

THE OUTLOOK FOR U.S.-INDIA RELATIONS

REMARKS AT THE XX U.S.-INDIA
STRATEGIC DIALOGUE HELD IN NEW DELHI

Robert D. Blackwill

*Henry A. Kissinger Senior Fellow
for U.S. Foreign Policy,*

The Council on

Foreign Relations (U.S.)

I will confine my time line on prospects for the U.S.-India relationship to the next two years, before the inauguration of the next American President. Let me say at the outset only a few words about my view of Modi foreign policy, which is pertinent to my subject today. It seems to me that this iconic quote from Nehru in 1947 in his first broadcast as vice president of the interim Indian government provides a useful compass for our discussion, "as far as possible, to keep away from the power politics of groups, aligned against one another, which have led in the past to world wars and which may again lead to disasters on an even wider scale."

As with this very early Nehru quote, PM Modi's foreign policy approach has in my judgment reflected no ideological component. He seeks to raise India's bilateral relationships with the major powers (U.S./China/Russia/Japan) to a substantially higher level and thereby enlist them to facilitate India's domestic economic development, while not allowing any of these bilateral interactions to infect any of the others. So in these stovepipe bilateral relationships, under Modi foreign policy U.S.-Russia confrontation will not infect either U.S.-India or Russia-India ties. U.S.-Iran disputes will not weaken either U.S.-India or India-Iran relations. And so forth. This is not a non-aligned, but a multi-aligned Indian foreign policy, avoiding choosing any one of these major bilateral relationships over any of the others. This does not mean that the Prime Minister has equal sympathy for the political systems and societies of these major states (he naturally finds the U.S. more attractive than China and Russia in these respects).

Rather his wish for their help in India's economic rise trumps at least for the medium term his distaste for their autocratic internal political arrangements and, unless it directly affects India, even their destabilizing external policies. How India would behave as a balancer in the Indo-Pacific and beyond if under the Prime Minister's leadership in the next five years it substantially increases its internal strength and consequent power projection remains unclear, at least to me.

It in this context that the atmospherics of the U.S.-India relationship are obviously much improved since we last met in Washington, symbolized most vividly by President Obama's upcoming Republic Day visit. Praise be, the Khobragade affair and Modi visa issues are well behind us. In the context of renewing and modernizing by late June the ten-year Framework for the U.S.-India Defense Relationship, defense sales and military-to-

military interaction now led by our friend Ash Carter at the Pentagon and the new Indian Defense Minister will prosper, including on developing India's next-generation aircraft carrier and hopefully increased technology transfer. We may also make surprising progress on the two countries climate change joint declaratory intentions, particularly given the Prime Minister's longtime commitment to renewable energy. And while lofty joint language may be released during the late January Summit on, smart-cities, public health, etc., progress in the next two years on these subjects will be much less charged than the rhetoric. Hopefully, we will also see during this period U.S. decisions to sell to India unconventional oil and gas, and to accelerate U.S.-India space cooperation.

On the Bilateral Economic front, U.S. FDI will substantially increase in the next two years, if the Modi Government moves ahead with economic reforms, including on revising and lifting the FDI caps in insurance, e-commerce, and other sectors. American business is beginning to shed its very negative, even bitter, feelings about the economic policies of the previous Indian government. This is all to the good for both countries.

However, regarding Multilateral Trade, strong American supporters of the transformation of U.S.-India relations who have worked on trade issues with New Delhi turn positively red in the face when they speak about India's policies in multilateral trade negotiations. Worst in the world, they assert. So that subject is unlikely to be smooth sailing ahead in the bilateral relationship.

Fixing the widely recognized problems of the Nuclear Liability Law has thus far been beyond the capacity of many smart people on both sides. Hopefully, the new focused bilateral contact group, which was established in September to work the issue, can pull U.S. nuclear reactors out of the Indian legal hat. Cyber and Homeland Security will continue to be growth industries in the bilateral relationship, especially if the experts are allowed a relatively free reign by their political masters.

But progress on these bilateral subjects and repeated Summit platitudes, while they reflect the fact that a stronger India is in America's national interest, do not a strategic partnership make. And India and the United States are currently far from being operational "natural allies" to use former Prime Minister Vajpayee's term, except in the very long run. Indeed, it is striking how little the two nations presently have in common on major issues in the diplomatic arena in any practical and effective way. In particular, the transformation of the U.S.-India relationship beginning in 2001 was based on the concern in both governments that China was seeking to fundamentally change the balance of power in Asia to its advantage, and their mutual determination to jointly thwart that Chinese grand strategic objective. Unfortunately, this collaborative preoccupation in an operational sense regarding the rise of Chinese power appears to have suffered an absence of mind in both capitals. Our colleague Shyam Saran put it like this in a recent op-ed, "China's current objective is to establish itself as the predominant power in Asia enjoying a veto over the security and economic decisions of countries in its extended periphery. Its current focus is on East and South East Asia but will eventually extend to Central and South Asia. Russia is now a lesser rival in Central Asia. China has already made significant inroads in Nepal, Sri Lanka and the Maldives... China's emergence as the leading power in Asia is likely to continue."

In my view the Obama Administration is engaging the PRC hoping for a beneficent Beijing, much more than it is hedging to be in a position to deal with an increasingly aggressive Xi Jinping. This U.S. approach may serve India in the short term since the Modi government as noted above wishes to intensify economic cooperation with China, but in the longer term India too will suffer if the United States does not adopt a grand strategy to take into account China's systemic objective of replacing U.S. strategic primacy in Asia. I do not anticipate any serious U.S.-India collaboration in the next two years to cope with the rise of Chinese power. This is partly because the GOI cannot discern a long-term and coherent Obama Administration policy toward China. Neither can I.

We all hope that the Iranian nuclear negotiation will have a successful conclusion in the next six months consistent with the international objective of ensuring that Iran has neither a real nor a virtual nuclear weapons capability, nor a rapid breakout option. But like most of the rest of the world and in order to avoid war, India would settle for a negotiating outcome far less stringent than that demanded by the U.S. Congress

and perhaps by the Obama Administration. Despite the Modi Government's sympathy toward Israel, this opens the possibility of a U.S.-India disagreement over the Iranian nuclear end game, although one that will probably be only rhetorical in nature and not damaging to other elements of the bilateral relationship. But a U.S. attack on Iran's nuclear facilities would perforce lead India to condemn the action and perhaps downgrade ties with Washington at least in the short run, not least because of the roughly forty million Indian citizens who are Shia. Collateral damage I think it is called.

As we all know, the U.S. military is on its way out of Afghanistan by the end of 2016. I find it difficult to be optimistic about that tragic nation. In my mind, the major question is not whether the Taliban will continue to make major gains in the country, but whether we will see elements of an Iraqi army-like collapse by the Afghanistan security forces. In any event, the U.S. will increasingly leave managing the aftermath of its long military intervention in Afghanistan to India and Afghanistan's other neighbors, most notably Pakistan.

Pakistan's military will not change its fundamental objective to maximize its influence in Afghanistan at the expense of India, including through its terrorist surrogates. Washington is likely to resist this embracing conclusion regarding Pakistan's malignant objectives in Afghanistan, instead choosing to believe yet again as so often in the past that there have been multiple encouraging epiphanies throughout the Pakistan general staff and ISI regarding Afghanistan and India. That policy difference regarding Pakistan and Afghanistan and especially U.S. military assistance to Pakistan will likely become a bone of contention in the U.S.-India relationship and will at the same time also push India closer to Iran.

The Middle East is a holy mess. U.S. influence in the region is the weakest since before the 1973 war. India has vital national interests in the area – both energy acquisition and protection of its 6-7 million citizens who live there – but little capability to protect those interests. Put simply, New Delhi will not want to make its already deeply vulnerable position in the Middle East even more risky by being seen close to Washington regarding Syria, Iraq, the containment of Iran, and so forth. In exchanges regarding the Middle East with Washington, New Delhi will adopt the position of the legendary Hollywood filmmaker Samuel Goldwin who used to stress when he wanted nothing to do with a proposed activity, "include me out." India will say "include me out" of America's profound problems in the Middle East, many of which are of Washington's making.

India also has no appetite to join the U.S. in its current confrontation with Russia over Ukraine. As Prime Minister Modi nostalgically put it during Putin's December visit here, "Times have changed, our friendship has not," he added that, "Now, we want to take this relation to the next level and this visit is a step in that direction" and that India and Russia "stood by each other through thick and thin." In short, New Delhi believes it has no tiger in the Ukraine fight; has important military equities with Russia to protect; and moreover wonders why Washington is driving Put in further into Xi Jinping's embrace. This will not be a serious problem in the bilateral relationship as long as the U.S. does not push India to worsen its ties with Russia because of Ukraine. Were Washington to do so, the result is entirely predictable.

So, in conclusion, where does that leave us with respect to U.S. strategy toward India during the next two years? In my judgment, at best our expectations should be modest. Unlike at the beginning of the last decade, neither this Prime Minister nor this President will put the strategic transformation of U.S.-India relations in a preeminent place in their overall policy agendas. There will therefore in my judgment be no real strategic partnership between the two countries in the next two years. So perhaps Washington should take the advice of G.L. Mehta, India's Ambassador to the United States (1952-1958) who counseled that U.S.-India relations should not be defined by "conformity and acquiescence but by comprehension, patience and tolerance." Put more directly, Indians do not react well to hectoring from insistent folks from across the ocean; that tends to remind them of their former colonial masters. In any case, if India moves ahead with its domestic economic reforms and thus encourages U.S. business to further enter the Indian market, and the United States has some patience and does not attempt to pressure the Modi Government to damage any of its other major bilateral relationships, we can together make incremental progress on some of the bilateral issues briefly noted above, which is not to be dismissed.

But that is at best, and there is always whatever intrudes from elsewhere in the world. As you will recall, in the late 1950s a journalist asked incumbent British Prime Minister Harold Macmillan what he considered was most likely to blow his government off course. Macmillan replied, "Events, dear boy, events." The same is true for the U.S.-India relationship in the next two years. What could disrupt our bilateral interaction? Events, dear friends, events. Thank you for your attention. ✨