



# US-India ties are robust enough for plain-speaking

THE FOLKS IN CONGRESS DO NOT UNDERSTAND THAT PROMOTING US EXPORTS TO INDIA AND CREATING JOBS IN THE US IS NOT WHAT INDIA'S DEVELOPMENT AGENDA IS ABOUT OR WHY MODI WAS ELECTED, SAYS  
**M K BHADRAKUMAR.**



Residents fill empty containers with water from a municipal corporation tanker on a hot summer day in Ahmedabad, May 30. 'India is not Gujarat and India's reform program has to work its way out within our cooperative federalism,' says M K Bhadrakumar. 'Modi's Gujarat model has little applicability to Indian conditions.'

In diplomatic practice, a 'working visit' is scheduled when an emergent situation arises in inter-State relations or when the host would like to dispense with the trammels of protocol and prefers to get down to business. Yet, Prime Minister Narendra Modi's 'working visit' to the US was planned at least three months in advance.

What purpose does Modi's 'working visit' serve? This is also his second visit to the White House to meet President Barack Obama in the past 20-month period.

A good starting point will be to explore the narrative that Modi 'strengthened' the India-US relationship. Therein lies a paradox. Actually, the US-Indian relationship never really needed 'strengthening.' It was never weak during the past decade and more. Starting from the first UPA government in 2004, Manmohan Singh government's top priority in foreign policies had been the India-US relationship.

Do not overlook that by 2005 already, the US had proposed the civil nuclear agreement. Plainly put, the Manmohan Singh-Montek Singh Ahluwalia-Shivshankar Menon troika tirelessly worked for strengthening India's strategic ties with the US. Yet, if the India-US relationship meandered during the final period of the Manmohan Singh government, it was because of force of circumstances – not neglect. The turning point was the financial crisis of 2008 after which the global economic climate turned turbulent.

Equally, the UPA government's second term was marred by scams, which discredited it and sapped its vitality. The last two to three years of UPA rule became so tumultuous that the business of governance and legislative work virtually ground to a halt. The Indian parliament was not even allowed to function. India's growth story got interrupted and the US lost faith in Manmohan Singh's capacity to deliver.

All the same, the UPA's prioritization of the relationship with the US as such was never really in doubt. The troika kept working on it right till the transfer of power to Modi. The audacious description of India as a 'lynchpin' of the US' rebalance in Asia by the then US defence secretary Leon Panetta was, after all, in June 2012.

Similarly, the upswing in the India-US relationship during the past two-year period after Modi came to power also bears scrutiny. To be sure, Washington regarded Modi as a 'business-friendly' politician in a way that Singh never could have been. Modi's record as chief minister of Gujarat testified to his forcefulness in arbitrarily pushing through decisions that favored corporate industry to expand business.

Modi coined slogans such as 'minimum government, maximum governance', 'red carpet, not red tape' and so on, which led Washington to believe that he was just the kind of bold

leader to have in friendly capitals who would facilitate greater market access for American companies.

Unsurprisingly, American think tankers and media rooted for Modi as someone with a magic wand to ease the way for US exports to India. In empirical terms, of course, the Indian economy also began showing signs of growth through 2014.

Modi inherited this favorable turn in India's economic cycle, and it became his legacy. He could claim success in turning around the economy.

However, what we see today is that those who applauded Modi have lost enthusiasm and are lamenting that he lacks the clarity and appetite for bold 'reforms.' The proposed goods and services tax, easing of land acquisition norms for industry, reform of labor laws, repeal of the regime of retroactive tax – the 'wish list' is getting bigger by the day.

There was harsh criticism by US lawmakers just last fortnight, who were dismissive of the reforms by the Modi government, calling them inadequate and not truly 'free market.' They complained about bureaucratic hurdles, high tariffs, lack of market access and insufficient protection for intellectual property rights negatively impacting American companies operating in India.

In a sign of growing disenchantment, the chairman of the US Senate House Foreign Relations Committee Bob Corker said bluntly at the recent hearing that the rhetoric of US-Indian relations 'far exceeded actual tangible achievements' and a 'sober, pragmatic approach' is needed towards the Modi government. Senator after senator reportedly berated Modi over his two years' record as prime minister.

Of course, a centre piece of Modi's itinerary of visit will be the several hours he spends on the Hill, addressing a joint session of Congress and having lunch with lawmakers.

Curiously, in another Congressional hearing recently, it was announced that before Modi sets foot on American soil next week, the US expected India to ink the pending logistics agreement giving access to Indian military bases for US forces.

How far this political theater was stage-managed to put pressure on New Delhi on the eve of Modi's 'working visit' is hard to say. But, unmistakably, Modi has been notified in advance of the upcoming 'working visit' as to what the expectations are on the American side.

Fundamentally, the American side has gone horribly wrong on their assumptions regarding Modi. The point is, India is not Gujarat and India's reform program has to work its way out within our 'cooperative federalism.' Modi's Gujarat model has little applicability to Indian conditions.

Meanwhile, his and the ruling party's political agenda also come into play. The folks in Congress do not understand that

promoting American exports to the Indian market and creating jobs in the US economy is not what India's development agenda is about or why Modi was elected PM.

Viewed from the Indian side, too, the picture is complex. Despite the big hype about India-US relationship through the Modi years, its yields have been meagre. The US seems to take a dim view of Modi's flagship 'Make in India' project.

The excuse so far has been that it takes time for Modi's seamless diplomacy in North America to bear fruit. But that argument is wearing thin after two years in power, and four visits to the US.

True, Modi could project himself to the Indian middle class as a statesman who enjoys excellent personal equations with Obama, who charmed the CEOs in Silicon Valley.

True, the uninformed opinion in India probably thinks Modi has boosted India's 'image' among Americans. But, at the end of the day, the big question remains: How does all this benefit India's development agenda in tangible terms?

On the contrary, the Modi government's close identification with the US' rebalance in Asia – especially the symbolism of the Joint Vision Statement issued by Modi and Obama in January last year – created hurdles in India's ties with China. If the intention was to unnerve China, that was not how things turned out.

A series of unhelpful moves by China on issues of vital interest to India since then can probably be attributed to its unhappiness over the perceived 'tilt' in the Modi government's stance toward the US rebalance. Of course, China can learn to live with a dynamic US-Indian partnership, including robust military ties. But the red line has been that India should not identify with the US' containment strategy.

It appears that the Modi government is taking course correction. President Pranab Mukherjee's visit to China last fortnight may probably help to put the India-China discourse back on track. But much time has been lost and China is an invaluable – even irreplaceable – partner for Modi's development agenda.

The glaring reality is that there has not been a single meeting between Modi and Chinese President Xi Jinping for almost a year. Indeed, the US should not have inserted itself into Sino-Indian cooperation.

It cannot be with good intentions that the US literally hustled the Modi government by claiming that the two navies will undertake 'joint patrols' in the disputed waters of the South China Sea, knowing fully well that this is a highly sensitive issue for Beijing.