

469A Bukit Timah Road
#07-01, Tower Block, Singapore 259770
Tel: 6516 6179 / 6516 4239
Fax: 6776 7505 / 6314 5447
Email: isassec@nus.edu.sg
Website: www.isas.nus.edu.sg



Manmohan Singh Meets Obama: Firming up Indo-US Strategic Partnership

S D Muni¹

India's Prime Minister Manmohan Singh and US President Barack Obama had their third summit at the White House in Washington on 27 September 2013. This would probably be their last summit, unless Dr Singh gets a third prime ministerial term after the Indian general elections expected to be held by April-May 2014. President Obama made a special gesture to make Dr Singh's visit memorable. He organised a working lunch at the White House – only second such lunch so far by him for a visiting head of state/government. And, he personally walked down the White House portico ignoring the set protocol to see Dr Singh off. US First Lady Michelle Obama also extended a special courtesy to Dr Singh's wife, Mrs Gursharan Kaur, by hosting her over tea at the White House while the two leaders were engaged in official deliberations.

The context in which this meeting took place had two notable aspects. One, both the leaders were under their respective domestic political pressures: Mr Obama on account of budget standoff with the Republicans, which later led to a federal shutdown, and Dr Singh for opposition-led attacks on his government for corruption, inefficiency and mal-governance. To add to Dr Singh's predicament, just ahead of the summit, Rahul Gandhi, the powerful Congress Party Vice-President had rubbished the ordinance brought up by his government to

¹ Professor Sukh Deo Muni is Visiting Research Professor at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore. He can be contacted at isassdm@nus.edu.sg and sdmuni@gmail.com. The views expressed in this paper are those of the author and do not necessarily reflect those of ISAS.

shield corrupt politicians even after their conviction in a court of law. Two, the two leaders were also meeting when a perception of an eroding momentum had built up around the Indo-US strategic partnership, with little movement in civil-nuclear deals and the growing US frustration with regard to Indian barriers to market access and over investment climate. Clarifying doubts in this respect, India's National Security Advisor, Shivshankar Menon, said on the eve of the summit that:

One reason for this perception may be the fact that it is now a full spectrum relationship, no longer focused on one big transformational idea like the civil nuclear cooperation initiative in 2005-8. To me that breadth is the strength of the relationship. The impression of drift is also partly due to economic factors. It arises from the macro-economic situation. US friends mention concerns about economic reforms and specific policy issues in India. These concerns are not unique to the US. They are, first and foremost, of concern to Indians.²

Strategic Coordination in Asia

The Singh-Obama summit covered all the important aspects of the “comprehensive global strategic partnership”, involving bilateral cooperation in the fields of “security, bilateral trade and investment, energy and environment, higher education and global architecture”. The Joint Statement issued at the end of the summit clearly underlined that there was no drift in Indo-US partnership in strategic and security matters. The two countries reiterated their resolve to “work together across Asia and around the globe”.³ India has often been hesitant in claiming that it endorsed the US strategy of rebalance in the Asia-Pacific region, but the Joint Statement, for the first time publicly declared a convergence between the “U.S. Rebalance to Asia and India's Look East policy” and underlined an expressed desire to “partner more closely with other Asia-Pacific countries, *including greater coordination with Japan, China and ASEAN*” (emphasis added). In this respect, the two leaders extended support to “regional multilateral institutions as they continue to develop into effective bodies built on international rules and norms that can address shared challenges”. One of the unnamed shared challenges between India and the US has been China's rise and assertiveness. There are approximately 32 Indo-US discussion groups institutionalised for mutual consultations on various aspects of their shared concerns. These consultations also cover “East Asia, Central Asia and West Asia”. It was disclosed that such consultations would also be extended to Indian Ocean. From the existing “trilateral dialogue mechanisms with Afghanistan and Japan” to the agreement to “deepen coordination on cross-cutting issues including maritime security and conservation of natural resources” were taken note of in the Statement. In the Indian Ocean region, the US wants India to emerge as a major security provider.

² See Menon's article, entitled “Relations with the US: India remains optimistic”, in *The Tribune* (Chandigarh), 23 September 2013.

³ Citations from the Joint Statement in this paragraph and subsequently are from the Text of “India-U.S. Joint Statement Following Obama-Singh Summit” available at <http://iipdigital.usembassy.gov/st/english/texttrans/20130927283736.html>. (accessed on 1 October 2013)

Two significant aspects of strategic cooperation and coordination between India and the US highlighted in the Joint Statement were the references to Iran and Pakistan. On Iran, the “leaders stressed the need for diplomacy to resolve outstanding issues relating to Iran’s nuclear programme, and called on Iran to comply with its IAEA and UN Security Council obligations”. Such a reference echoed the possibility of quiet Indian help in facilitating US contacts with Iran on the nuclear question. With regard to Pakistan, the Indo-US approach on terrorism-related issues seems to be getting closer. This can be sensed from the paragraph devoted to the subject in the Joint Statement that said:

President Obama and Prime Minister Singh strongly condemned the September 26 terrorist attack in Samba in Jammu and Kashmir. They reiterated their condemnation of terrorism in all its forms, and reaffirmed their commitment to eliminating terrorist safe havens and infrastructure, and disrupting terrorist networks including Al-Qa’ida and the Lashkar-e-Taiba. The Leaders called for Pakistan to work toward bringing the perpetrators of the November 2008 Mumbai attacks to justice.

Pakistan’s Prime Minister Nawaz Sharif, who was in the US when this statement was issued, waiting to have a bilateral meeting with Dr Singh, got irked by the latter raising the question of cross-border terrorism from Pakistani side in his discussions with the US President. Rejecting allegations against Pakistan, Mr Sharif said, “far from being a sponsor, Pakistan was actually a victim of a foreign funded well organized wave of terrorism”.⁴ He must have been reminded of a somewhat similar experience in 1999 when he was strongly urged by the then US President, Bill Clinton, to stop Pakistan’s aggression against India in the Kargil sector of Jammu & Kashmir.

Bilateral Defence Cooperation

An essential component of the Indo-US strategic partnership has been their bilateral defence cooperation. Defence trade between the two countries has been growing steadily, reaching US\$ 9 billion level, and the two countries are exploring huge potential available. The latest Indian acquisitions from the US include heavy-lift C-130J Super Hercules and C-17 Globemaster aircraft, advanced maritime reconnaissance aircraft and attack helicopters. The two leaders “expressed satisfaction with the progress achieved” and further “emphasized the need for more intensive defense cooperation on both sides”. This relationship has now been upgraded from “buyer-seller” level to, what India’s National Security Advisor Menon described as, that of “joint research, co-development and co-production of defence products through partnership between our defence industries”.⁵ To boost this cooperation, a separate Declaration was issued after the summit. This Declaration raised India to the level of “closest partner” of the US on reciprocal basis, for “defence technology transfer, trade, research, co-

⁴ “I never called Manmohan Singh a ‘village woman’: Pak PM Nawaz Sharif”, *The Times of India*, 2 October 2013.

⁵ Menon, op.cit.

development and co-production for defence articles and services, including the most advanced and sophisticated technology”.⁶ The Declaration further promised that “specific opportunities for cooperative and collaborative projects in advanced defence technologies and systems” will be identified “within the next year”.⁷

In signing this Declaration and elevating India’s status as US’ closest defence partner, Washington has shown a special gesture of accommodating Indian sensitivities. It dropped its insistence on India signing three agreements; Communication Interoperability and Security Memorandum of Agreement (CISMOA), the Logistics Agreement (LSA) and the basic Exchange and Cooperation Agreement for Geo-Spatial Cooperation), as a precondition for freer defence technology transfers. Explaining this, US Deputy Secretary of Defense Ashton Carter, who has been a driving force in the Pentagon for closer Indo-US defence ties said during his visit to Delhi weeks before the Washington summit:

We are not ignoring them but we are working around so that they (these agreements) do not become obstacles...Obviously, we would like these to be concluded but we needed to get on with the work. We are trying to succeed in doing practical things together even though India has not shown keenness to sign these agreements...many find our foreign military sales programme cumbersome, and many of my Indian colleagues say the same thing to me, and I readily acknowledge that we need to get better at making it more user-friendly...The goal is to make it so that the only limitations on what we can do together at two defence establishments are limitations that arise from our different interests or different policies, but that there otherwise isn’t any mechanical or bureaucratic impediment to doing things together that we want to do...⁸

America’s purpose behind this accommodating gesture was to match Russia as India’s defence partner which has about 70 per cent share of the Indian defence acquisitions. Admitting this, Carter said: “Yes, that is exactly the same kind of thing where two industry teams are involved in whole product life cycle where the product is both co-produced and developed. That is a new way for the US and India. We do not have the history that Russia does. We are trying to replicate that”.⁹ Soon after signing the defence cooperation Declaration with India, the US assured: “No, it’s not about China...It’s about ensuring the peace and stability that the Asia-Pacific has enjoyed for over 60 years and ensuring that it continues...We also seek to strengthen and grow our military-to-military relationship with

⁶ “India-US Joint Declaration on Defence Cooperation”, Text issued by Press Information Bureau, Government of India, Prime Minister’s Office, 28 September 2013. <http://pib.nic.in/newssite/Printrelease.aspx>. (accessed on 1 October 2013).

⁷ Ibid.

⁸ “US: We want to replicate Russian model of defense co-operation with India”, (Discussion in The War Room started by Alamo, September 21, 2013), <http://forums.spacebattles.com/threads/os-we-want-to-replicate-russian-model-of-defen...> (accessed on 2 October 2013).

⁹ Ibid.

China”.¹⁰ India on its part tried to reassure Russia that deepening defence cooperation with the US to cover joint production was not at the latter’s cost. External Affairs Minister Salman Khurshid said: “Everybody knows that we have to diversify and expand. But we do not do this at the cost of traditional friends of ours. There is massive cooperation between India and Russia, which continues apace, that is not going to be affected”.¹¹

Trade and Investment

The hype on defence cooperation resulting from the summit was not evident in Indo-US economic engagement. The steady growth in bilateral trade between the two countries that has registered a “five-fold” increase since 2001, now reaching “nearly \$100 billion” was acknowledged, but the Joint Statement also recorded President Obama’s “expressed confidence that the ongoing Indian economic reforms and policy measures to liberalize India’s economy would accelerate economic growth, opening greater avenues for trade and creating jobs in both countries”. The US business lobbies have been up in arms against barriers to market access in India. Concerns in this respect were also raised two months earlier when US Vice-President Joe Biden visited India in July 2013.¹² On the eve of Dr Singh’s journey to the US, the leaders of India Caucus in the US Senate proposed a resolution asking the summit to “pave the way for greater economic liberalization, facilitate easier foreign direct investment and lead to a bilateral investment treaty”. But the signing of the “high-standard Bilateral Investment Treaty” did not come through as the summit could only underline “the need for expeditious progress” and “agreed to consider establishing a Joint Committee on Investment in Manufacturing”.

There was, however, some movement in the area of civil-nuclear cooperation. The two leaders took note of the fact that the “government-to-government procedures” had been agreed and “commercial negotiations between US companies and the Nuclear Power Corporation of India (NPCIL) are proceeding”. The preliminary contract signed between NPCIL and the US companies, Westinghouse and General Electric-Hitachi, for proposed nuclear power plants in Gujarat and Andhra Pradesh states of India was referred to in the Joint Statement. Indian commentators remain intrigued as to why the US companies are so rigid on India’s nuclear liability provisions when Russian and French companies, with their equally strong reservations on these provisions, have moved forward to work in India’s civil-nuclear sector.¹³

¹⁰ *China Daily*, October 01, 2013. http://usa.chinadaily.com.cn/epaper/2013-10/01/content_17006372.htm. (accessed on 2 October 2013).

¹¹ *The Deccan Herald* (Bangalore), October 02, 2013. <http://www.deccanherald.com/content/360447/defence-ties-us-not-russias.html>.

¹² S D Muni, *Biden’s Visit to India: Pushing the Asia-Pacific ‘Pivot’*, ISAS Insights No. 217, 29 July 2013, <http://www.isas.nus.edu.sg>

¹³ Indrani Bagchi, “Pick up that dropped ball”, *The Times of India*, (blogs) 24 September 2013, <http://blogs.timesofindia.indiatimes.com/Globespotting/entry/pick-up-that-dropped-ball>. (accessed on 30 September 2013).

The Singh-Obama summit has definitely reinforced Indo-US comprehensive strategic partnership by raising the level of defence cooperation between the two countries. The world would carefully watch the unfolding of this cooperation in the coming months and years. The challenge before the Indian leaders is to convince their national constituencies as well as the world that greater defence collaboration with the US will not compromise India's strategic autonomy. Prime Minister Singh's visits to Russia and China in the coming months will provide an appropriate opportunity to address this challenge.

.....