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India-United States Relations under the Obama Administration

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What would an Obama Administration in Washington D. C. mean for India and for India-United States relations?

United States President-elect Barack Obama's most recent and most detailed comment on relations with India is contained in the personal letter he addressed to Prime Minister Manmohan Singh when the latter visited Washington D. C. in September 2008. Obama said, "I would like to see United States-India relations grow across the board to reflect our shared interests, shared values, shared sense of threats, and ever burgeoning ties between our two economies and societies."

As a "starting point", Obama said, "our common strategic interests call for redoubling United States-Indian military, intelligence, and law enforcement cooperation." He went on to add that "the recent bombings (in New Delhi) remind us that we are both victims of terrorist attacks on our soil, and we share a common goal of defeating these forces of extremism." He wanted the United States and India to work together "to promote our democratic values and strengthen legal institutions in South Asia and beyond. We should also be working hand-in-hand to tap into the creativity and dynamism of our entrepreneurs, engineers and scientists to promote development of alternative sources of clean energy. Imagine our two democracies in action – Indian laboratories and industry collaborating with American laboratories and industry to discover innovative solutions to today's energy problems. That's the kind of new partnership I would like to build with India as President."

India's relations with the United States have evolved considerably during the past decade. The turning point was President Bill Clinton's visit to India in 1999. The foundation for the transformed India-United States relationship was laid in the last year of the Clinton Administration and the first term of the Bush Administration. The conclusion of the historic India-United States civil nuclear cooperation agreement marked the high point of that transformation. Obama takes charge at a time when there is bipartisan support in the United States, and the dominant parties' support in India, for a stronger and deeper bilateral relationship.

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Two sets of factors have shaped this transformation. These can be classified as 'real' and 'ideological'. The 'real' factors include India's economic growth and openness, the growing influence of the Indian American community in United States political and economic life, a shared concern with *jehadi* terrorism and for greater energy security. The 'ideological' factors include a shared desire to ensure a multi-polar Asia, with the rise of China, and a shared commitment to democracy and pluralism. While George Bush may not have been interested in a multi-polar world, Obama has shown greater willingness to work even at the global level with other 'major powers', including India. On the other hand, Obama may be less wary of a rising China than Bush was.

All these factors will endure and continue to work for improved India-United States relations in the foreseeable future. The two countries will, however, have differences on issues such as climate change and multilateral trade policy. While differences are likely to persist on other issues such as nuclear non-proliferation and some expect old differences to crop up on issues such as 'Kashmir', these are by no means unmanageable. Thus, there is no reason to expect a reversal of the recent trend of improved bilateral economic, political and strategic relations, evolving in the direction of a full-fledged strategic partnership.

President-elect Obama's 'First 100 Days' in office will coincide with the 'Last 100 Days' of Prime Minister Singh's present term. However, for both of them the economy and terrorism will remain the main pre-occupations.

The Economy

While domestic economic issues will remain the major pre-occupation for both heads of government in these 100 days, both will remain equally focussed on the global economic situation. These issues will dominate the agenda at the first meeting that Obama and Dr Singh will have on 15 November 2008 in Washington D. C. Dr Singh is likely to find a more sympathetic listener in Obama than President Bush. India and the United States have the potential to work together to address global economic management issues. They should.

Indo-United States economic relations are poised to enter a new phase with the conclusion of the civil nuclear cooperation agreement. The possibility of increased high-technology trade and trade in defence, space, nuclear and other strategic areas has the potential to sharply increase bilateral trade, especially United States exports to India. Faced with the task of pulling the United States economy out of a potential depression, Obama is unlikely to harm this process by reversing any of the initiatives taken by the Bush Administration that have opened up new business opportunities for United States companies in India. However, renewed protectionism in the United States could harm Indian business interests. India will have to be pro-active in ensuring that any economic rescue package in the United States does not harm Indian trade interests.

Obama's two key economic advisors, Paul Volcker and Lawrence Summers, are personal friends of Prime Minister Singh. They have high professional regard for him and deep interest in closer economic relations with India. Both are likely to favour a larger role for India in global economic management as well. Prime Minister Singh's positive approach to finding consensual global solutions to the global economic crisis, his focus on improved regulation and strengthening of multilateral institutions, and his commitment to stay the

course on domestic economic policies will add resonance to India's voice at the forthcoming G-20 heads of government meeting.

India would watch closely what position Obama adopts on the Doha Development Round of multilateral trade negotiations. More specifically, India would be interested in his Administration's approach to outsourcing and to investments by United States firms in India. It is likely that the Obama Administration would restrict H1-B visas. However, this is no longer a major issue in India, given the skill shortage within India and the emergence of other destinations for software engineers. However, outsourcing and services export opportunities remain important for India as its merchandise trade deficit grows.

War on Terror

India would welcome the tone of Obama's reference to terrorism in the region in his letter to Prime Minister Singh. Obama said, "I deplore and condemn the vicious attacks perpetrated in New Delhi earlier this month, and on the Indian embassy in Kabul on July 7. The death and destruction is reprehensible, and you and your nation have my deepest sympathy. These cowardly acts of mass murder are a stark reminder that India suffers from the scourge of terrorism on a scale few other nations can imagine. I will continue to urge all countries to cooperate with Indian authorities in tracking down the perpetrators of these atrocities. My thoughts and prayers are with the victims and their families."

It is not often recognised that the Indian view on the so-called "war on terror" is closer to the Obama view than the Bush doctrine. Prime Minister Singh has not been given adequate credit for speaking out openly against the war in Iraq. Even in July 2005, on the very day the decision to seek a civil nuclear cooperation agreement was announced in Washington D. C., Prime Minister Singh said at the National Press Club in Washington D. C., "it was our sincere view that it (invasion of Iraq) was a mistake...."²

Equally, India has always sought more focussed global attention on the situation in Afghanistan. India had been critical of the decline in the North Atlantic Treaty Organization's focus on Afghanistan. Hence, Obama's renewed focus on Afghanistan would be welcomed by India. However, concern has been expressed by some commentators about Obama's statements linking the situation in Afghanistan and Pakistan to that in Kashmir and the possibility of a revival of the 'hyphenation with Pakistan' in the India-United States relationship.³

One of the great achievements of the Bush Administration has been the 'dehyphenation' of the India-Pakistan equation from the India-United States relationship. India would hope that Obama does not reverse the clock on this. Pakistan may well seek a re-hyphenation for its own political and diplomatic reasons, especially at a time when it is desperately seeking an economic lifeline. On the other hand, such a re-hyphenation could jeopardise progress at the India-Pakistan bilateral level. Moreover, Indian and Pakistani public opinion would favour a

² Dr Singh recalled this fact while speaking in Parliament during the debate on the vote of confidence in July this year. He said, "We have differed with the USA on their intervention in Iraq. I had explicitly stated at a press conference at the National Press Club in Washington D. C. in July 2005 that intervention in Iraq was a mistake." Prime Minister Manmohan Singh's speeches at www.pmindia.nic.in

³ C Raja Mohan, "Barack Obama's Kashmir Thesis", *Indian Express*, 3 November 2008. Also see Barack Obama, "Renewing American Leadership", *Foreign Affairs*, July/August 2007.

bilateral solution to the Kashmir issue rather than one actively mediated by the United States. Some elements in Pakistan army may favour United States involvement to divert United States attention away from the real battle against terrorism in the sub-continent, but no United States interest would be served.

One of the significant developments in India-Pakistan relations has been the enormous progress made, to a considerable extent, through the “back channel” in bilateral diplomacy. This bilateral diplomacy was initiated, on the Indian side, by then-Prime Minister Atal Behari Vajpayee and sustained, widened and deepened by Dr Singh; and on the Pakistan side by then-President Pervez Musharraf. President Asif Ali Zardari has also walked the same path so far and ‘credible’ options for ‘solving’ the ‘Kashmir problem’ exist. Indian, Pakistani and ‘Kashmiri’ political leaderships have shown remarkable maturity in developing such options. Concrete progress has been delayed by political developments in Pakistan during 2007-08 and could be resumed once the political leadership in Pakistan feels more settled and confident.

Obama would have to resist attempts by his advisors or other self-proclaimed do-gooders to get the United States back into this equation. The United States knows well that no India-Pakistan bilateral agreement can survive without its blessings. The Bush Administration was wise to restrict its involvement to “blessing” the Manmohan-Musharraf and the Manmohan-Zardari dialogue. That is exactly what Obama should do as well.

Nuclear Issues

Several analysts have pointed to the influence of the so-called “Ayatollahs of non-proliferation” within the Democratic Party, in general, and among Obama advisors, in particular. While Obama was responsible for a key, aborted, “killer amendment” to the Hyde Act, he subsequently recanted and supported the 123 Agreement. In his letter to Prime Minister Singh, he wrote, “I also want to take this opportunity to express my great admiration for the courage you showed in shepherding the civil nuclear cooperation agreement through your Parliament, the IAEA, and the NSG. I was pleased to vote by proxy for the agreement in (Senate Foreign Relations) Committee today, and I very much hope we can vote on this agreement before the US Congress goes out of session. As you know, there are some procedural obstacles that may prevent a vote this year, ...when it does come up for a vote, however, I will of course vote in favour. If time should run out in the current Congress, I will resubmit the agreement next year as president.”

Obama said, “I strongly support civil nuclear cooperation, because I believe it will enhance our partnership and deepen our cooperation on a whole range of matters. Importantly, it will help India to meet its growing electricity demands while aiding in the important effort to combat global warming. But I see this agreement only as a beginning of a much closer relationship between our two great countries.”

What New Delhi would want elaboration of and clarification on, presumably, would be Obama’s statement that the “civil nuclear cooperation agreement can open the door to greater collaboration with India on non-proliferation issues”, as well as his assertion of commitment to the Comprehensive Test Ban Treaty. India would, however, welcome Obama’s statement that he is “committed to the goal of a world without nuclear weapons, and will make this a

central element of US nuclear weapons policy.” India has already welcomed the Kissinger, Nunn, et al proposal on this.

The Obama Team

Individuals matter in the United States system. In the Bush Administration, for example, the approach towards India changed markedly after Condoleezza Rice replaced Colin Powell as Secretary of State. Hence, India will wait to see who the key officials will be in an Obama Administration.

India would expect strong support for good India-United States relations from Vice-President-elect Joe Biden. He played an influential role in securing the Democratic Party’s support for the civil nuclear cooperation agreement. India also enjoys a good equation with John Kerry, who could become Secretary of State. Biden, Summers and Kerry would be influential members of an Obama Administration favourably disposed towards India. Biden and Kerry visited India and publicly endorsed the civil nuclear agreement, helping forge the strong bilateral support that it received in the United States Senate and House.

John Hamre, head of the Center for Strategic and International Studies (CSIS), has been mentioned as a possible Secretary of Defence. Hamre chaired the first ‘track two’ United States-Japan-India Strategic Dialogue in Tokyo in 2007 and, under his leadership, CSIS has taken keen interest in the United States-India strategic and defence relationship. Others named as possible senior cabinet officials in an Obama Administration such as Chuck Hagel, Richard Lugar, Richard Danzig and Richard Holbrooke have visited India in the past year and have had meetings with Prime Minister Singh.

The last United States President to visit India in his first term was Jimmy Carter in 1979. Both Clinton and Bush visited India only in their second term. A first term visit by Obama to India, perhaps in early 2010, a year after a new government takes charge in Delhi, would ensure that the momentum gained in the bilateral relationship in the past four years is sustained.

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