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President Barack Obama, the United States and the Sino-Indian Balance

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As President Barack Hussein Obama begins to revamp United States (US) foreign policy, the debate in South Asia has focused on one seemingly simple question – Will Obama depart from his predecessor George W. Bush and re-hyphenate US policies towards Islamabad and New Delhi as part of a new strategy towards the sub-continent? A less-debated second question, however, could be far more consequential for the Indo-US relationship and for the future of balance of power in Asia. Will Obama de-hyphenate India from China in crafting a new policy towards Asia?

Within 48 hours of taking charge, President Obama and his Secretary of State, Hillary Clinton, muddled the answers to the first question when they announced that veteran diplomat and trouble-shooter, Richard Holbrooke, would be “US Special Representative for Afghanistan and Pakistan”.² The Obama-Clinton decision not to include either India or its dispute with Pakistan on Kashmir in Holbrooke’s mandate has been widely seen as a major success for New Delhi’s lobbying power in Washington. American South Asia hands who were hoping for a comprehensive and integrated regional approach that saw the inter-connections between Afghanistan and Kashmir were clearly disappointed at the Obama team’s reluctance to displease India.³

New Delhi, however, will not be impressed by the left-handed compliments in Washington about India’s capacity to influence the Obama Administration. It is acutely conscious of the reality that there always has been and there always will be a triangular dynamism between India, Pakistan and the US. Whether India and Kashmir are a formal part of the Holbrooke mandate or not, New Delhi knows that India-Pakistan relations will indeed figure prominently in US policy towards the region. New Delhi’s challenge now lies in finding

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² For a transcript of Secretary of State Hillary Clinton’s announcement on 22 January 2009, see, <http://www.state.gov/secretary/rm/2009a/01/115297.htm> accessed on 28 January 2009.

³ Laura Rozen, “India’s stealth lobbying against Holbrooke’s brief”, 23 January 2009, available at http://thecable.foreignpolicy.com/posts/2009/01/23/india_s_stealth_lobbying_against_holbrooke accessed on January 28, 2009.

ways to work with the US as Washington devotes greater attention to what Obama calls the central front in the war on terror – the borderlands between Afghanistan and Pakistan.⁴

New Delhi is even more acutely conscious of the fact that the nature of the Sino-American relationship has always been a powerful determinant of India's security environment in its immediate neighbourhood as well as Asia. India's apprehensions on Obama's policies towards Pakistan and China underscore President Bush's very positive legacy on US relationship with India. It is not for nothing that Indian Prime Minister Manmohan Singh chose to publicly express India's deep affection towards President Bush who engineered two big changes in American geo-political thinking about India. President Bush declared that he would not view New Delhi through the narrow prism of its conflict with Islamabad. Instead, he promised to deal with India as a rising power that had the potential to reshape the Asian balance of power and contribute to the management of all major global issues.

These two premises were clearly articulated during Bush's presidential campaign in 2000 by his would-be national security adviser, Condoleezza Rice.⁵ These were translated into the policy domain in the first and controversial national security strategy document of the Bush Administration released in 2002.⁶ Under the first premise, President Bush took Jammu and Kashmir off the table in US engagement with India and embarked on separate strategies to improve relations with both Pakistan and India.⁷ The second led to a conscious strategy of strengthening New Delhi as part of the effort to secure a new balance of power in Asia and the world, according to the Bush Administration, in favour of freedom.⁸ Yet in his first term, President Bush found it impossible to elevate India to a new level of importance in US strategic policy making. The events of 9/11 helped bring Pakistan back to the centre-stage of US policy towards South Asia and the new preoccupation with Afghanistan and Iraq meant Washington needed a reasonable relationship with Beijing.

It was at the very beginning of the second term that President Bush began to put a new emphasis on India enlarging New Delhi's room for manoeuvre with both Pakistan and China. In March 2005, the Bush Administration announced its intent to assist India in its rise to great power status.⁹ This was followed by two very important agreements between Washington and New Delhi. The first was a 10-year defence cooperation framework that opened up the sale of advanced American weapons to India and defined joint missions by the armed forces of the two countries. The other was the now well-debated civil nuclear initiative that sought to end India's three and a half decades of isolation from the global non-proliferation regime. Together they marked a fundamental transformation of how the US viewed India.¹⁰ America's decision to sell advanced weapons to India and maintain the Western arms

⁴ See C. Raja Mohan, "How Obama can get South Asia right", in *The Washington Quarterly*, Vol. 32, No. 2, April 2009, forthcoming.

⁵ Condoleezza Rice, "Promoting the National Interest", *Foreign Affairs*, Vol. 79 No.1, January-February 2000, pp. 45-62.

⁶ The White House, *The National Security Strategy of the United States of America* (Washington DC: 2002), section VIII. Available at <www.whitehouse.gov/nsc/nssall.html> accessed on 15 January 2009.

⁷ For an assessment of this policy, see, Ashley Tellis, "The Merits of Dehyphenation: Explaining U.S. Success in Engaging India and Pakistan", *The Washington Quarterly*, Vol. 31, No.4, Autumn 2008, pp. 21-42.

⁸ Condoleezza Rice, "The Promise of Democratic Peace: Why Promoting Freedom is the only Realistic Path to Security", *Washington Post*, December 11, 2005 available at <<http://www.washingtonpost.com/wp-dyn/content/article/2005/12/09/AR2005120901711.html>> accessed on 28 January 2009.

⁹ See the "Background Briefing by Administration officials on U.S.-South Asia Relations", Washington DC, March 2005; available at <<http://www.state.gov/r/pa/prs/ps/2005/43853.htm>> accessed on 15 January 2009.

¹⁰ For details, see, C. Raja Mohan, *Impossible Allies: Nuclear India, United States and the Global Order* (New Delhi: India Research Press, 2006).

embargo against China underlined the essence of US commitment to alter the Sino-Indian balance in New Delhi's favour. The nuclear deal, in turn, ended the long dominant perception of nuclear equivalence, in American and international eyes, between India and Pakistan. India had long sought a nuclear differentiation between itself and Pakistan, and President Bush allowed the realisation of this objective much to the discomfiture of both Islamabad and Beijing.

Given this background, President Obama's promise to repudiate many of the Bush Administration's foreign policies did create anxieties in New Delhi that both the triangular relationships – the one between the US, India and Pakistan, and the other between Washington, Beijing and New Delhi – might face turbulence. While the triangle involving Pakistan invariably stirs political passions in New Delhi, it is the other involving China that may define India's strategic environment in more enduring ways. Throughout the last six decades, the twists and turns in Sino-US relationship have had major effects on India's security environment.

As rising powers, China and India are bound to have many areas of difference with the US. But both of them value their bilateral ties with the dominant power in the international system. Not surprisingly, Beijing and New Delhi are also deeply wary about Washington's ties with the other. Even the subtlest shift in US policy towards Asia causes intense reactions from New Delhi and Beijing. Recall June 1998, a month after India's nuclear tests, when President Bill Clinton travelled to Beijing and declared that the US and China would work together in reversing India's nuclear programme. In a visceral reaction, New Delhi denounced what it called the attempt to create a Sino-American condominium over Asia.¹¹

Under President Bush, it was Beijing's turn to protest the deepening Indo-US relationship. Analysts in Beijing believed that the Indo-US nuclear deal was less about energy and more about building an anti-China alliance between the two nations. No wonder Beijing was extremely reluctant to endorse the nuclear deal at the Nuclear Suppliers Group, and many in India suspected it of attempting to undercut it from behind the scenes.¹² Under President Bush, Beijing also warily watched the significant expansion of defence and security ties between New Delhi and Washington. Beijing also noted with apprehension the Japanese proposal to build an alliance of Asian democracies, including the US, India and Australia. China was also angry at the large five-nation naval exercises that India convened in September 2007 in the Bay of Bengal that included the US, Japan, Australia and Singapore.

Despite their many reservations about the Bush Administration, both New Delhi and Beijing had reasons to prefer Republican nominee John McCain over Obama in the November 2008 elections. New Delhi and Beijing see the Republicans as less protectionist and more committed to free trade than the Democrats. The two nations also believe that while it is possible to engage the Republicans on a broad-based geo-political understanding, the Democrats tend to be more inchoate and driven by the disparate agendas of the many single issue groups that dominate the left liberal spectrum of American politics. If Beijing is angered by the liberal noises on human rights in Tibet, New Delhi is irritated by the talk of renewed American activism on Kashmir under the Obama Administration. Both China and

¹¹ Ted Galen Carpenter, "Roiling Asia: U.S. Coziness with China Upsets the Neighbors", *Foreign Affairs*, Vol. 77, No. 6, November-December 1998, pp. 2-6.

¹² For an Indian view, see, Bhaskar Roy, "China Unmasked – What Next?", South Asia Analysis Group Paper No 2840, 12 September 2008. Available at < <http://www.southasiaanalysis.org/papers29/paper2840.html> > accessed on 28 January 2009.

India are leery at the prospect of greater emphasis on climate change in Washington and the consequent pressures on them to contribute to carbon reductions. While there are many issues on which Beijing and New Delhi might find themselves at the same receiving end from Washington, it is the nature and strength of US political relationship with the other Asian power that generates some concern in both capitals.

From the Indian perspective, the following are some of the factors that could shape the triangular relationship with China and the US in the next four years. The first is the broad philosophical understanding of the Obama Administration about China and India. In the first peek into the foreign policy of the Obama Administration, Hillary Clinton suggested some continuity in the Bush policy towards India and China. She listed India among US friends and allies in Asia, after Japan, Korea and Australia. Mrs Clinton said, "We will build on our economic and political partnership with India, the world's most populous democracy and a nation with growing influence in the world." China, however, remains in the doubtful category of neither friend nor foe. Clinton reaffirmed American commitment to build good relations with Beijing but insisted that "this is not a one-way effort. Much of what we will do depends on the choices China makes about its future at home and abroad."¹³ Clinton's formulations on China and India were surprising given the widespread criticism in Washington, especially among the Democrats, of the Bush premise of building up India as a counter to China. Beijing's decision to censor the derogatory reference to communism in President Obama's inaugural address underlined the irresolvable ideological differences between Washington and Beijing.¹⁴ While the Democratic Party too tends to value Indian democracy, it is prone to seeing the importance of China in managing the larger American interests around the world, especially during the current global financial crisis.

That brings us to the second factor shaping the triangular relationship. Although both China and India are rising powers, the weight of the former is far stronger in the global economy and must necessarily be expected to figure much higher than India in the changing American calculus on global economic management. It is also not surprising that China might be in a better position to take advantage of the geo-political consequences from the weakening of the US and the West than India is.¹⁵ Amidst the financial crisis that have enveloped the world since 2008, a growing number of American analysts have begun to call for a deeper partnership between the US and China to manage and stabilise the world economy. Many of these analysts point to the extraordinary complementarity of interests between the US and China and underline the importance of creating a new structure of Sino-American cooperation.

Historian Niall Ferguson has called it "Chimerica" and other strategic thinkers such as Zbigniew Brzezinski, who served as national security adviser to President Jimmy Carter during 1977-81, have declared that Washington must tend to its relationship with China as the most important 21st century partnership, or simply the Group of Two (G-2), in the

¹³ See the statement by Secretary of State-designate Hillary Clinton at the Senate confirmation hearings, 13 January 2009, available at < <http://www.state.gov/secretary/rm/2009a/01/115196.htm>> accessed on 28 January 2009.

¹⁴ See for example, Anne Applebaum, "Democracy They Can't Imagine", *Washington Post*, 27 January 2009; available at < <http://www.washingtonpost.com/wp-dyn/content/article/2009/01/26/AR2009012601850.html>> accessed on 28 January 2009.

¹⁵ Roger Altman, "The Great Crash, 2008: A Geopolitical Setback for the West", *Foreign Affairs*, 88, No. 1, January-February 2009, pp. 2-14.

management of the world.¹⁶ India has every reason to worry at the talk of a G-2, which has the potential to undermine the very basis of the Indo-US strategic partnership in Asia and which could relegate India to the status of a bit player on the world stage. Throughout the Bush period, US strategy was to hedge against China's rise by strengthening other powers in the region, especially Japan and India. If the formation of the G-2 were to become the core strategic objective of the US, from a global and economic perspective there would no longer be a case for a strong Indian counterweight from the American perspective.

Contrary to widespread expectations in Washington, the financial crisis has become the source of the first major discord between the Obama Administration and Beijing. In his Senate confirmation hearings as the new Secretary of Treasury, Timothy Geithner accused China of manipulating its currency to the utter disadvantage of the US. Beijing reacted quickly to dismiss these allegations and pointed out that the US needs China's cooperation in managing the global financial crisis. Although the White House has sought to downplay the issue, it is unlikely to go away.¹⁷

The squabbling between Washington and Beijing on global finance does not necessarily reflect the future direction of the Sino-US relationship. Both of Obama's predecessors had started off on a hostile note against China, but ended their tenure with a deeper engagement with Beijing. President Clinton, who had called the Chinese leaders the 'Butchers of Beijing' for their 1989 Tiananmen Square crackdown, oversaw the creation of a permanent trading relationship with China, eased Beijing's entry into the World Trade Organization, and proclaimed a strategic partnership with China to the discomfiture of both Japan and India.

President Bush in turn began by questioning the strategic partnership with China but concluded his term by claiming his success in managing the relationship with Beijing as a major foreign policy triumph. President Bush made a 'strategic economic dialogue' the centerpiece of his engagement with China and refused to attack Beijing for what many Americans perceive as currency manipulation. The Obama Administration, facing a daunting crisis at home, is unlikely to be as indulgent towards Beijing. All indications are that the Obama foreign policy will locate the strategic economic dialogue between the two nations within a broader political and strategic framework.

The third factor that could affect the triangular relationship between India, China and the US is the kind of approach that the Obama Administration might adopt towards the construction of a new security architecture for Asia. If the Obama Administration persists with the Bush strategy of hedging against the rise of China, it is likely to strengthen its traditional alliances in Asia and the new strategic partnership with India. If Washington, however, takes the view that China is the most important interlocutor in Asia, it would be compelled to lower the profile of India in its strategic calculus. Many Democrats tend to prefer the idea of developing collective security in Asia. Realists in America, however, see that as a pipe dream.

¹⁶ Niall Ferguson, "Team 'Chimerica'", *Washington Post*, November 17, 2008; available at <<http://www.washingtonpost.com/wp-dyn/content/article/2008/11/16/AR2008111601736.html>> accessed 28 January 2009. See also, Zbigniew Brzezinski, "The Group of Two that could change the world", *Financial Times*, 13 January 2009, available at <<http://www.ft.com/cms/s/0/d99369b8-e178-11dd-afa0-0000779fd2ac.html>> accessed on 28 January 2009.

¹⁷ Sebastian Mallaby, "An OPEC Lesson for China", *Washington Post*, January 25, 2009; available at <<http://www.washingtonpost.com/wp-dyn/content/article/2009/01/23/AR2009012303291.html>> accessed on 28 January 2009.

This in turn brings us to the fourth factor – the future of defence ties between New Delhi and Washington forged under the Bush Administration. It is no secret that the Pentagon during the Bush years had been a major champion of stronger relations with India and also the most sceptical about the ‘peaceful rise’ of China. It had issued alarming annual reports on the expanding Chinese military power capabilities. It must be reasonable to expect that the Pentagon will resist any attempt in Washington at developing a China-first strategy in Washington. That Obama has asked the Secretary of Defence, Robert Gates, to continue his work at the Pentagon also assures a measure of policy continuity. However, new tensions between Washington and New Delhi on Pakistan/Afghanistan and other political issues could slow down, if not undermine the blossoming security partnership between the two nations.

The fifth factor is the direction of Obama’s policy towards nuclear energy, arms control and non-proliferation. While most top leaders of the Democratic Party, including Senators Obama and Clinton, had supported President Bush’s civil nuclear initiative towards India, there is no doubt that the non-proliferation community in Washington has been strongly opposed to this and many of its leading lights are set to take important positions in the Obama Administration. Although Washington cannot now reverse or undo the Indo-US civil nuclear initiative, there could be new complications. Unlike in the Bush Administration, there is little support for greater worldwide use of civil nuclear energy in the Obama Administration even as a partial solution to the challenge of global warming.

If the Bush team was supportive of the civil nuclear deal from a geo-political perspective involving the balance of power between China and India, the bias in the Obama Administration might be towards working with Beijing to strengthen the non-proliferation regime. There is the danger that the Obama team might want to narrowly interpret the various bilateral and international agreements that New Delhi and Washington have agreed to during 2005-08 and constrain nuclear cooperation between the two countries. Any attempt by President Obama to force the Comprehensive Test Ban Treaty and the Fissile Materials Cut-off Treaty could also undermine the current nuclear warmth between New Delhi and Washington. Unlike the Bush Administration that was ideologically committed to missile defence and sharing related technologies with friends like India, the Obama Administration is biased against it. If it turns away from missile defence, Washington would please Beijing but if it persists with the Bush framework, India would have reasons to look forward to stronger high-technology cooperation.

The rise of these two Asian giants demands extraordinary political adjustment from among the current great powers, especially the US. As the US juggles its relations with China and India, this triangular relationship is likely to be highly dynamic and will redefine the framework of regional security across the Asia-Pacific region.

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