



U.S.-India Relations: Good News, Bad News

by David J. Karl

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After much criticism for appearing to neglect New Delhi while courting Beijing, the Obama administration is now moving to inject a sense of urgency and momentum into US-India relations. But just as bilateral affairs seem to have acquired new dynamism, differences over Afghanistan and Iran threaten to undermine positive developments.

Several factors explain India's drop from Washington's foreign policy priorities: a major one is that the Obama administration took office viewing Asia's evolutions through a different lens than its predecessor. Eschewing the balance-of-power thinking that drove President Bush's strategic entente with India, Team Obama emphasized high-profile engagement with Beijing on an array of global governance issues, including the world economy and climate change.

For example, President Obama declared at the inaugural session of the US-China Strategic and Economic Dialogue in July 2009 that "the pursuit of power among nations must no longer be seen as a zero-sum game." Secretary of State Hillary Clinton rejected geopolitical balancing in favor of "tilting the balance away from a multipolar world toward a multi-partner world." In US foreign policy circles, "G-2" cooperation and "Chimerica" were key themes. All of this diverted strategic focus from New Delhi. Indeed, in a November 2009 address on US policy in Asia, the president failed to mention India even in passing. The omission was all the more glaring as Prime Minister Manmohan Singh was due in Washington for a state visit a little over a week later.

But the strategy of across-the-board engagement with China has been called into question by a series of events, perhaps none more symbolically important than the brusque treatment Obama received from Chinese leaders during his state visit to Beijing in November 2009 and at the climate summit in Copenhagen a month later. As a result, the administration has reverted to Bush-era strategic balancing vis-à-vis China.

When the Bush administration launched its nuclear cooperation initiative five years ago, senior policymakers famously declared that the US objective was to help "India become a major world power in the twenty-first century. We understand fully the implications, including military implications, of that statement." Secretary of State

Condoleezza Rice stressed that "we're fully willing and ready to assist in [the] growth of India's global power...which we see as largely positive." The publicly denied but widely-understood goal was to build India's strategic potential as a check against the rise of Chinese power.

William J. Burns, the under secretary of state for political affairs, used similar language in a recent address. He affirmed that "India's strength and progress on the world stage is deeply in the strategic interest of the United States," and that the Obama administration is "deeply committed to supporting India's rise." For those worried that Washington viewed India through the prism of the "Af-Pak" problem, Burns declared that "we attach great significance to India's expanding role in East Asia and welcome our partnership across the region." He then called for India's greater diplomatic and military involvement in East Asia and enhanced US-Indian defense cooperation – ideas that are bound to irritate leaders in Beijing.

A month later, Michele Flournoy, undersecretary of defense for policy, echoed these themes when speaking on "Investing in the Future of US-India Defense Relations." She proclaimed that "India's success is very much in America's national interest" and that "increasingly our specific security interests are converging." Like Burns, she sought to assuage concerns that the Obama administration solely viewed New Delhi as a sub-continental power, declaring that the US "maintains a strong interest in India's emergence as a regional power in Asia," and that "it no longer makes sense to discuss this increasingly interconnected region in terms of 'East Asian' security, or 'South Asian' security." She called for the further development of bilateral military ties and promised to provide India "with top-of-the-line technology."

The heightened focus on India increases the likelihood that President Obama's trip to India, now scheduled for Nov. 7-10, will establish new milestones in bilateral relations. With the administration's review of export control policy now wrapping up, Obama should be able to make specific commitments about lifting technology transfer restrictions that have long rankled New Delhi. And it is even possible that New Delhi could announce the award of a lucrative Indian air force contract for advanced fighter aircraft to one of the US companies (Boeing or Lockheed Martin) that is bidding for it.

Storm clouds, however, could rain on the presidential trip. The first concerns Afghanistan. Obama will alight in New Delhi less than a week after midterm Congressional elections in which the Democratic Party is expected to incur major setbacks. The administration is also scheduled to begin around this time its review of policy options in Afghanistan and Pakistan. The first event will have obvious implications for the second, which could have serious consequences for US-India relations.

If the Democrats suffer huge electoral losses, the president might be tempted to shore up his domestic political base by accelerating the drawdown of US military forces in Afghanistan, without paying much heed to Indian security concerns. Deepening divisions within the Democratic Party over the Afghanistan conflict – on full display in the recent House vote on supplemental war funding – is worrying.

A second potential spoiler is tightening US sanctions against Iran. New Delhi has close links with Tehran, driven in important measure by its dependence on Iranian oil resources. With New Delhi feeling that the Obama administration has slighted its interests in Afghanistan, India is enhancing relations with Iran as the political endgame in that country comes into sight. A senior Indian official described New Delhi's efforts to re-engage with Tehran as a policy "recalibration" caused by the "scenario unfolding in Afghanistan and India's determination to secure its national interests."

The close India-Iran relationship has long troubled Washington. Three years ago, senior members of the Congress sent a tough-worded letter to Prime Minister Singh that linked approval of the nuclear cooperation agreement to New Delhi's stance on Iran's nuclear program. The Indian government has complained about US sanctions that penalize companies helping the Iranian petroleum sector, stating that these will adversely affect Indian enterprises seeking to develop oil and natural gas fields in Iran.

A few days after the sanctions were signed into law by President Obama a month ago, Indian Foreign Secretary Nirupama Rao spoke about the India-Iran relationship, highlighting the "unique" civilizational ties and "the instinctive feeling of goodwill" between the two countries. She explained that ties with Tehran are a "fundamental component" of Indian foreign policy and noted there has been a "convergence of views" on important issues. Regarding bilateral cooperation in Afghanistan, she argued that India and Iran "are of the region and will belong here forever, even as outsiders [read the Americans] come and go." And referring to the new US sanctions, she stressed that:

We are justifiably concerned that the extra-territorial nature of certain unilateral sanctions recently imposed by individual countries, with their restrictions on investment by third countries in Iran's energy sector, can have a direct and adverse impact on Indian companies and more importantly, on our energy security and our attempts to meet the development needs of our people.

P.J. Crowley, the State Department spokesman, reacted to Rao's address by stating that "business as usual" with Iran by America's friends and partners was no longer acceptable.

As if to underline the divergence over Iran, New Delhi hosted Iran's minister of economic affairs and finance just a few days prior to the arrival of James Jones, the US national security advisor, who was in town to prepare for the Obama visit. The Iranian minister brought with him a 30-member business delegation and closed out his two-day visit by signing agreements on energy, transportation, and counter-terrorism

cooperation. The Indians and Iranians also discussed building an undersea natural gas pipeline.

Afghanistan and Iran will test the nascent US-India strategic entente just as President Obama arrives in New Delhi. What should be an opportunity to articulate the next chapter in the bilateral partnership could well spell out its limits.