trip to New Delhi was entitled 'Biden's Nudge.' It included this quote from Indian Ambassador Nirupama Rao: "It was a well timed visit. We brought new focus not just on smaller issues, but on the larger picture of our partnership."

Let's hope the same will be said following Prime Minister Singh's visit to Washington and that the two leaders will have been able to put some of that 'effervescence' back into US-India ties.

An announcement by Obama that he intends to pay a second visit to India during his final term in office — he would be the first American President to do so — would also add some fizz!



Karl F Inderfurth is a former Assistant Secretary of State for South Asian Affairs during the Clinton administration and currently holds the Wadhvani Chair in US-India Policy Studies at the Center for Strategic and International Studies. His three-year appointment to this position concludes at the end of this year. The search for a successor chair holder is underway.

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President Obama would be wise not to take this important relationship for granted, advises US Congressman **ED ROYCE**, Chairman of the House Foreign Affairs Committee.

For decades following its independence, India's relations with the United States were rocky. Following India's 1998 nuclear test, the US unwisely sanctioned India, severely damaging relations. Over the past dozen years though, New Delhi has emerged as one of Washington's key partners.

Having joined President Bill Clinton on his 2000 trip to India, I witnessed firsthand the beginning of this bilateral cooperation. President Bush built upon a solid foundation. US-India relations grew stronger in Congress, too.

In the 107th Congress, I chaired the Congressional Caucus on India and Indian Americans. Starting with only 8 members, we built the Caucus to become one of the largest in the House, with over 200 members.

But few have done more to advance US-India relations than Prime Minister Manmohan Singh, who will come to Washington, DC later this month for his final visit as prime minister. Traveling to India in 2007, I had the opportunity to meet with Prime Minister Singh to discuss the progress made over the past several years. He told me the gains in the US-India relationship were "irreversible."

The premiere initiative in bringing our countries closer together has been the US-India Civil Nuclear Agreement, the product of strong cooperation by President Bush and Prime Minister Singh.

India needs additional electricity to fuel its growing economy, and officials in India have told me about their ambitious plans to expand nuclear power as a clean energy source. As I argued on the House floor, "Like in several other countries, nuclear energy is widely viewed as a critical technology, one central to uplifting hundreds of millions of impoverished Indians."

With this deal, the Indian nuclear industry will be able to reach its full potential, overcoming the international restrictions that have curtailed it since 1974. India will still rely on other energy sources, but it is smart policy for any country to diversify.

India's energy demands continue to grow. Already the fourth-largest energy consumer in the world, India needs more electricity generation to alleviate rolling blackouts and increase access to electricity. Here we have an opportunity to further strengthen energy cooperation between our two nations.

According to a recent study by the Center for Strategic International Studies, India imports 75 percent of its energy. With the US poised to become a major exporter of natural gas, now is the time to expand US exports of liquefied natural gas. This would create jobs and stimulate economic growth in both the US and India.

Of course, Prime Minister Singh, as finance minister, was instrumental in ushering in India's economic reforms. India's booming economy resulted from opening up to the world and making massive reforms 15 years ago.

Trade between the US and India has leapt to almost \$63



Indian Ambassador to the United States Nirupama Rao flanked by Congressmen Joe Crowley, left, and Ed Royce, right, at the House India Caucus reception. Starting with only eight members, the Congressional Caucus on India and Indian Americans has become one of the largest in the House, with over 200 members.

Do not take this important relationship for granted

billion in 2012 from roughly \$11 billion in 1997. India has benefited from foreign investment, international competition, and access to markets abroad.

Despite this remarkable economic progress, some policy measures taken by the government of India have created concerns for US businesses. We are happy some of these are being reviewed by the Indian government.

For example, India has rolled back its Preferential Market Access initiative, which otherwise would have required Indian businesses and government offices to procure technology products and services produced in India that could severely limit choices in India and hurt trade between India and the rest of the world, including the United States.

I hope the US can further engage with India in international forums like the World Trade Organization. I also hope that India will join the WTO Information Technology Agreement expansion talks. ITA expansion would reduce overall tariffs, helping to accelerate productivity and lower prices.

As noted by Robert Hoffman from the Information Technology Industry Council, 'for every \$1 in tariffs India imposed on tech imports... it incurred an economic loss of \$1.30 due to decreased productivity.'

ITA expansion would be in India's best interests and would help US companies as well, expanding their market in the vibrant country.

The US and India are most aligned on defense and counterterrorism efforts. For over a decade, the two countries have worked to deepen counterterrorism cooperation. The terrorists targeting India are targeting the US

too. Following the tragic 2008 Mumbai attacks, investigators from both countries stood shoulder-to-shoulder in response.

Defense cooperation between the US and India has made impressive strides in the last decade. The India-US Defense Policy Group was revived in 2001 and now meets annually. In 2005, the United States and India signed a 10-year defense pact, which outlines planned collaboration in multilateral operations and expanded defense trade. The two countries signed an agreement in 2011 to increase the sharing of cyber-security and terrorism information.

Prime Minister Singh's final official visit will be an important bookend to an historic period of US-India relations. Earlier this year, the Foreign Affairs Committee's Asia subcommittee held a hearing on where India fits into the President's 'pivot' to Asia. As we heard, many fear that India doesn't have the prominent position it deserves.

President Obama would be wise not to take this important relationship for granted. Prime Minister Singh helped usher in a new period of US-India cooperation. Let's make sure we build on his impressive legacy.



US Congressman Ed Royce, who is serving his 11th term in Congress representing Southern California's 39th District, is Chairman of the House Foreign Affairs Committee. He has served on the Committee since entering Congress in 1993.

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Ambassador **RONEN SEN**, during whose tenure the India-US relationship improved beyond recognition, evaluates the progress since in this frank interview with **SHEELA BHATT**.

One of India's most cerebral diplomats, **Ronen Sen** played a stellar role in taking India-United States relations to another level as India's Ambassador to the US, during the crucial years, 2004 to 2009.

Ambassador Sen's tenure intersected with the second Bush term when the President decided to erase India's nuclear pariah status and transform the US-India association for the better, likely forever.

For Ambassador Sen, who served as his nation's envoy in the most important capitals of the world before coming to the US, his tenure in Washington will always be remembered for what it achieved in a relationship long dormant, yet bristling with possibility.

Four years after he returned to New Delhi, Ambassador Sen discusses the nuclear agreement, which he shepherded through many obstacles, the India-US relationship and where it is headed with *India Abroad*.

Would you agree that, despite occasional problems, for the first time since Independence, the last decade-and-a-half has seen the closest ties between India and the US?

Contrary to popular perceptions, the collapse of the Soviet Union and the end of the Cold War did not usher in closer India-US relations. India was peripheral in US priorities till the 1998 nuclear tests and the exposure of Pakistani perfidy at Kargil in 1999. President Bill Clinton's five-day visit to India and five hour stop-over in Pakistan in 2000 reflected US recognition of the realities in our region.

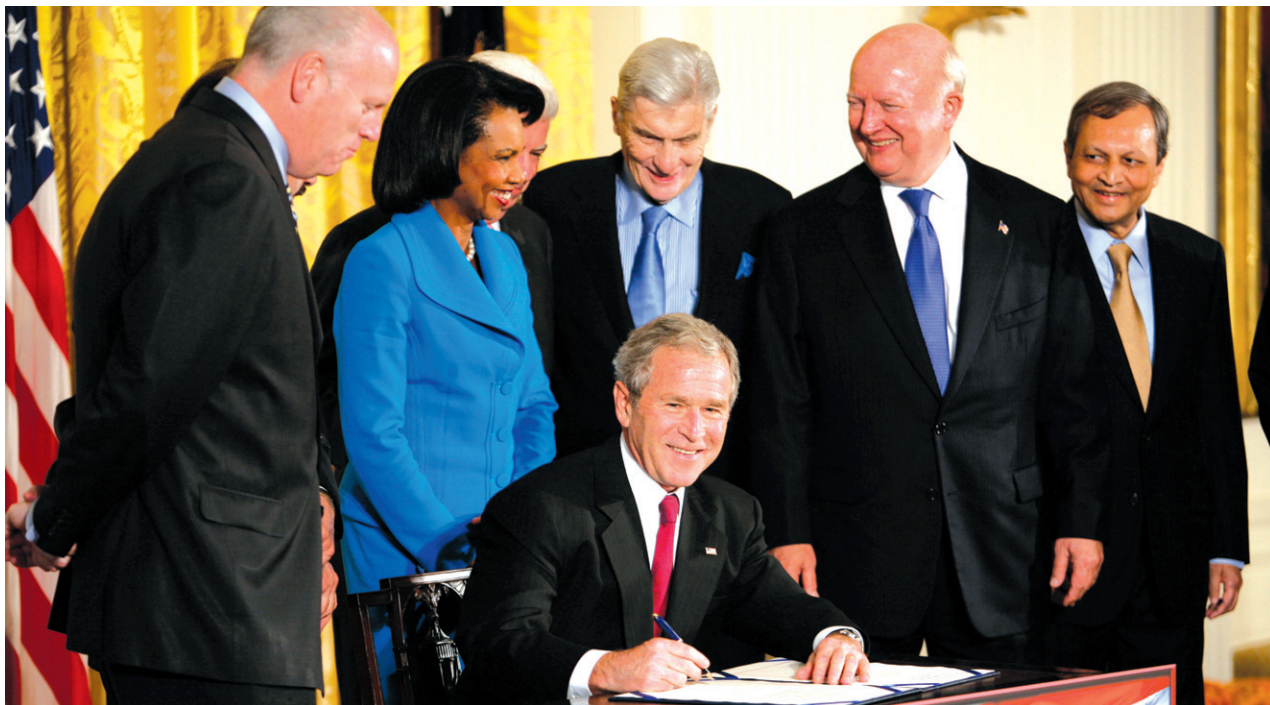
The most rapid transformation of India-US relations was, however, between 2004 and 2008 — starting with the joint announcement of the Next Steps in Strategic Partnership, NSSP, by Prime Minister Atal Bihari Vajpayee and President George W Bush in 2004 and the signing of the historical civil nuclear deal in October 2008.

Since then, the relationship has been consolidated and our cooperation broadened under the guidance of Prime Minister Manmohan Singh and President Obama.

You were ambassador to the US during the crucial period, 2004 to 2009. What were the parameters within which you were working during your assignment? What was the brief given to you by Prime Minister Manmohan Singh?

I was asked to try to reverse the negative legacies of the Nixon and Carter administrations, representing the worst phases of India-US relations. The Nixon legacy was that of a US-Pakistan-China axis, symbolized by the presence of the *USS Enterprise* in the Bay of Bengal during the 1971 Bangladesh liberation war. Carter's contribution was the unilateral abrogation of the Tarapur agreement by retroactive application of US Congressional legislation in 1978, following our 1974 nuclear test, and setting up an international regime to isolate India.

By coincidence, I was personally closely involved in India's response to both these missions. On the nuclear issue, I was instructed by our prime minister to complete and build on the NSSP process initiated by his predecessor, Prime Minister Vajpayee, which envisaged civil nuclear coopera-



KEVIN LAMARQUE/REUTERS

President George W Bush signs the United States-India Nuclear Cooperation Approval and Non-proliferation Enhancement Act during a ceremony in the East Room of the White House in Washington October 8, 2008. Standing from, left, Representative Joe Crowley, then Secretary of State Condoleezza Rice, then Senator John Warner, then Energy Secretary Sam Bodman and then Indian Ambassador to the US Ronen Sen.

‘The relationship has been consolidated and our cooperation broadened’

tion, civil space cooperation and cooperation in dual use technologies, apart from missile defense consultations.

Phase 1 of the NSSP was completed the month after my arrival in the US, and so were the remaining two phases in the following year.

The dramatic announcement of the civil nuclear initiative during our prime minister's first visit to Washington, DC in July 2005, was preceded by the signing of an important long term framework for defense cooperation in June 2005 by our then defense minister Pranab Mukherjee and his counterpart Donald Rumsfeld. Civil nuclear and defense cooperation are, by their very nature and long term perspective, major manifestations of a truly strategic partnership.

You mentioned the nuclear deal, which was a game-changer in India-US relations. What was the background and circumstances under which both governments moved in working out this deal?

There were obviously pressure groups in both countries, as well as resistance from many other countries, which made negotiations very difficult, and the process took over a thousand days to complete.

The initiative was so bold, so breathtaking in its audacity, that most people were stunned by its first announcement in July 2005.

On that evening in the White House, two prominent Senators told me that they were most unhappy about not being kept in the loop. They reflected the sentiments on both sides of the aisle in both Houses in Congress. The fact

was that negotiations on the text were inconclusive till the last moment.

It was the same touch-and-go situation during President Bush's visit to India in March 2006, when the joint statement was finalized literally minutes before the press conference by the two leaders. This happened again and again on a number of critical occasions right up to our prime minister's final meeting with President Bush in end September 2008.

It was only after President Bush signed the India-US nuclear deal into law on October 8, 2008, and the reassurances in his signing statement, that the deal was signed a couple of days later.

There were strong lobbies in both countries. The non-proliferation hardliners had, and continue to have, powerful influence in the US as well as in other countries in the 45 nations Nuclear Suppliers Group. This influence was reflected in some clauses of the enabling Hyde Act of 2006 and subsequent documents, which we did not accept.

We finally overcame obstacles that, on several occasions, appeared to be insurmountable, both in the US Congress and the NSG.

However, while being tied up in knots in technicalities and legal details, many people did not realize that the nuclear deal was not just about nuclear energy. It was a historical landmark in bilateral relations that held the promise

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Former Ambassador to the US
NARESH CHANDRA
discusses the trajectory of the
India-US relationship with
SHEELA BHATT
in this eloquent interview.

One of India's most distinguished civil servants, someone who served as the country's Cabinet Secretary, the head of the Indian Administrative Service, during the tumultuous early 1990s, arguably **Naresh Chandra's** most challenging assignment came in the days and months following India's nuclear tests in May 1998.

When he arrived in Washington, DC two years earlier, as India's ambassador to the United States, India-US relations were tentatively finding its way after the long and difficult Cold War years. No one expected it to go South soon enough.

It is to Naresh Chandra's eternal credit that he steered the ship calmly through the angry and stormy waters of sanctions and threats after the nuclear tests, till both nations embarked on a new adventure called the Next Steps in Strategic Partnership, which eventually led to the achievements during the Bush Presidency and President Obama describing the India-US relationship as a defining one for the 21st century.

Ambassador Naresh Chandra, who continues to remain engaged with India-US relations, studies the current equation in an eloquent interview with *India Abroad*.

What are the reasons behind the current drift in the India-US relationship?

The biggest factor is that both governments are preoccupied with very urgent issues. Although the doors of opportunities are open, there are different priorities for both countries. In the US, because of the economic turnaround, local politics is gaining much more weight.

President Obama has a lot of excess baggage, which Clinton didn't have because in his time the economy, the employment situation, was alright. Whoever is in charge of the administration has to be much more sensitive to local issues, so there is a feeling in India that the free movement of persons or the visa issue, they can't get the type of targets that our companies were hoping for.

One thing which needs to be noted is that whatever restricted policies the US adopts, they are not India-centric. These are general policies. But on many occasions it is the Indian side which gets hurt the most. So, they feel that 'Look we went for a strategic partnership and economic partnership, but what have we gained?'

The US side has a similar perception because of the lack of a majority in Parliament of the current government it is not able to push the legislation necessary to execute its reform agenda.

On the US side, it is, 'Look we stretched our neck out to help India come out of the nuclear apartheid regime.' The civil nuclear agreement pushed the very difficult legislation through both Houses of Congress, but American companies have got nothing in return and no business has resulted.

In terms of trade relations, the balance is in favor of the US anyway. The trade has been expanding, but not as fast as with China, so there is a feeling that we have sort of



ALEX WONG/GETTY IMAGES

President Barack Obama, right, and Indian Prime Minister Manmohan Singh at the Nuclear Security Summit April 12, 2010, in Washington, DC. The delay in realization of the civil nuclear agreement after India came out of the nuclear apartheid regime is among the areas of concern between the countries.
Inset, Ambassador Naresh Chandra.

'For the next year or two, it has to be normal business and wait for the right opportunity'

reached a plateau even in exploiting the great opportunities that exist in business and trade.

And while some proposals have gone through — and these are big ticket items like transport aircraft and other equipment which we have got from the US — on many key defense issues, the US side feels the progress leaves much to be desired.

There are problems on both sides which should be worked out. The great opportunity that exists in transferring technology from the US side to Indian entities is held up because of the undue insistence of piping everything through India's public sector undertakings or the defense ministry. The very restricted and impractical offset policy is organized by the Indian ministry of defense.

In the strategic area, there are problems which cannot be ignored. For some years, the US had other engaging issues on hand: Its plan to withdraw from Afghanistan; the US was dealing with the consequences of the Arab Spring; the happenings in Syria; the old problem of Israel and the Middle-East; their relations with Iran, and finally the biggest problem of them all, which is terror-related, is how to deal with Pakistan and Afghanistan and how to keep

some kind of stable equilibrium between the two.

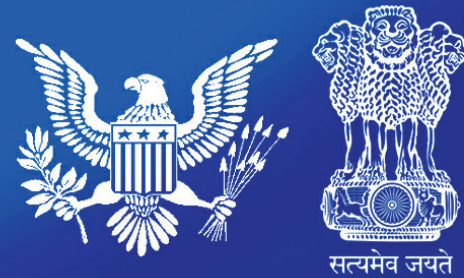
The US tactics was to deal with the Af-Pak situation which, in parts, runs counter to Indian interests. There is only so much that an administration, with its four-year life span, can do to accommodate Indian concerns. So, the US feels — 'After we have tried to be so friendly and declared them as strategic partners' — India does not support US moves, in the UN, and only reluctantly follows — if there are any resolutions or sanctions — in the United Nations Security Council.

We have to realize that there are differences. On Iran there are solid differences, and it is very difficult to manage. I think the government of India has been doing quite well.

But as (*India's Petroleum Minister M*) Veerappa Moily pointed out if we continue to follow and take US concerns fully on board, and not import oil from Iran, it will cost us billions of dollars. An arrangement that can be worked out in rupees to manage our balance of payments is very much in India's interest.

Now it remains to be seen how much accommodation is

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of a tectonic geostrategic shift in the balance of power.

I could understand the opposition from some Leftist friends in India, but not the reservations of some national Opposition party leaders who appeared to have lost their earlier policy moorings and wanted to disown their own legacy.

There were difficulties in India. The Congress party itself, by tradition and historically, has not been enthusiastic about closer ties with America. How did its leadership come on board?

There were certainly difficulties in India, in our Parliament. But do not underestimate the difficulties in the US Congress either. Both of us are democracies. We sometimes think our problems begin and end at home. We sometimes tend to overlook that even in bilateral relations, several interests of several players could be at stake, and these are constantly at play. This was true then and it remains even more so now.

The Congress party has never been monolithic in its approach on all foreign, security and economic issues. It has never been that way. Some people remain ensconced in a time warp, and find it difficult to accept that the world has changed over the decades and so has India.

Just after the first Non-aligned Summit in 1961, the majority of the NAM leaders were non-aligned between India and China in 1962. (Then Indian prime minister Jawaharlal) Nehru turned to the US for military aid and gave base facilities for US surveillance on China and approved cooperation with Taiwan.

Not many are aware that Indira Gandhi's decision to visit the US before the USSR in the early 1980s was a strategic decision, nor of Rajiv Gandhi's special equation with Ronald Reagan. Some prominent Congressmen had strongly opposed Rajiv Gandhi's path-breaking visit to China in 1988.

Whatever the internal debate at that time, the fact remains that UPA-1 (*India's United Progressive Alliance in its first term*) had ultimately rallied around Manmohan Singh and put its survival as a government at stake because of its decision to go ahead with the nuclear deal.

Our people's verdict after that demonstration of unified and decisive leadership was clear.

Your attitude and motivation was questioned at a critical time. What was the most difficult part of your job?

All that is history. I agreed to stay on for an extended tenure to complete an unfinished job. This would have been impossible without the leadership of our prime minister and President Bush. My role in the negotiations was negligible. My primary task was to get US Congressional approval. My colleagues and I worked round the clock and had individual and collective meetings with nearly half the Senators and Congressmen, including in their constituencies.

The Indian-American community played a pivotal role and worked unitedly, transcending the political affiliations in the US or in India. Why did they do so? Not everyone understood all the intricacies. But they all knew that something extraordinary, something truly transformational, was happening.

And at a very basic level, they thought that something so strongly resisted by Pakistan and China must have something intrinsically good for India. And that national good was what ultimately mattered for them.



LARRY DOWNING/REUTERS

From left, then President George W Bush, then United Nations Secretary-General Kofi Annan and Indian Prime Minister Manmohan Singh attend the launch of the UN Democracy Fund in New York in 2005. According to Ronen Sen, Bush's approach to India was never purely transactional, but what both countries could do together for the world. It was thus not accidental that Bush and Singh launched the UNDF.

'The relationship has been consolidated and our cooperation broadened'

The job was daunting for several reasons. First, the intense lobbying against the deal had to be countered. Second, what we wanted was not only US Congressional approval. We wanted Congress, for the first time, to suspend its own rules of procedure for approving the agreement.

This was needed because of its much delayed submission since we took our own time in UPA-Left consultations. Finally, it was not easy to introduce this in the Congressional agenda in its few final days at the height of the Presidential campaign and in the midst of its preoccupation with emergency economic stabilization legislation in the wake of the worst financial crisis since the 1930s.

We overcame all these extraordinary odds, and that too with a 85 percent Senate majority and 70 percent House majority vote.

India's nuclear experts, particularly Department of Atomic Energy's retired and serving officers, felt at that time that Ronen Sen never understood the issue. The issue was that there was some sort of cap coming on India's atomic weapons capacities.

I fully appreciated their concerns and apprehensions. I was part of our atomic energy establishment when the US Congress adopted a law retrospectively overturning the Tarapur agreement. I was there when Carter was caught saying off-mike in Delhi that he would send a tough and blunt letter to Morarji Desai.

At a time when the US took the lead to establish an international regime to isolate India, I prepared all notes sent by the then Chairman of the Atomic Energy Commission to successive prime ministers.

For over a decade-and-a-half, I dealt at the policy level with our civilian and military nuclear projects. The main concern of some of our scientists, most of whom I held in the highest regard, was that our strategic program would be adversely affected. The fact is it was not.

Nothing was done behind the back of the then AEC chairman. Eminent scientists like former President (A P J Abdul

Kalam would not have otherwise supported it. Nor would other patriots like our first National Security Advisor, Brajesh Mishra.

All international deals involve some *quid pro quo*. What was the prime US interest in granting India such a special privilege?

Whatever one says of George W Bush, he acted on the basis of his convictions. And he was convinced that this deal was the right thing to do, and used all his political capital to push it through in the twilight period of his stay in the White House.

Even when I was in Britain, some people had told me of the fascination which George W Bush had for India. A fascination of a very large, very diverse country meeting formidable development challenges through democratic governance.

Bush's approach was never purely transactional. Values mattered to him.

So did the power of ideals and ideas. His approach was not just what both countries could do for each other, but what they could do together for the world.

It was thus not accidental that Bush and Manmohan Singh launched the UN Democracy Fund and that India and the US are the largest contributors to this global initiative.

There was no behind the scenes understanding or any *quid pro quo* on the nuclear, defense or other strategic agreements. However, in any relationship, there is always give and take.

The most durable relationships are based on mutual understanding and benefit.

Did a mutual understanding include India's vote against Iran in the International Atomic Energy Agency?

No. The Hyde Act had a non-operative clause expecting India's active participation in US efforts to isolate and sanction Iran. We did not accept this clause or some other provisions.

In fact, I told some Senators and Congressmen that if they expected unquestioned Indian support for US positions on any issues, including on Iran, they should vote against the deal. Having said that, if we expect the US to take our concerns into account on issues of vital interest to us, we should not be insensitive to US concerns either. The Iran votes were, however, primarily influenced by other factors, including Iran's behavior at that time.

Surely there would have been some motivation, including that of large contracts for US companies?

If this was indeed a major motivation, why did the Bush administration put in such a colossal effort to push through the NSG exception for India a month *before* the India-US deal was cleared? This cleared the way for all countries to enter into contracts and agreements with India.

The India-France nuclear agreement was, in fact, signed before the India-US deal and the India-Russia agreement followed. One of the two major US companies is a wholly owned Japanese subsidiary, and the other also has a significant Japanese stake-holding.

Nonetheless, in September 2008 we reached an agreement with the US for procuring nuclear power reactors from the US and also agreed to sign the Vienna Convention which exempts suppliers from liability. The nuclear liability law adopted in our Parliament adversely affected this prior

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international commitment with retrospective effect. This is, however, not the only case in recent years of our legislative, executive and judicial actions affecting our prior international commitments with a number of countries.

It took over three years to finalize the nuclear deal, and it has been five years since the deal was concluded. How long do you think it will take to finalize contracts?

I am not sure. There have also been some delays on the US side, in terms of post-Fukushima regulatory clearances. But we should have moved faster. I hope we will see some sign of progress during our prime minister's forthcoming visit to Washington, DC.

There were also greater US expectations in terms of defense cooperation.

There was considerable disappointment about US firms not getting the large contract for multi-role combat aircraft. They did not understand that, unlike our own past practice and unlike most countries, major defense procurement decisions in India are now apparently no longer strategic decisions.

In fact, they are not even techno-economic decisions, since the initial short-listing or selection is done on technical parameters only, and often without different weightage to different requirements.

This is water under the bridge. US companies have signed very substantial contracts in recent years, often single-vendor contracts, and more are in the pipeline.

Defense cooperation has, however, not taken fully developed as envisaged in the 2005 agreement. Even in procurements there are persistent irritants, and there is slow movement on technology transfers, co-production and so on. The US can and should do more to treat India as a partner and not merely as a client.

We should also, on our own, revive and sign CISMOA and LSA agreements. It will be in interest of both the countries to address such issues at a political level so as to frame a new long term defense agreement in 2015.

Do you feel there is a slowing down in India-US relations in recent years? Differences have appeared on Afghanistan and Pakistan, for instance.

I'm not in the know of our bilateral interactions at different levels. From what little I know, there seems to have been a decline in zeal and loss of momentum in the relationship. Perhaps this is partly due to growing domestic preoccupations in both countries.

In recent years, we had established a good practice with the US of prior confidential consultations and even close coordination of actions in our region, including on Afghanistan and Pakistan.

I hope that this has continued to be so, including on the controversial Doha Initiative on talks with the Taliban. We have long-term converging interests in the region.

Our concerns about withdrawal of US combat forces and the uncertainties about the size and role of a residual US military presence, if any, after 2014, are legitimate. Yet, as a fellow democracy, we need to appreciate the growing popular opposition in the US to boots on the ground in Afghanistan or in other conflict zones.

Whatever his compulsions, President Obama appears to have no illusions about Pakistan. This was evident in his



MANSI THAPLIYAL/REUTERS

‘The relationship has been consolidated and our cooperation broadened’

bold and unilateral action at Abbotabad, his three visits to Afghanistan and not a single visit yet to Pakistan. This could, of course, change.

But, why are bilateral relations so lackluster?

There seem to be a loss of momentum. It is a certainly a matter of concern that the same constituents who were in the forefront of promoting this relationship, like members of both Houses in the US Congress or like corporate leaders do not have the same level of interest.

It is possible that prior consultations with the US and other stakeholders on our preferential market access measures and persistent tax problems faced by some companies could have averted problems posed to our companies by some provisions in the Senate immigration bill.

Maybe a cumulative impact of it is that of the India story losing its sheen. But, you can bridge the gap between perception and performance to a certain extent only. You can't separate foreign, economic and security policies. They are inextricably intertwined.

In this whole situation, the biggest concern is uncertainty, unpredictability. And also the direction in which our economy is headed.

Apart from Pakistan and Afghanistan, has not China shaped India-US relations?

Without undermining the importance of other countries, I feel that the two most critical relations for India are those with the US and China, for different reasons.

Our greatest challenge is the management of these relationships, or rather inter-relationships, in the Asian and global architecture. US positions have vacillated, but a uni-polar Asia is not in our interest, nor a US-China condominium.

There is a clear convergence between India's Look East policy and the more recent US rebalancing in the Indo-Pacific region. The marked improvement of our relations with Japan holds great promise for the future.

We have to dovetail and align economic, political and security policies in not only bilateral, but in multi-lateral

Iranian Oil Minister Rostam Qasemi, right, with India's Oil Minister M Veerappa Moily in New Delhi, May 27.

While India has always made it clear that the US should not expect unquestioned Indian support for its positions on any issues, Ronen Sen says India should not be insensitive to US concerns either.

mechanisms. It will be in the interests of the US and India, and other countries including those of ASEAN, Japan and South Korea, if India could be invited to join the Asia Pacific Economic Forum and the Trans-Pacific Partnership.

It is high time we started thinking big, and in strategic terms of our trade ties. Incremental steps taken in isolation will not help.

When India gets closer to the US it has to take care of nuances. India is trying to safeguard its interests because China is its immediate neighbor with whom India cannot afford an offensive type of relationship. The US is on the other side of the world.

In some respects, you are right. But even given its isolationist tendencies, with some exceptions, the US will for practical purposes, in terms of its political, economic and military role, remain a major player in the Indo-Pacific area despite its geographic distance.

Look, technologies are also moving fast.

What difference will geographic distance make in the context of cyber warfare, for instance. Can we apply even 20th century, let alone 19th century logic, to today's world?

Talking of advanced technologies, why was India's reaction so guarded to the revelation of the US intrusion into the privacy of millions in the world, including India, through its PRISM program?

Were you aware that the Indian embassy was specially targeted during your days in Washington, DC?

You have raised two separate issues. The first is about the massive scale interception of personal communications and data of millions of ordinary people worldwide, including in the US.

Citizens of all democracies are naturally concerned about where the line should be drawn between providing security and protecting privacy.

The second issue is that of surveillance of activities of foreign countries and agencies, including the sovereign premises of embassies, or spying in common parlance. This has been prevalent since ages. It would be naive to feign righteous indignation about such activities, where the constraints are not legal or even moral but the levels of technological ability and financial resources.

I was not aware of PRISM or any such US programs during my stay in the US. However, my senior colleagues and I took it for granted that all conversations at the embassy or at my residence, and phone calls or e-mails were being monitored.

Anything typed on a computer was also not regarded as secure, irrespective of its designated classification or distribution. This was not specific to my assignment in Washington. I followed the same practice in Moscow, Berlin and London during my ambassadorial assignments, and also during visits to other countries.

Frankly, any savvy diplomat uses such covert surveillance as an effective form of communication. After all, isn't it human nature to believe what you overhear more than what you are told directly?

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shown by the US to this very genuine problem that India has.

Of course, the Indian contacts are very good in Washington, the visits and return visits from the US-Indian sides are going on and this should continue. But there is no question that in recent years, the growth or the flow of our relationship has slowed down. This is not to say that the potential in any way has lessened.

Has this slowdown anything to do with President Obama's personality and his leadership style as also the weak leadership in Delhi?

It happens in diplomacy. Personality plays a part. You can't divorce personalities from the environment in which they are operating.

So if you have a President who has urgent concerns to get re-elected, which was happening in the last year, it was a constraint. And the prospect of losing a majority in either House of Congress is something which the President has to take on board.

Similarly on the Indian side, if you have problems pushing legislation in the Upper House, the Rajya Sabha, then it limits your options. The other thing is that in India when it comes to policy, including foreign policy, it is not the function of one individual leader. We have to take on board, not only the Opposition parties, but also the opposition within your own party.

Take the Congress party. There are lots of groups having a different take not only on foreign policy issues, but even on economic issues in domestic politics.

When you deal with powers like the US, there are political parties who have very strong views or preconceived notions on this subject. You have to see the fallout of that kind of opposition.

Still, I would say that personalities do matter. It is better for India if a person like Hillary Clinton was Secretary of State. It helps in different stages of negotiation. Personal intervention can make things move.

America and India have fundamental differences. Their South Asia policy and our regional interests don't match. Whatever is good for the Americans in Pakistan is not necessarily good for India.

America and China's relationship is also an issue. In the South China Sea our nuances and America's expectations are different and because geographically China is right on India's border, and it is not so with America, American concerns and our concerns will remain different.

These are fundamental and permanent differences, which are not reconcilable.

In view of that, how do you see this strategic partnership going forward, and how can we say that we are natural allies?

That is a fair analysis. It can never happen that there is



Secretary of State John Kerry, center, with foreign ministers at the ASEAN security conference in Brunei, July 1. Inset, Kerry in India. JACQUELYN MARTIN/REUTERS

America continues to be a superpower, but it also recognizes that it is very difficult for it to solve a problem by itself. It needs the cooperation of regional powers.

perfect alignment in priorities and perceptions between nations, especially India and the US who are so far apart.

So, there are differences and there are commonalities. The common thing is, and which is very basic, is the structure of the society and the people. If you see all over the world, there are hardly any countries, except for the US and India, which are so multi-lingual, multi-religious, and large.

With the break up of the Soviet Union I think they have lost that characteristic. Russia does not have the same kind of multi-cultural society now that India and the US have.

So when you have this kind of a multi-cultural and multi-lingual society, then very narrow considerations or things in a uni-dimensional way do not dictate the manner in which you conduct your affairs.

There is inclusiveness, there is a tendency to take all kinds of opinions on board, and that leads to a more broad-based human approach, not only in domestic matters, but also in world affairs.

Second, we are far apart geographically and if you go into the nitty-gritty we do not threaten the US and they don't threaten India in a direct situation. Indirectly, when dealing with our neighbors, as you rightly say, the approaches are not perfectly aligned, they can never be.

When we want every action in Pakistan which eases our terrorist and infiltration problem the US is present in their area, we are not. So they have to protect their plan of action and they have to protect their security of transport as well as their manpower.

They have two options — either to invade and conquer Pakistan which is not an option or to deal on mutually acceptable terms. I don't think the Indians do not know that Americans are very unhappy with the terms and conditions they have to accept. But please realize we would have done the same. So, when they act in a manner which is very practical we judge them for very noble standards.

Their boys and girls are dying in Afghanistan. So, they have to make a deal with Pakistan to see that their casualties are less or they are able to do what they came out to do. That was to liquidate Al Qaeda and Osama bin Laden.

Now there is a domestic political problem. You can not keep thousands of young persons from America in places their families have not heard of, so there are politically compelled to draw them out.

In the process, they are dealing with the devil, but they have to sup with the devil so to speak, and work out an arrangement they can live with. Now the arrangement they have worked out with Pakistan is definitely an irritation for the Indian side and a matter of concern, but you know something of that kind we have to accept as a given. Every country does it.

The problem is that India judges the US by a higher standard, and the US judges India by a higher standard. This a problem, but also a compliment that we expect better from each other. And this highest expectation is not there with any other country. Please reflect on this.

Don't you think when the world was changing, India overestimated America's role on the global stage and America overestimated India's market capacity?

I don't think India overestimated the US's role. Everybody knows America continues to be a superpower in the sense that it has the largest amount of resources to bring to any negotiating table. Not only in economic terms, but also in military terms.

If you take the US defense budget and the defense budget of the next 15 countries you know what we are talking about. The numbers speak for themselves.

We have to recognize that in terms of numbers, the strength of market, military strength and budget, the US stands alone, quite apart. The capacity for the US to exert its influence and power in all parts of the world has diminished because other powers have risen, the gap is narrowing.

China has created a new situation; India has not done too badly in terms of economic growth. So, what is the situation today? It is very difficult for the US to get out of any strategic area and also very difficult for the US to stay there on its own terms.

It's also very difficult for the US to solve a problem by itself. It needs the cooperation of regional powers. So the game has slightly changed and I think India is aware of it.

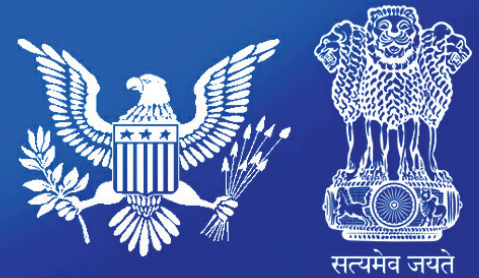
On the US side it is not a case of overestimation, but of expectation. They expected a more open Indian market and faster growth. They make no bones about it.

Now we, for various reasons, we have contrary views on the subject. The Reform School says growth is very good, others says it should be inclusive growth, other Indians says no, common man first.

So we see contradictions where none exist. I think without growth, what will you be able to do for the common man? But there are some guys who say 'No, no, you're just a votary for growth, nobody cares for the poor.'

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This is another hackneyed phrase I hear all the time — the rich are getting richer, the poor are getting poorer, I don't know on what statistics it's based. But these are the problems the government of India has to deal with.

We need to accept that we have not performed, and people feel we will not be able to perform to the expectations others had of India.

How is America's future trajectory with China and India's trajectory with the US poised?

Do you think China fears that there is a kind of common cause which India and US can strike?

Is the fear of China's containment real?

We feel it's exaggerated. People forget that a large chunk of China's territory is what is called the Tibetan Autonomous Region. Now anything that affects their sovereignty on Tibet and that area makes them very concerned because that's a huge part of their territory and it is through the TAR that they neighbor India, Nepal, Pakistan and so on. And they think they are not 100 percent there because there is a (*Tibetan*) government in exile on Indian soil. So, these facts cannot be wished away.

China also feels that in its capacity to deal and negotiate with countries in Asia on their own terms gets inhibited because of India's strength. They do not want that Indian factor to become some kind of a forceful factor in their bilateral relations with Malaysia, the ASEAN countries, Vietnam and so on.

They also feel their natural animosity with the Japanese could be used in some kind of a three-member axis of Japan, the US and India. The Indian side knows their interests and concerns, and we know that the Chinese concerns are exaggerated.

For China to feel that the US will try to use Indian strengths is understandable, but I think it is a bit overblown.

China is the invisible elephant in the room whenever bilaterals are taking place concerning Asia. I think the government of India is wisely attempting to improve relations with China. If you allow your relations with any big player to go down below a certain level, then it limits your capacity to deal with others.

Because others would know you're stuck on this one, they can play their cards better. We need to be careful that even with our adversaries we don't allow relations to deteriorate below an acceptable level.

And if there is a scope to improve relations under the circumstances it must be seized and taken forward because in the long term that is in our interest.

So, to live in a situation that they will always be unfriendly, that they will always attack our position, is a self-defeating proposition. Your job is to change that situation. And that's a very important segment of diplomatic policy.

Do you think the nuclear deal's ambitious agenda has fallen off?

No. The ball is in play — because we have been very slow at it we have not even signed up with France and Russia except for the one that is still going on in Koodankulam (*the nuclear plant in southern Tamil Nadu*). So, it is not that the slow pace is something that relates to the US only.

The suppliers's liability insurance is a problem, and we have not been able to crack it so far because I think the



JIM YOUNG/REUTERS

George W Bush against the backdrop of the Purana Qila in New Delhi in 2006. The former President had great regard for Indian democracy.

Indian side has to realize that if you want something you have to pay for it.

So, if you want these liabilities to be taken, the supplier is not going to take it for free because nobody is in the business of driving himself out of business. So they will supply only when they feel it's economically profitable. We will do the same. So either the consumer of the electricity pays the insurance premium or the supplier pays. If the supplier pays he'll add it to his cost.

I think much of the debate that is taking place does not make much business sense. Because the discussion I saw in Parliament was like we will be able to load the liabilities on the supplier to pay for it. That doesn't make business sense to me. It may sound very patriotic, but that's the end of it.

After the civil nuclear agreement a new situation has got created which has allowed greater freedom for India not only to deal with suppliers of nuclear material, with Australia and Canada and all that, to get help for the civilian power generation. But it has also taken us out of a category which was outside the nuclear regime.

We were neither members of the NPT (*nuclear Non Proliferation Treaty*), we had not signed, nor we were a nuclear power. We were somewhere in between. So what this agreement has done is that it has formalized and recognized that India is a declared Nuclear Weapon State.

When it comes to nuclear power generation I think both sides are at fault. Our guys may have a very good case, but they cannot deny the fact that we have been very slow.

How do you see the short-term future of the India-US rela-

tionship?

I don't see any miraculous breakthrough taking place. For the next year or two it has to be normal business and wait for the right opportunity to strike. We have to be continuously engaged at the business level because you know it seems that the US economy is going to get over the slump it has been in. It has concerns for us.

Once they go up the growth trajectory, they will need a lot of investment dollars. So the expectation that we had that FDI (*Foreign Direct Investment*) will come to India in dollars may not happen. We kick investors around in every way possible. That is not going to happen anymore.

At the same time the demand created in the American market will help us provided we get our manufacturing going. If we don't have export surpluses, if we shut down mining and we discourage manufacturing, then I am afraid we will only get disadvantages of the situation and we will not be able to derive any advantage from the US upsurge.

Do you think India is balancing the US business well?

We are trying to. But you know very often we take a stand which is very time consuming and slow.

I think in the area of defense cooperation we overlook the fact completely that there is a lot of advantage to be gained in getting access to sensitive military technology which is available in the US and in dealing with that I think we are very bureaucratic; not that the US is not bureaucratic.

On the US side, the cutting edge technology in the military area is largely financed by Congress and the point of Congress is that 'Look, we have paid for it to give advantage to our boys you can't just sell it off like that.' So the laws are very strict. The Arms Export Act and the regulations in the US are a very difficult minefield to negotiate through.

I have done this for three, four years, so I can tell you. The problem is that the US administration and officials are held in like hell by laws and rules in exporting technology. On our side when they open the door, we don't wish to comply with those rules and regulations. So the thing becomes stale bait. Both sides have to find creative solutions to get over this problem.

Was it difficult to deal with the Americans?

US officials have a very clear cut delegation of power and authority. So our side has to very quickly realize that at this point, nothing further is possible. There is no use wasting time, because the guy doesn't have the remit. So you have to go on trying to interest higher and higher levels. Otherwise, you remain locked.

Unless you have access to the higher authority, the Secretary of State or the White House, unless they intervene, things cannot change at the table. Because the capacity to innovate or find a way at the level of an Assistant Secretary or Deputy Secretary of State is not there. They may report and get orders. That's it. Otherwise, everything is on e-mail, everything is on record.

Internally, they are transparent with each other. Not only just vertically, but horizontally as well. In our case we have a file system. So the coal ministry might not tell the Prime Minister's Office what is going on. It cannot happen there. It just cannot happen there.

Do you miss President Bush?

President Bush for some reason had great regard for Indian democracy. Although he was tough on many issues all over the world, his interventions when it came to Indian issues were very helpful, no question about it.

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The future of the US-India relationship is based on something intangible, but in plentiful supply: The belief that our destinies are intertwined, says US Representative **JOE CROWLEY**.

As an Irish-American, I have always been interested in India. Why? Maybe it is the stories I heard growing up about our similar, difficult histories with colonial-era Britain or because of the familial history I share with my Indian-American friends — whose families, like mine, left all they know behind to come here to start a better future for their children.

My interest has lasted for so long that it is hard to know the exact starting point, but what I do know for sure is if the United States and India work together we can form the most influential and responsible big-country alliance in the world.

For this reason, I have made it one of my goals to help US-India ties blossom ever since I was elected to the US Congress.

In the late 1990s, even beginning that effort seemed like an impossibility to all but those of us who were active in the India Caucus and the administration. Today, it looks increasingly like the US-India partnership is irreversible.

We have simply come too far together to turn back, and the US's encouragement of India as a global power has become a cornerstone of regional and international cooperation. For those of us who consider ourselves decidedly pro-India, this is a victory a long time in the making.

This is not to say that we don't have important shared challenges, including fully completing the US-India civil nuclear agreement, overcoming barriers to economic growth, expanding educational opportunities, cementing defense co-production and addressing environmental challenges.

Good friends of the US-India relationship working with the Wadhvani Chair at the Center for Strategic and International Studies and the Center for American Progress have published a number of papers over the past two years outlining a number of ways to approach these issues, and a common theme runs throughout: The sky is really the limit for US-India relations.

As a Co-Chair of the Congressional Caucus on India and Indian-Americans, I have focused on a number of these issues. First, I have made every possible effort to maximize communications between Congress and the people of India.

Already this year, the India Caucus has hosted over 10 delegations of visiting Indian groups, including from the Indian government, business and political communities. We held detailed discussions with a politically diverse delegation of parliamentarians in a high-level exchange, and in late July we welcomed business leaders attending the US-India CEO Summit, as well as the leader of the BJP, Rajnath Singh. We have also planned several educational events for Congressional staff members, including an exchange with the Andhra Pradesh government.

But the India Caucus isn't just about maintaining a dialogue. It is about continuing to expand and produce con-

Members of the Congressional Caucus on India and Indian-Americans meet with visiting members of the Indian Parliament in the US Capitol in June. According to Congressman Joe Crowley, seventh from right, back row, the US-India partnership that seemed like an impossibility in the 1990s to all but those who were active in the India Caucus and the administration, today looks irreversible.



COURTESY: CROWLEY.HOUSE.GOV

We have simply come too far together to turn back

crete results that will further the two nations' relationship. Our members led the way on the passing of the nuclear pact in the House and Senate.

Dozens of our members have pressed successive administrations to share critical intelligence with India regarding potential threats from terror groups, especially after the devastating Mumbai attacks. Many are working to secure stronger energy cooperation, both to help reduce poverty and to address key environmental problems.

Perhaps most importantly, our members are focused on expanding commercial relations between our two countries, encouraging business delegations between cities and states in the US and India that can lead to the creation of jobs and economic growth.

Earlier this year, members of the India Caucus helped secure one of the most important victories for the Indian-American community in years, convincing the Department of Justice to begin tracking hate crimes against Hindu and Sikh-Americans.

Policy steps aside, we have also focused on deepening understanding between the people of the US and India. We have done this, in part, by celebrating our cultural, historical and religious differences, and that's why this October we are putting together the first-ever Congressional Diwali celebration in the US House of Representatives.

Taken together, these steps forward represent a record of concrete progress for the India Caucus and for the people of our two countries. They show that the fruits of cooperation far outweigh the costs of discord, and lay the foundation for even greater cooperation in the future. And, suc-

cess breeds success.

Over time, more and more Congress members have seen our efforts and joined the cause. This year, there are already over 40 brand-new members of the India Caucus, with more on the way.

India's Ambassador Nirupama Rao has played a critical role in our efforts, advancing India's interests as well as encouraging new friends to see the potential in our relationship. In addition, Indian-American leaders like M R Rangaswami, Shekar Narasimhan and so many others continue to step forward with new and creative ideas for action inside and outside the Congress. As MR reminds me, it is essential that our efforts focus on supporting all those in our communities, not simply those that are already fortunate.

More than anything, the future of the US-India relationship is based on something intangible, but in plentiful supply: The belief that our destinies are intertwined.

The US faces many domestic challenges, including creating jobs and continuing to recover from a painful economic downturn. India faces its own challenges. But at the end of the day, the governments and peoples in both of our countries wish each other well.

We not only believe each other will succeed, but we want it to happen. It must.



US Representative Joe Crowley is the Vice Chair of the Democratic Caucus, the fifth-highest ranking position in the House Democratic Leadership.

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The most important foreign policy development in the last decade has been the remarkable improvement in India's relations with the United States. From mutual suspicion, lack of empathy and a policy of keeping the relationship at a low level to avoid giving the US too much leverage over India, we have moved to a relationship of mutual confidence, genuine engagement and belief that the two sides can develop convergent strategic interests.

The rhetoric accompanying this *rapprochement* is a little overblown on the US side, with President Obama describing the India-US relationship as a defining one for the 21st century. What this might mean other than a strengthened relationship and greater convergence in the coming years is unclear.

The vision of India becoming such a major pole in global affairs that the India-US tandem will determine the configuration of international relations, the principles governing them, the management of global commons and the consolidation of political and human values acceptable universally seems a little grandiloquent.

India, on the other hand, uses more subdued vocabulary to describe the improving ties, emphasizing their transformed nature, which is a more realistic description of where they stand today.

The Indian government, conscious that it is already being perceived as being too pro-US and aligning itself unduly with US interests, presumably feels the need to keep its rhetoric low-key so as not to invite criticism domestically and raise doubts externally about the independence of its foreign policy decision making.

Nevertheless, the fact remains that for India, its relationship with the US has become the most important one. The range of engagement with the US, reflected in several dialogues in diverse areas that the two countries are holding — whether it is in the field of energy, education, agriculture, health, development, science and technology, environment, trade, defense, counter-terrorism, non-proliferation, high technology and the like — far exceeds that with any other country.

The objective is to build Indian capacities in a number of sectors with US technology and know-how, a process that would help India to develop and grow even as the US gets greater access to the expanding Indian economy.

India and the US have had to overcome a difficult legacy. It can be argued that, over decades, the US has done much damage to India's strategic interests by hamstringing its efforts to develop nuclear and missile technologies, imposing sanctions on India in these areas, denying India high and dual use technologies, overlooking Pakistan's acquisition of nuclear and missile technologies from China, politically subverting Indian sovereignty over Jammu and Kashmir by interventions on Pakistan's behalf, arming Pakistan against India, and unleashing Islamic extremism in the region by its decision to use jihadi groups to fight the Soviet Union in Afghanistan.

Progress has been made, even though unevenly, in overcoming this unfortunate legacy.

The change in mutual perceptions began with the Vajpayee government, with the then Indian leadership speaking of India and the US as 'natural allies' and taking the initiative to engage the US on divisive strategic issues, especially nuclear and high technology ones.

The slow progress being made was put into really high gear by President Bush, leading to the 2005 India-US civilian nuclear deal and the Nuclear Suppliers Group exception for India, for which the US undoubtedly did the 'heavy-lifting.'

This deal, however controversial it became in India because of some crucial concessions extracted from India

The plateau is at a high elevation today

The medium and longer term prospects remain very positive for the India-US relationship, feels **KANWAL SIBAL**.



The landmark meeting of Pakistan President Yahya Khan with President Richard Nixon in 1969. India and the US have had to overcome a difficult legacy, much of it involving US ties with Pakistan, but overcome we have.

WIKIMEDIA COMMONS

and the misleading hype about its energy potential created by its supporters, the fact is that non-proliferation issues blighting India's bilateral relationship with the US and pitted India against the majority of the international community for decades have been removed from the agenda, which constitutes a solid political and diplomatic gain.

Flowing from this, India has been able to sign civilian cooperation agreements with several other countries, including Canada, with progress in negotiations with Australia and hopeful prospects of an agreement with Japan. India has been able to secure raw uranium for its reactors, overcoming an immediate problem that the Indian nuclear sector faced.

As a result of the US-India nuclear deal, sanctions on almost all Indian entities have been lifted and high technology export controls for India have been eased to a degree. The US has committed itself to promoting India's membership of the four technology denial regimes, namely, the NSG, the Missile Technology Control Regime, the Wassenaar Agreement and the Australia Group, which when it happens will integrate India into the global non-proliferation regimes as a non-NPT member.

India's task will be to prod the US to implement this commitment at the earliest and not use it as a bargaining point to extract more concessions from India in non-proliferation related areas.

The US position on India's permanent membership of the United Nations Security Council has evolved positively and

has contributed to the sentiment in India that the US is now ready to open the strategic space that India claims for itself. Actual membership will be a prolonged process and will not depend on US alone, though the US position on expansion will remain crucial.

The US attaches importance to the bilateral dialogue on global commons — air, space, sea and cyber. It is emphasizing the partnership with India in defining the rules. The intention is to ensure that as India rises and seeks a change in the international rules so far defined by the West, it does so closely with the US so that any disruptive initiatives get forestalled.

In addition, the US seeks burden-sharing in upholding the international system from which it feels others benefit without assuming responsibility. The dialogue on the global commons is intended to steer India towards burden-sharing.

In the maritime domain, freedom of navigation and securing the sea lanes of communication are areas where the US would have particular interest in partnering India, given India's dominating position in the Indian Ocean and the steady expansion of its navy.

In the new area of cyberspace, cyber security has become a matter of urgent international attention and India's emergence as a major IT power, along with the vast expansion of its telecommunications network, makes India a partner of

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choice to establish new rules of the game.

The dramatic change in India's defense ties with the US in the last decade signifies a notable reduction of the trust deficit between the two countries, given the history of US sanctions and its practice of imposing arms embargoes in situations of tension and conflict.

In the last five years or so, the US has bagged orders worth about \$9 billion, whether for C-130 and C-17 heavy lift aircraft, advanced maritime reconnaissance aircraft, attack helicopters and VIP helicopters etc. The US lost out in the competition for the 126 combat aircraft contract, a setback that it did not easily absorb, as it expects a greater share of Indian defense procurements as a testimony of India's seriousness in treating it as a long term strategic partner. India has baulked at signing the inter-operability agreement (CISMOA), the logistics agreement (LSA) and the agreement to have access to high defense technology (BECA).

India remains reticent about tying up too much with the US in the defense domain lest it is perceived as having moved too much into the US defense orbit and compromising the independence of its policies. The US is, wisely, no longer insisting on signing them, leaving India to decide as opportune.

What balances this reticence are the numerous joint military exercises with the US involving the three arms. The naval exercises in the Indian Ocean area have been particularly elaborate, involving even aircraft carriers, submarines etc on both sides, which sends an important strategic message because these waters are crucial for the trade and energy flows for China and other East Asian countries. The US, India and Japan also held the first trilateral naval exercise off the coast of Japan in 2012, though India is inexplicably reticent about such trilateral exercises in the Indian Ocean.

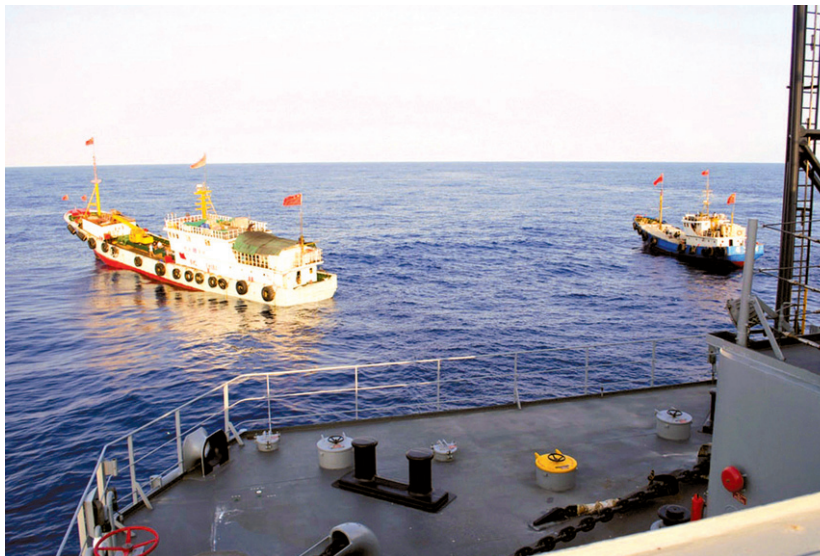
The US move to establish a strategic partnership with India, symbolized by the nuclear deal, has the rise of China as an underlying motivation, though this is not acknowledged officially. Chinese commentators interpret this relationship as a move against China, though they find India's attachment to independent decision making as a reassuring element.

The US has described India as a lynchpin of its pivot or rebalancing towards Asia. While caution is exercised in not making it appear that this initiative is directed at China, the reality is that the rise of China and its growing muscle-flexing, as is evident in its conduct in the South China Sea, requires the US to signal its intention to maintain and reinforce its presence in Asia to give confidence to its allies who may otherwise seek accommodation with China at the expense of the US.

In this the US clearly sees India as a vital partner given India's several attributes that makes it a credible power to rival China in the years ahead. India, however, is wary of this re-balancing strategy as it doubts the capacity and inclination of the US to contain China beyond a certain point because of the huge economic and financial interdependence between the two countries. India would like to avoid becoming collateral damage in an unclear US strategy towards China.

On the issues of terrorism and religious extremism, while bilateral cooperation in the area of counter-terrorism has progressed, US policies have an element of ambivalence

The plateau is at a high elevation today



US NAVY/REUTERS

Chinese trawlers in the vicinity of the USNS Impeccable in the South China Sea, 2009. While caution is exercised in not making it appear that the US' pivot to India is directed at China, the reality is that the latter's muscle-flexing, as seen in the South China Sea, requires the US to reinforce its presence in Asia.

that undermines Indian interests. The principal US focus is on Al Qaeda and its affiliates, but not on the Taliban whom the US seems ready to accommodate so long as it commits itself to cutting off its links with Al Qaeda and not permit terrorism from areas under its control directed at the West.

For this reason India and the US have difficulty in remaining on the same page on the Afghanistan issue, as well as on some aspects of US policies towards Pakistan, whether it is the reluctance to apply the kind of pressure that Pakistan merits in view of its profound terrorist affiliations to force it to break these links, or contain the ambitions of the Pakistani military in Afghanistan. US arms aid to Pakistan remains an issue, even though India downplays it so as not to vitiate the atmosphere of the dialogue with Pakistan.

On Afghanistan, in the course of the decade, the US has moved from a seriously distorted analysis of the situation that looked for a solution through a resolution of the Kashmir issue to a more realistic position which took into account Pakistan's double-faced Afghan policy.

Initially, the US opposed any significant Indian presence in Afghanistan because of Pakistani sensitivities but moved towards welcoming Indian economic assistance effort there and even seeking to do cooperative projects with India. The US has discouraged India from defense cooperation with Afghanistan other than providing training to Afghan security forces within limits, though the Afghan government is pressing India to even supply combat equipment.

India has been able to establish its presence on the ground in Afghanistan because of the security cover provided by the US. With the impending US withdrawal, India will face new challenges from the Taliban forces. The US decision to open a dialogue with the Taliban disregards India's strong objection to any political accommodation with it without insisting on the red lines laid down by the international community on the subject. The US decision to leave Afghanistan in 2014 in conditions permitting an orderly withdrawal with the help of the Pakistani military

creates a potential security problem for India.

The US awareness of Pakistan's double-dealing on terrorism, highlighted by the shelter given to Osama bin Laden on its soil and refusal to act against the Haqqani Network, has not resulted in any clear US policy of dealing with the country on the basis of its duplicitous conduct.

The US continues its failed policy of offering carrots to Pakistan, which include even military aid, in the hope of buying its cooperation. The result is that Pakistan is able to manipulate the US to serve its purpose in crucial areas despite under currents of tensions between the two countries. At one stage it appeared that the US had de-hyphenated India and Pakistan, especially in nuclear matters, but the element of hyphenation has not altogether disappeared, as the US does defer to Pakistani sensitivities towards India to some extent. On the whole, though, it can be said that India-US relations have in the last decade acquired a different trajectory than US-Pakistan relations.

The Iranian issue has created wrinkles in the bilateral relationship as US sanctions have interfered with India's energy security, forcing India to reduce its oil intake from Iran quite drastically and impeding any Indian investment in attractive long-term projects in the oil and gas sector in Iran. The US linking of the nuclear deal with India's policy towards Iran and India's vote against Iran in the IAEA to satisfy US expectations have been factors in creating the perception that the US relationship carries costs in terms of independence of decision-making.

The talk of strategic autonomy, which is a code word for not aligning India with US/Western positions on international issues, unsurprisingly, finds disfavor in US circles, though for the first time an American leader, to wit US Vice President Biden, during his recent visit to India declared that he saw no contradiction between strategic autonomy precious to India and India's strategic partnership with the US.

The last decade has also seen a significant expansion of India-US economic ties, with trade in goods standing at \$62 billion and the total exchanges, including investment, amounting to over \$100 billion, making the US the largest economic partner of India.

The India-US bilateral economic agenda is, as noted earlier, is exceptionally wide-ranging. Progress has been slow in most areas, partly because the Indian reforms process has slowed down, the ceilings on FDI in sectors of the economy of interest to the US have not been raised and enabling legislation in areas like education has not been passed as yet. These are areas, however, where reforms will undoubtedly occur in time, with some movement to raise the ceilings in the financial sector.

The prospects of nuclear cooperation with the US have dimmed because of India's nuclear liability act, much to the disappointment of the US side which had counted on large opportunities for its companies in this sector. The US side is pressing for signing an 'early works agreement' between Westinghouse and NPCIL to register some progress in the fulfillment of India's commitment to the US to order 10,000 MWs of nuclear power from US reactors at two

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While expectations for the US-India partnership are lower than they were four years ago, **LISA CURTIS** feels this is not entirely a bad thing.

Indian Prime Minister Manmohan Singh's September 27 meetings in Washington are unlikely to generate the same level of enthusiasm as his November 2009 visit. At that time, there were high expectations in Washington that India would play a crucial role in US foreign policy, as evidenced by the fact that Singh made the first State-level visit of Obama's first term.

Four years later, US leaders have adopted a more measured, and likely more realistic, view of the partnership. They have been chastened by stalled Indian economic reforms, lack of closure on the much-heralded civil nuclear deal, and modest levels of defense trade that have fallen short of expectations.

The Indian parliament's passage of nuclear liability legislation in August 2010 that complicated US companies' ability to participate in India's civil nuclear sector and India's decision in the spring of 2011 to buy French, rather than American, fighter jets came as major disappointments for the US.

Strategic Logic of Ties Still Stands

Yet widen the lens beyond the bilateral sticking points to the broader Asian landscape and the logic behind a strong Indo-US partnership still stands.

Both India and the US share concerns about the growing maritime ambitions of China — a country that is party to disputes with virtually all of its neighbors. India also is feeling the pressure of China's rise on its land borders, where the Chinese have recently increased construction projects and fueled border tensions with assertive troop movements.

US strategists generally believe that investing in India is still worthwhile. But India should not take that support for granted.

Singh will need to demonstrate that Indian leaders also value the importance of strategic ties with America. India's foreign policy has drifted over the last three years, and some Indian policymakers and commentators have even lapsed into Cold War era-thinking, arguing that India should revive its policy of non-alignment as a way to balance relations between the US and China.

The September 27 meeting with President Obama is an opportunity for Singh to show the kind of pro-US stance he so memorably displayed during his 2009 visit. In the midst of the American financial crisis, the Indian prime minister went out of his way to show support for American power by praising the resilience of the American economy and calling the US economic downturn a 'temporary setback.'

A close relationship with the US — not a military alliance — will help India maintain its long-held tradition of exercising strategic autonomy. Instead of keeping the US at arm's distance, with the hope of placating the Chinese, India should be drawing closer to the US in ways that solidify and build trust in the partnership, which will deter the Chinese from pursuing a more aggressive posture toward India.

In a report released earlier this year by the Heritage Foundation and the New Delhi-based Observer Research Foundation, titled *Beyond the Plateau in US-India Relations*, researchers highlighted that New Delhi and



MANSI THAPLIYAL/REUTERS

A protest against possible US military action against Syria outside the US embassy in New Delhi, September 7. The decision over what to do about Syria could become a distraction during the Obama-Singh meet, but the author believes both leaders should agree to disagree up front and move on to other issues.

Restoring US confidence in the Relationship

Washington need each other now more than ever before. In particular, they have an interest in encouraging responsible Chinese behavior and peaceful management of its territorial disputes and security of the Indo-Pacific waters.

Push for Deliverables

The announcement of a new policy or initiative in the defense arena would certainly help overcome the feeling of malaise in the relationship. The two sides have been working diligently behind the scenes on the 'Defense Technology Initiative' then Secretary of Defense Leon Panetta launched nearly a year ago. The initiative is aimed at streamlining each country's respective bureaucratic processes to encourage more defense trade.

The other area ripe for movement is the languishing civil nuclear agreement. Secretary of State John Kerry said during his July visit to India that the two sides were close to finalizing a commercial agreement between Westinghouse and the Nuclear Power Corporation of India that would allow preliminary work to be done in areas of licensing and site development.

The glacial pace of these negotiations has raised doubts that US firms will ever gain access to India's nuclear industry, despite that US pressure was critical to obtaining the Nuclear Suppliers Group waiver that allowed India to receive nuclear technology and fuel for the first time in forty years.

Finally, the US is looking to India to take steps that will ameliorate US business concerns about Indian trade barriers and foreign investment restrictions. Frustration within the US business community and Congress on this issue is

peaking. US House and Senate Congressional committees recently requested the US International Trade Commission to investigate the impact of Indian protectionist policies on US exports and investments.

Staying Focused, Realistic

The decision over what to do about Syria could become a distraction from the Obama-Singh meet. The fact that the Obama administration and Singh government widely disagree on the issue might be difficult to paper over.

India says it will not support any military action against Syria without the approval of the UN Security Council, while President Obama has decided not to bring the issue to the UNSC, where Russia and China would undoubtedly veto it. Both leaders should agree to disagree up front and move on to other issues.

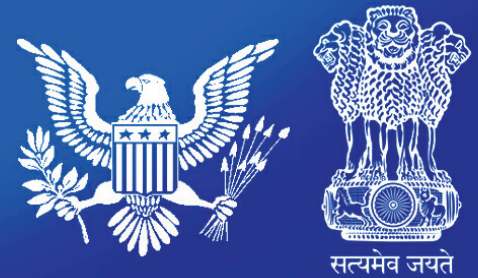
While expectations for the US-India partnership are lower than they were four years ago, this is not entirely a bad thing. With a better understanding of each other's core concerns and limitations, the two sides can narrow their focus to issues of overlapping interest, while avoiding areas in which there is little common interest.

With a narrower and more defined approach to the relationship, the two sides may find it easier to reach agreement on an issue or two.



Lisa Curtis is the Senior Research Fellow on South Asia at the Asian Studies Center at the Heritage Foundation.

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The Challenge for Obama and Singh

Will there be a meeting of minds? Can there be a meeting of minds? Or, will the two leaders bid farewell to each other, leaving it to their successors to re-invent and rescue the relationship, asks **SANJAYA BARU.**

Read through the several speeches on India-United States relations of Prime Ministers P V Narasimha Rao, Atal Bihari Vajpayee and Manmohan Singh, delivered at various venues in Washington DC, New York and New Delhi between 1991 and 2009, you will see a consistent and a shared underlying view being articulated, despite differences of nuance, emphasis and style.

India's post-Cold War strategy towards the world in general and the US in particular was shaped by these three prime ministers. As Rao's finance minister Manmohan Singh endorsed and shared Rao's worldview. Prime Minister Vajpayee took forward the relationship taking, what were naturally defined as, the 'Next Steps in Strategic Partnership, NSSP.'

The first important foreign policy initiative that Prime Minister Singh took was to authorize his National Security Advisor, J N Dixit, to initiate NSSP-2. The seeds of the India-US civil nuclear cooperation agreement were sowed in NSSP-1 and came to fruition with NSSP-2.

When Prime Minister Vajpayee famously described India and the United States as 'natural allies' at the Asia Society in New York in September 1998, eyebrows were raised both in New Delhi and Washington, DC. However, within two years a distinguished American scholar and strategist, Condoleezza Rice, responded to that remark with her own formulation of why the US should seek partnership with India. ('Campaign 2000: Promoting the National Interest' *Foreign Affairs*, January-February 2000.)

Vajpayee had listed three 'incomprehensible' hurdles, from India's viewpoint, to such a partnership: First, the US stance on India's global role (read: Membership of the United Nations Security Council); second, subjecting India to technology denial and export control regimes (read: Not



INDIA ABROAD ARCHIVES



INDIA ABROAD ARCHIVES

When Vajpayee famously described India and the US as 'natural allies' at the Asia Society in New York in 1998, eyebrows were raised. But the US responded positively to it within two years.

recognizing India as a legitimate nuclear weapons power); third, a policy stance in South Asia that goes against India's 'basic irreducible security needs.' (Read: The US position on the Kashmir issue); finally, a lack of understanding in the US of India's strategic interests vis-à-vis China and Russia.

President Bill Clinton straightaway addressed the concern on Pakistan by using the opportunity provided by General Pervez Musharraf's Kargil misadventure and accepting the Indian view that the 'Line of Control' in Jammu and Kashmir ought to be treated as the 'international border' between the two countries.

The NSSP was launched to address the technology denial

India's post-Cold War strategy towards the US was shaped by Prime Ministers P V Narasimha Rao, left, Atal Bihari Vajpayee and Manmohan Singh. As Rao's finance minister, Singh, seated right, endorsed and shared his worldview. Vajpayee took forward the relationship.

issues. The US held out on supporting India's claim for UNSC membership till President Barack Obama agreed to do so when he visited India in November 2010.

However, this entire process of coming to terms with India's rise and its decision to declare itself a Nuclear Weapons State divided the US policy establishment into pro-India and anti-India lobbies, and the period 1998 to 2004 witnessed vigorous debates within the US and Indian foreign policy communities on the pros and cons of the two countries becoming 'natural allies.'

Two events may have influenced the course of the subsequent discourse. First, a 'collision' between a US Navy plane and a Chinese PLA fighter jet near Hainan in the South China Sea in April 2001, months after George W Bush was elected President. Second, the 9/11 terror attacks in New York later that year. The first incident signaled the rise of Chinese power in East Asia. The second incident signaled the escalation of the threat posed by Islamic jihadism.

In 1998, when Prime Minister Vajpayee wrote a letter to President Clinton explaining that India's decision to conduct nuclear tests was shaped by China's emergence as a major nuclear power in her neighborhood, President Clinton shared this letter with the Chinese leadership. He went a step further and issued a joint statement in Beijing offering legitimacy to Chinese interests in South Asia.

By 2001 the US began to realize that both these decisions were wrong and the time had come for the US to give greater weight to Indian, and other Asian, concerns about the rise of Chinese power.

Similarly, through the 1990s India repeatedly drew US attention to the rise of radical Islam and its growing links with terrorism. The US ignored those warnings, particularly in the context of the Indian sub-continent, giving legitimacy to Pakistani views that terror attacks against India were carried out by Kashmiri 'freedom fighters.' The Al Qaeda attack in New York helped clarify this nonsense.

Terrorists were terrorists, whatever their demand, their motivation and the sources of their anger. As Prime Minister Singh told Congress in July 2005, 'Terrorism anywhere is a threat to peace and security everywhere.'

It was President Bush's clear and categorical recognition of the strategic challenge to the United States posed by the rise of Islamic radicalism and jihadi terrorism, on the one hand, and the rise of Chinese power, on the other, that forced Washington to re-assess its views about India and India's place in Asia and the world.

Consider once again the common elements of the message from New Delhi to Washington articulated by successive governments. The speeches of Prime Ministers Rao, Vajpayee and Dr Singh's very first speech in New York in

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Each side should designate a senior official charged with keeping the US-India relationship on track, recommends
RICHARD FONTAINE.

Prime Minister Manmohan Singh's visit to Washington comes at a time of doubt. Some analysts point to India's stalled economic reforms and slowing growth and question the country's future trajectory. Other commentators express reservations about the salience of US-India relations and uncertainty over how India fits into Washington's 'rebalance' to Asia.

And from one perspective, the glass can indeed appear half empty. Yet the US-India relationship enjoys bipartisan support in both countries, and the underlying strategic logic remains sound. Building on this foundation will require able stewardship in both Washington and New Delhi.

The differences and divisions have taken center stage in recent months. India and the United States are, after all, two large and messy democracies whose political systems respond at least as much to domestic pressures as they do to foreign policy opportunities.

Thus, American businesses complain of unfair tax treatment and regulatory barriers to trade and investment in India, which can have strategic impact in a relationship driven in part by rapidly expanding economic ties.

Indian high-tech companies worry about provisions in the immigration bill under debate in Congress that would tighten H1-B visa rules, to Indian firms's possible detriment.

At the same time, the landmark civilian nuclear cooperation agreement, which formed the 'big idea' of the bilateral relationship several years ago, remains unfulfilled due to differences over India's nuclear liability law.

Washington and New Delhi have differed over sanctioning Iran, and Indian policymakers express concern about America's commitment — or lack thereof — to Afghanistan after 2014. And though military ties have improved rapidly over the past decade, key defense agreements remain unsigned.

All this seems a far cry from the heady days when American and Indian leaders first referred to the two countries as 'natural allies.'

Or when Congress took unprecedented steps to carve out an exception for India under existing nonproliferation laws.

Or when President Barack Obama, in a dramatic speech before the Indian Parliament in 2010, declared that the United States supports New Delhi's pursuit of permanent membership on the United Nations Security Council.

Yet, despite drift in some key areas of the relationship, its underlying strategic rationale remains. Washington is rebalancing its foreign policy to Asia, attempting to allot that region greater diplomatic attention, military resources and commercial agreements than it has received in the past.

This shift is merited in light of the Indo-Pacific's future role as a key engine of global economic growth and potential locus of strategic competition. Washington should seek to ensure that the major democratic players across



The US Senate's Gang on Eight, who crafted comprehensive legislation to overhaul the immigration system, in Washington, April 18. The differences and divisions that have taken center stage in the US-India relationship in recent months include the immigration bill, which is now under debate in Congress.

Singh and Obama must look ahead

the region are strong and enjoy close ties with the United States.

India will have a key role to play in this future. Neither India nor the US will wish to contain China, with which they have mutually dependent economic ties, but both will welcome strong partners to help shape and maintain the global rules to which China and all other nations will be subject.

Moving toward this strategic vision has in the past required two key elements: Ownership of the relationship at the highest levels of both governments and a big idea on which to focus the two sides's considerable energies.

Prime Minister Singh's visit could catalyze the former; each side should designate a senior official charged with keeping the US-India relationship on track.

Identifying a major objective is more difficult. One option would be to focus on a significant expansion of the trade relationship. While there has been little progress in the negotiations over a bilateral investment treaty, the two sides could raise their sights and agree on a broad framework for an eventual free trade agreement.

There are obvious difficulties inherent in such a step, particularly given India's looming parliamentary elections, but with other pacts in the offing — including an India-European Union free trade agreement and the multilateral Trans-Pacific Partnership, which includes the United States but not India — identifying ways to put into place the building blocks of a stronger economic relationship would benefit both sides.

The prime minister's visit holds the potential to move

the relationship forward significantly for the first time since 2010. In the wake of Obama's visit to India that year, Washington relaxed its export controls to permit the transfer of technology to India, built on its successful counter-terrorism cooperation with New Delhi and expanded its rich dialogue on Asia.

The two sides will no doubt search once again for deliverables to mark the occasion. Yet sketching out a shared vision of the relationship will be just as important.

For Washington's part, this will require articulating India's centrality in the pantheon of American foreign policy priorities and demonstrating that a strong, prosperous, India is manifestly in the United States's interest.

It has become nearly a cliché to remark that the US-India relationship is one between the world's oldest democracy and the world's biggest democracy. The truism cuts both ways, however, and the messiest of democratic politics puts a premium on foreign policy leadership.

During this important visit, President Obama and Prime Minister Singh have the opportunity to demonstrate the value of these critical ties.



Richard Fontaine is the President, Center for a New American Security. He is the co-author of *Natural Allies: A Blueprint for the Future of US-India Relations*.

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The Challenge for Obama and Singh

September 2004, at the Council on Foreign Relations, carried the same message. That the US must first recognize that pluralism and democracy were under threat and, second, that the US and India had a shared interest in defending both. The message was finally heard by President Bush.

Whatever the mistakes President Bush may have made in his domestic economic policies and foreign policy, the one thing he got right was his Indian policy. When American critics of President Bush would tell me that Bush had a simplistic view of the world and he thought of it in binary 'black and white' terms — the good guys and bad guys — my response would be that while this may be true the fact is that as an Indian I would not deride him because he thought we were the 'good guys'!

That simple idea constituted the foundation of the new strategic partnership between India and the US. May be we were not yet 'natural allies,' as Mr Vajpayee claimed, but we were both on the same side. We were the 'good guys,' and the US wanted to help.

The new partnership built by President Bush and Prime Minister Singh was based on the recognition by both countries that each one's economic growth was good for the other and that the two could work together to create a global environment conducive to their economic betterment and global political stability.

The US could help India gain strategic space that would enable its economic rise, and India could help fuel the engines of US economic growth, which in turn would widen US's strategic space. The wide range of issues on which India and the US agreed to cooperate and help each other was defined by this perspective.

There were and remain skeptics and naysayers in both countries. Both leaders brushed aside such skeptics and ignored the naysayers to build a new strategic partnership.

However, two developments have since contributed to a weakening of this partnership.

First, President Bush's decision to go into Iraq and the subsequent course of events in West Asia weakened one of the pillars of the strategic partnership. Things became worse when President Obama defined a timetable of transition in Afghanistan without paying much attention to



KEVIN LAMARQU/REUTERS

India's strategic concerns. Then came the Arab Spring and its aftermath — a sectarian conflict in the Middle East and West Asia.

As home to the second largest community of Muslims in the world, India could not sit idly and go along with every cynical move of the West in the region.

Second, the 2008-2009 trans-Atlantic economic and financial crisis weakened the US commitment to India's economic rise (India also weakened its own case by the positions it adopted on World Trade Organization's Doha Development Round and the various policy initiatives it took at home).

To make matters worse, for India, the economic slowdown increased the importance of China for the US and much of Asia. (Fortunately, for India, China weakened its own case with its hubris and its strategic overreach within Asia). The talk of a 'G-2' — a condominium between the US and China — emanating from US think tanks in the vicinity of the White House forced India to re-think its own strategic options. India responded in a tentative sort of way with a half-baked theory dubbed 'Non-alignment 2.0.'

President George W. Bush, right, and Indian Prime Minister Manmohan Singh at the White House in 2005. According to Sanjaya Baru, whatever the mistakes Bush may have made in his domestic economic policies and foreign policy, the one thing he got right was his Indian policy.

The 'first steps' (Clinton), the 'next steps' (Bush-1) and the 'decisive steps' (Bush-2) in India-US strategic partnership were not followed up during Dr Singh's second term in office and Obama's first term. Rather, the upturn in the curve witnessed during 1998-2008 was followed by a downturn in 2009-2013.

President Obama and Prime Minister Singh meet in Washington, DC against this background. Their domestic economic situation and the messy state of affairs in Asia to India's west will weigh on both their minds. So too will China's continuing rise and its renewed assertiveness in Eurasia writ large.

But, will there be a meeting of minds? Can there be a meeting of minds? Or, will the two bid farewell to each other, leaving it to

their successors to re-invent and rescue the relationship?

If the two interlocutors in the Oval Room want to leave behind a legacy worth remembering them for as far as India-US relations are concerned they will have to shred the papers written for them by their aides over the past four years (Obama-1 and Singh-2) and re-invent the relationship.

The events and the thinking of Obama-1 and Singh-2 require the re-launch of the partnership. Both countries have, therefore, to take 'New Steps' for a new strategic partnership taking into account the new developments that have come to define the world since 2008.



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The plateau is at a high elevation today

sites.

Other issues have contributed to a distinct lowering of enthusiasm for the India relationship in the US, such as perceived Indian protectionism exemplified by India's Preferential Market Access decision to force foreign companies to set up manufacturing facilities in the telecom sector in India, the Indian Supreme Court judgment on the patents issue which has exacerbated concerns about IPRs and the retroactive application of India's tax legislation as in the Vodafone case.

The US corporate mood towards Indian has soured of late, and this needs to be reversed. The US is pushing for a Bilateral Investment Treaty. On climate change and WTO-related issues, India and the US have unbridged differences. The general view is that the relationship is now suffering from the fatigue factor.

The slowdown in India's growth and other structural problems that have appeared in the Indian economy have taken the shine off the India story for the time

being, but the medium and longer term prospects remain very positive for the India-US relationship.

On the Indian side, India has problems with the new Comprehensive Immigration Bill that will put more restrictions on movement of personnel from India to the US in the IT sector, the increased cost of H1B and L1 visas that will impose sizable costs on the Indian IT sector and the whole

campaign against outsourcing led by the White House. India has its own concerns about US protectionism and

market access for some of its products, which don't receive a sympathetic response.

All in all, however, ties with the US are decidedly better than they were a decade ago. Even if the relationship has 'plateau-ed' as some say, the plateau is at a high elevation today.



Ambassador Kanwal Sibal is a former Foreign Secretary of India.

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Nothing has changed in the fundamental character and potential of the US-India relationship, says
MARSHALL M BOUTON.

In the old days, before 2000, the India-US relationship was frequently compared to a roller coaster because it swung rapidly but predictably between high highs and low lows. Beginning in 2000, when President Bill Clinton's historic visit to India seemed to change the character of the relationship almost overnight, many thought those roller coaster swings in US-India ties were behind us. As Prime Minister Singh's upcoming summit with President Obama approaches, however, we have to question whether those bad days are back. In fact, the roller coaster of US-India relations has reached lows not seen since 1999.

Today if you talk to administration officials about India they express disillusionment with the promise of India-US relations that seemed so bright just a few years ago. And if you talk to American business leaders, you will find greater disappointment and sometimes anger over what they see as India's increasing barriers and even hostility to foreign investment. Many of them are voting with their dollars and not increasing or even reducing their investments in India.

Now make no mistake. The India-US relationship today looks very different from what it was in 1999 not to mention a decade earlier, before the onset of India's economic reforms. In the decade after 1999 those reforms led to a quadrupling of bilateral trade and large increases in American investment in India. In 1999, official relations were nearly frozen as the US imposed sanctions following India's May 1998 nuclear tests.

Today, as a result of the historic civil nuclear accord completed in 2008, India is accepted internationally as a nuclear weapons state and virtually all of the US sanctions have been lifted. In 1999 meaningful defense cooperation was nonexistent. In recent years India has purchased nearly \$9 billion worth of US military equipment, with more orders likely to be placed soon, and the US has more joint exercises with India than with any other country.

In a reflection of all these changes, India has been seen and described by US leaders as a strategic partner of the US in Asia and globally.

So what has happened more recently to renew the sense of estrangement, Dennis Kux's memorable term, between the world's oldest and the world largest democracies? Most importantly, the reality and the prospect of India's economic success has faded in just the last few years, at least in the perceptions of many observers. Economic ties are the ballast in the India-US relationship and are essential to keeping the relationship on a steady course, especially when the political winds turn stormy.

Those seas can be rough even now. Despite the end of the Cold War world, and even in the face of a newly assertive Chinese role in Asia, US-India political relations were bound to be mixed and uncertain. The US is often too preoccupied with other problems at home and abroad to be consistent in its efforts to deepen the mutual understanding needed for steady improvement in political ties.



KRISHNENDU HALDER/REUTERS

A Bharti Wal-Mart Best Price Modern wholesale store in Hyderabad, Andhra Pradesh. India's slowing economic growth, and restrictive and protectionist economic policies have undercut the confidence of American investors, but nothing has changed in the fundamental character and potential of ties between the two nations.

Renewing the Promise

India for its part is still hesitant, sometimes downright ornery about its engagement with the US, whether out of conviction that its international autonomy is threatened or just because of lingering distrust of the US.

But when the two economies are increasingly linked in mutually beneficial ways, not only is there countervailing momentum in the relationship, but on both sides there are more advocates for keeping the relationship moving forward.

Unfortunately though, the failure of the UPA II government to pursue second generation economic reforms, the dramatic slowing of India's economic growth, the advent of restrictive and protectionist economic policies that almost seemed designed to alienate foreign investors, and a series of scandals and political diversions have dramatically undercut the confidence of American investors and created a gloomy outlook among observers of the Indian economic scene.

India's economic and political slide in recent years has also caused many analysts and some leaders to question whether India's domestic troubles will so preoccupy it for many years to come that it will not be the strong international partner for the United States that many had expected it would become.

Against this background we must question what the meeting of Prime Minister Singh and President Obama will accomplish. Even though the relationship may be strained, there is much on the South Asian and international scene that will concern both leaders.

The regional impact of the US withdrawal from Afghanistan will be hugely consequential for India. The prime minister has openly expressed his concern about the impact on the Indian and other emerging

market economies of the policies of the Federal Reserve. Increasing tensions and exchanges of fire between India and Pakistan along the Line of Control in Kashmir will no doubt be discussed. Both leaders will exchange views again about China's policies and behavior in the Asian region and what they mean.

But to the extent the two leaders focus on the bilateral relationship, their ability to shape policies and actions that will help reverse the recent slide in bilateral relations is limited. India will have a national election within the next nine months. President Obama has a very full agenda internationally and domestically over the next several months.

Still, the Summit is an opportunity for Prime Minister Singh and President Obama to reaffirm the commitment of their governments to renewing the progress and the promise of India-US relations.

Despite the recent reverses, nothing has changed in the fundamental character and potential of ties between the two nations. Most basically, the US's greatest interest in the relationship is in fact India's success at home — its economic development, stability and openness. That alone would do a great deal to help ensure peace and prosperity in Asia and the world over the longer term.



Marshall Bouton is president emeritus, Chicago Council on Global Affairs; he helmed the organization from 2001 to 2013. He is Managing Director, Hills and Company International Consultants, and a Senior Fellow at the Center for Advanced Study of India, University of Pennsylvania.

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Washington and New Delhi are no longer courting teenagers in the throes of first love, but a comfortably established couple where heated ardor has given way to settled

routine, notes
ROBERT M HATHAWAY.

The US capital, sunk in gloom and self-absorption, awaits the arrival of Manmohan Singh on what is probably his last visit to Washington before stepping down as prime minister. At moments like this, I miss my old boss Steve Solarz.

Representative Stephen J Solarz, often called 'India's best friend in Congress' by this newspaper, came to Washington in 1974 as a member of the famed 'Watergate class,' and served in the US House of Representatives for the next 18 years. His energy, smarts, and unrelenting focus on foreign policy fueled his quick ascent in the House Foreign Affairs Committee.

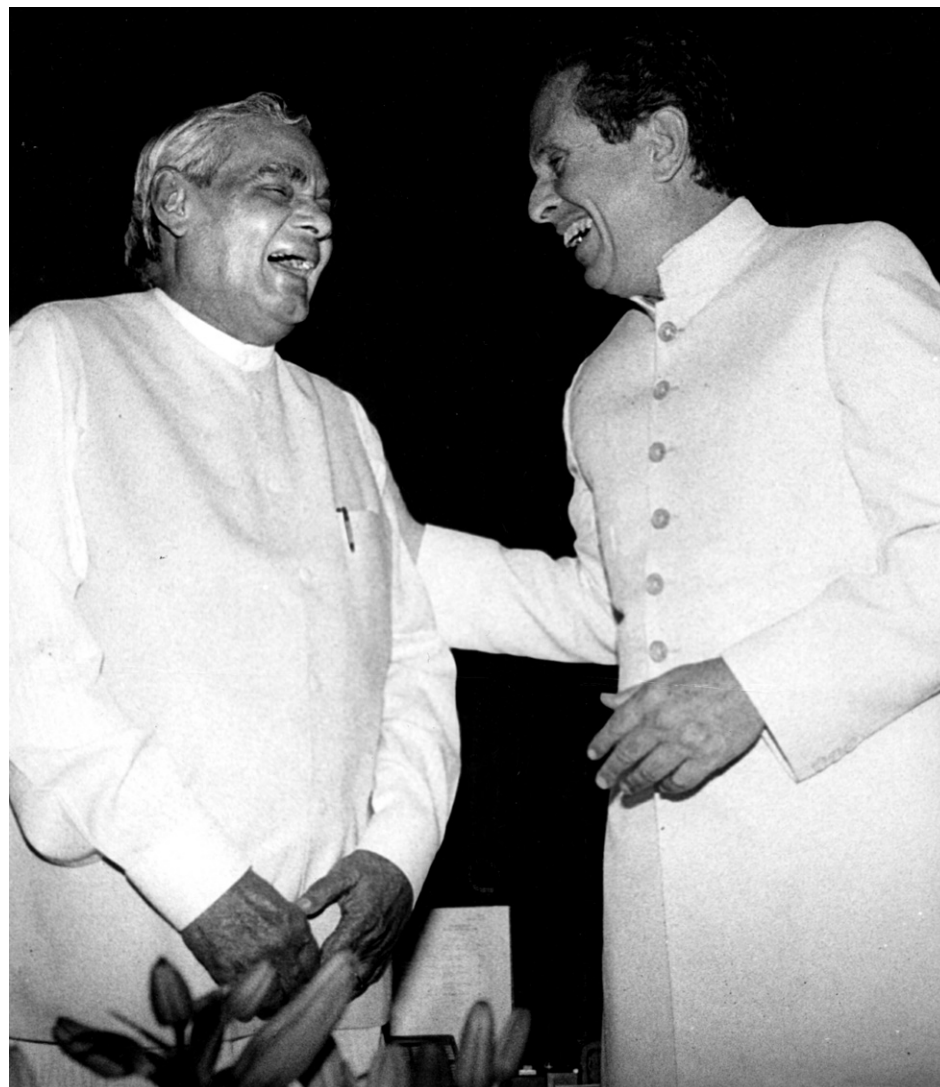
Originally, the chair of another subcommittee, he leaped in 1981 at the chance to head the Asia subcommittee, and was easily the best informed and most influential member of Congress on all things Asian until his electoral defeat and retirement in 1992.

Early in his career, Steve singled out India and US-Indian relations as one of his primary interests. Indeed, India was more than an interest; it became a passion. He was drawn to India's vibrant democracy. He admired the way in which Indians had resisted the examples of South Korea, Taiwan, and other countries that had pursued economic development at the cost of democratic freedoms.

In the 1970s and 1980s, with the Cold War raging and most of Washington viewing New Delhi as far too friendly toward Moscow, Steve's belief in the importance of close US ties with India placed him badly out of step with most of his Congressional colleagues.

Today, the India Caucus is perhaps the largest caucus in Congress. But it was not always so. Steve used to joke that in his day, the entire caucus could fit inside a telephone booth, with room to spare. (Older readers may have to explain that reference to this newspaper's younger readers, many of whom may never have seen a phone booth.)

On numerous occasions, as one of his subcommittee staffers, I accompanied Steve to the floor of the House, where he argued passionately — and usually successfully — against anti-India legislation. In those lonely days, Steve



Stephen Solarz, right, with then Indian Prime Minister Atal Bihari Vajpayee. Solarz was ever the optimist about India, some of his staff thought incurably so. But the past 20 years have shown how right he was to have bet on India, and its ties with the US.

INDIA ABROAD ARCHIVES

broader context of how far bilateral ties have progressed in recent years.

Let us not forget that it was only 15 years ago that the Clinton administration slapped sanctions on India because of its nuclear tests.

Even during the administration of George W Bush, who was and remains wildly popular in India, the revitalization of Washington's alliance with Pakistan and the US designation of Pakistan (but not India) as a major non-North Atlantic Treaty organization ally caused considerable anger and anguish in New Delhi.

The naysayers and the purveyors of gloom also ignore both the depth and the breadth of today's relationship, compared to only a decade ago. The two countries regularly — without much fanfare or even notice from the media — communicate, coordinate, and collaborate on issues ranging from geopolitics to disaster relief, from defense to health, from space to energy, from information technology to higher education.

It's important that we not romanticize this partnership. Some of the overblown language that both countries have used in the past to characterize the present and future of the relationship has contributed to unrealistic expectations, which in turn have led to dashed hopes and even the sense of having been let down that one hears from time to time today.

Nor should we ignore the disruptive issues that could destabilize bilateral ties. Visas, trade and investment, Iran, climate change, and — always — US ties to Pakistan unsettle the relationship.

Most urgently, as the US completes its troop withdrawal from Afghanistan next year that troubled country could increasingly become a source of serious discord between Washington and New Delhi.

India, unconvinced that the Afghans will be ready to assume full responsibility for their security, worries that the US departure will lead to chaos in the region, with India left holding the bag. Some war-weary Americans retort that India is perfectly willing to see the US fight in Afghanistan to the last American.

Nonetheless, as Prime Minister Singh visits Washington this month, both sides should celebrate the bilateral relationship — and the huge strides India has made over the past two decades. As India's prime minister for the past nine years, and as the chief architect of India's economic miracle stretching back to 1991, Singh perhaps more so than any other individual can appreciate the progress that has occurred, and justly claim some of the credit.

Steve Solarz was ever the optimist — some of his staff thought incurably so. But surely the past 20 years have shown how right he was to have bet on India, and on the ties between our two countries.



Robert M Hathaway directs the Asia program at the Woodrow Wilson Center. His latest book is the co-edited *New Security Challenges in Asia*.

Betting on India

was often the only member of Congress to speak out on behalf of India. Today, of course, members elbow each other out of the way to get to the podium to praise India and support cordial US-India ties. That is one of Steve's legacies.

Why resurrect these memories of a man now gone from Congress for more than 20 years? It's simple, really. At a moment when foreign policy mavens write of a malaise in ties between New Delhi and Washington, it's useful to recall just how far that partnership has come in a remarkably short period of time.

True, the sense of anticipation that surrounded the relationship a few years ago has somewhat dissipated. But in an odd way, this underscores the maturity of today's relationship. Washington and New Delhi are no longer courting teenagers in the throes of first love, but a comfortably established couple where heated ardor has given way to settled routine.

Sure, there are points of difference, even irritants, in the relationship, but these disagreements must be seen in the

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Dr Singh must leave the impression that India is a place where one can do business

The United States has strategic
and economic reasons to wish
him well on this, says
WALTER K ANDERSEN.

Dr Manmohan Singh on September 27 will make what is likely to be his final visit to Washington, DC as Prime Minister of India before his term ends in 2014. He will almost certainly take the opportunity to advance the resolution of differences regarding his greatest foreign policy triumph: The collaborative US-India effort in 2008 to end the international ban on selling India nuclear fuel and technology for peaceful use of nuclear energy without simultaneously demanding that India abandon its nuclear weapons program.

This agreement signaled America's support of India as a major actor on the world stage and reset the US-Indian relationship. Above all, the prime minister will want to set long-term goals in the bilateral relationship and thus dispel the perception of a loss of momentum.

In this period of close India-US relations, it is useful to remind ourselves of the deep reservoir of distrust not many years ago in each country regarding the other. This distrust was increasingly outdated in a new post Cold War era that altered strategic realities. Something dramatic was needed to overcome the popular distrust and reset the relationship.

Starting in 2005, just a year after assuming office, PM Singh and his US counterpart worked to achieve the required dramatic breakthrough. This culminated in the 2008 India-US nuclear deal that enabled India to import nuclear fuel and technology without requiring it to sign the 1970 Nuclear Nonproliferation Treaty that had denied nuclear weapons to any but the five countries possessing them in 1968.

India was not one of those five and, hence, refused to sign a treaty that would prohibit it from developing nuclear weapons and thus place India at a strategic disadvantage to next door nuclear capable China. The deal, however, faced major challenges in both the US Congress and the Indian Parliament, but Prime Minister Singh and President George W Bush pushed ahead because each clearly recognized that this action was necessary to reset the relationship so that both countries could better respond to the changed strategic situation in Asia.

The prime minister risked a vote of no-confidence in Parliament in the face of a formidable opposition, including some within his own party, who argued that the nuclear agreement would tie India irretrievably to US foreign policy



DANISH SIDDIQUI/REUTERS

Inside the General Motors plant in Maharashtra. The Indian prime minister will need to address the perception of potential American investors that the maze of intrusive Indian regulations, bureaucratic delays and corruption block New Delhi's recent moves to attract foreign investment and trade.

objectives. Key partners abandoned Singh's coalition government and the parliamentary vote was a razor thin 275 to 256 votes in the 543 member Lower House of Parliament. He recognized that a strong India, with or without a military alliance with the US, was in America's interest.

The deal was transformational. Replacing decades of distrust, each began to look at the other as a positive force in advancing its strategic objectives on combating terrorism, on working to keep the rise of China peaceful, and on insuring that critical Indian Ocean sea lanes over which move more than 80 percent of India's international trade are unimpeded.

India supported the presence of NATO troops in Afghanistan, as India is also a target of Al Qaeda and its Taliban allies. India has sanctioned more military maneuvers with the US than with any other country and is comfortable with the growing US military presence in the Asia Pacific region. India has purchased some of the most sophisticated military weapons in the US arsenal.

President Barack Obama on his very successful 2010 visit to India pledged US support for India as a permanent member in the UN Security Council.

Secretary of State Hillary Clinton in a June 2011 speech in Chennai spoke of India's growing international influence and encouraged India to assert itself even more.

Singh's government has appointed its most experienced diplomats as ambassador to the US, including the present Ambassador Nirupama Rao and soon to arrive Dr Subrahmanyam Jaishankar.

One could compare Singh's daring on the nuclear agreement to equally daring moves he made in the early 1990s as finance minister under then prime minister P V Narasimha Rao to set the Indian economy on a new more market oriented path that has led to a quadrupling of its GDP in some two decades.

In a series of brilliant moves soon after the inauguration of the Rao government in mid-1991, Singh as finance minister announced a dramatic set of reforms, perhaps the most prominent being the virtual dismantling of a licensing system that permitted intrusive government involvement in almost every area of the economy. That set of reforms also opened almost every area of

the economy to private enterprise, encouraged foreign direct investment, and dramatically lowered what had been one of the world's highest tariff structures.

One example of the growing role of private capital is infrastructure development, which Singh has pushed as key to further economic growth since becoming prime minister in 2004. In the 12th Five Year Plan (2012 to 2017), the private sector is to provide almost one half the trillion dollars in what is the world's largest infrastructure development program.

One could argue with the reform pace, but a democratic India must get the backing of major stakeholders and that often takes time. But the question today is not whether there will be reforms, but at what pace they will take place. Prime Minister Narasimha Rao, and every prime minister after him, has shaped Indian foreign policy around goal of growing the economy. On this, the US as the largest investor and trading partner plays a key role.

Prime Minister Singh's major goal on this visit is likely to dispel the growing perception in the US of a loss of momentum in the bilateral relationship. He will need to address the concerns of many US companies that Indian nuclear liability legislation places American corporations at a significant disadvantage in taking part in the rapid expansion of India's nuclear powered generating facilities. He will also need to address the perception of potential American investors that the maze of intrusive Indian regulations, bureaucratic delays and corruption block the prime minister's recent moves to attract foreign investment and trade.

With national elections less than a year away, it may be difficult for the prime minister to commit himself to policies that dispel these concerns. But he must leave the impression that India is a place where one can do business.

The United States has strategic and economic reasons to wish him well on this.



Walter K Andersen served as chief of the State Department's South Asia Division in the Office of Analysis for the Near East and South Asia. He is the Administrative Director of the South Asia Studies Program, Johns Hopkins University.

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If Manmohan Singh can reinforce, with greater conviction, the merits of better cooperation with the United States during his visit, it will cap an important aspect of his legacy as prime minister says
DHRUVA JAISHANKAR.

In 2008, Prime Minister Manmohan Singh famously staked the future of his government on improved relations with the United States. But his visit to Washington — on what may well be his final trip to the United States as prime minister — will be clouded in a certain unshakeable sense of disappointment.

Given the promising trajectory of US-India relations from May 1998 to December 2008, there has been a comparable lack of forward movement over the past five years. Not that there haven't been any positive developments. US exports to India are booming. Defense commerce has grown and no longer elicits surprise or much comment in either country. Working level contacts between the two governments have improved, as have direct links between the Indian and American people.

So, why the concern?

Today, the bilateral relationship faces two big problems. The first is expectations. The relationship now characterized by numerous dialogues, regular cooperation, and frequent official contact is unrecognizable from that of the 1990s, when India was a low strategic and economic priority for Washington and an outsider to the global non-proliferation order. But work clearly needs to be done as long as New Delhi takes umbrage at every perceived slight by the US government and Washington expresses its frustration whenever an Indian decision appears at odds with its wishes.

The second — and equally vexing — problem is complacency. In many quarters, there is now a sense that bilateral cooperation between India and the United States has reached its natural limits and that no further effort needs to be exerted on either side to improve ties. Those who call for more 'realistic' relations downplay the potential value of both countries to the other and underestimate the areas of true alignment.

A basis of any strategy is a clear understanding of one's goals. But better relations in and of themselves do not constitute a goal. So, within reason, what exactly are both sides' objectives with regards to one another?

There remains considerable debate in New Delhi about the scope of relations with Washington. But in the broadest possible sense, India has two somewhat contradictory objectives. The first is a 'special relationship,' one in which certain critical aspects of American regional and economic policy are pursued with Indian sensitivities taken into consideration, even when they are not completely in alignment with Indian interests.

The US, in other words, must be committed to facilitating India's rise. This might translate, in practice, to India being consulted on American intervention in countries with large Indian populations, on the nature and scope of the US' defence posture in Asia, and on its foreign assistance to other countries in South Asia.

Russian President Vladimir Putin, left, with Indian Prime Minister Manmohan Singh in New Delhi in 2012. American leaders accustomed to working with India have become increasingly appreciative of the fact that it will not be a US ally in the traditional mould and that India-specific exceptions will often have to be made. But that is still not universally acknowledged in Washington.



GRIGORY DUKOR/REUTERS

The Weight of Expectations, The Perils of Complacency

Indian officials are cynical enough to understand that their American counterparts will not be motivated by sentiment when granting India any special consideration, but rather by self-interest. While some American leaders have certainly internalized India's strategic importance, it has by no means permeated the entire US government, either at the bureaucratic or political level. Most American policy-makers may still need to be convinced of India's importance and informed about India's perspectives.

The second Indian objective is strategic independence. In practice, this means maximizing India's decision-making options and ensuring that ties with the United States develop at minimal cost to India's other relationships, such as with Russia, Europe, China, and others. American leaders accustomed to working with India have become increasingly appreciative of the fact that it will not be a US ally in the traditional mould and that India-specific exceptions will often have to be made. But that is still not universally acknowledged in Washington, and India must still work to minimize the uncertainty that accompanies every change in administration.

For its part, the United States has its own vision of what healthy relations with India look like.

First and foremost, it means a strong, rising India that helps to uphold the US-led international order. This requires India to play the parts of a security provider in its region and a global institution-builder, which in turn requires India's economy to be more open and integrated and for it to play a more active diplomatic role starting in

its own neighborhood. It may also require India to be more active in multilateral forums, not just as a state that vetoes decisions, but one that tries to proactively shape the global agenda.

Both countries have had reasons to resent the other's behaviour over the past five years. India's economic performance has been less than impressive, and its role as an institutional leader has been underwhelming, whether at the United Nations, World Trade Organization, or other such apex bodies.

On the American side, India policy has become bogged down in narrow bureaucratic channels as it has slipped down the list of priorities. The solution, on both sides, will require top down leadership, a better articulation of shared objectives and a long-term vision for the relationship that transcends near-term institutional resistance.

If Manmohan Singh can reinforce, with greater conviction, the merits of better cooperation with the United States during his visit, it will cap an important aspect of his legacy as prime minister, and he will provide his successor a platform upon which to build warmer relations over the coming decade.



Dhruva Jaishankar is a fellow at the German Marshall Fund in Washington, where he manages the India Trilateral Forum, a twice-yearly strategic dialogue between India, the US, and Europe.