

Centre for Land Warfare Studies (CLAWS)

Talk cum Discussion

on

Indo-US Strategic Relationship under Second Obama Administration

05 February 2013

A talk on “Indo-US Strategic Relationship under Second Obama Administration” was delivered by Dr. Satu Limaye, Director East West Center, Washington at CLAWS on 05 February 2013. The session was chaired by Maj Gen Dhruv C Katoch, Director CLAWS; Brig Arun Sahgal, PhD was the discussant. The talk cum discussion was attended by serving officers of the Armed Forces, veterans and scholars from think tanks.

Opening Remarks: Maj Gen Dhruv C Katoch (Retd), Director CLAWS

The Indo-US relationship is believed to be moving in an upward direction. There are particular points in time when the pace of engagement slows down, but the engagement is positive and will remain so in the decade ahead. More on the relationship by Dr. Limaye.

Talk by Dr. Satu Limaye, Director, East West Center, Washington

The East West Center was founded in the 1960s by the US Congress. The organisation works in three areas – education, research and exchange. The Headquarters of the center are in Honolulu. The newly appointed Secretary of State, Mr. John Kerry has been very active in the United States’ initiative for greater involvement in South West Asia. He has visited India on numerous occasions and has a number of advisors who are well versed with the issues related to the region. However, there are two uncertainties. The first one is that the officials at lower levels of the Federal Government of USA are still to be named. The second uncertainty is that there is a lot of unfinished business on the US’ side about their defence budget and sequestration in terms offsetting borrowing ceilings. On the economic and defence strategy front a series of financial issues have to be resolved before US can take up any major strategic commitments. It is evident from the present scenario that

profound attention will be given to American challenges like entitlement reform, economic recovery, manufacturing, health care etc.

From the statements of Mr. Hagel it is clear that the US desires to draw down its engagement in Afghanistan sooner than the end of 2014. The precise numbers are not known as there are many uncertainties about the process. It is also a year of transition for Pakistan, with elections due to be held in this year as also changes which could take place in India post general elections in 2014. For the United States, India is increasingly becoming a part of the Asia Pacific strategy. It is a relatively new terrain for US. There is even greater uncertainty in East Asia. The North Koreans are threatening to explode nuclear devices. There are ratcheting tensions between Japan and China in East Asia. In the last 18-24 months, there have been intense tensions in the South China Sea. If you look at the continuity of the strategic environment that India is in from the US' viewpoint, there is uncertainty from Washington through South West Asia and the Middle East all the way up to East Asia. Hence, two important points must be kept in mind. Firstly, India is the one "not uncertain" factor in the US-India relations. Secondly, India's inclusion into the larger Asia-Pacific strategy of US is an example of India's growing strategic importance. There is a sense of pause in USA about Indo-US relations. It does not result from dissatisfaction, lack of interest or any sort of a grand strategic move. It exists simply because US is in a transition phase domestically, strategically, financially and economically. The Indo-US relations have reached a plateau in part because the relations have come so far so fast.

Some people are disappointed with Indian defence acquisitions. The very fact that US is disappointed with Indian acquisition decisions is a paradigm shift in thinking and indicates that the US-India relations have come a long way. The very language that USA uses for India, as net security provider within the region, is changing the minds of the American people about the kind of relationship that US wants with India. Another thing that should not be underestimated is the enormous bipartisan support for India-US relationship. Currently, there is a broad consensus that USA greatly benefits from an improved relationship with India.

It is believed that the plateau in relationship will last for the next year, because India and USA will be treading water on the sensitive civil nuclear deal and USA on the

economic reforms front. There are discussions about where the relationship will go with respect to defence technology and acquisitions. The pace at which the relationship has proceeded in the last decade is quite remarkable and the plateau will give the two nation states time to rethink what the next step should be to take the relationship forward.

Brig Arun Sahgal (Retd), PhD: Discussant

From a geo political perspective of the Indo-US relationship, India has to first recognise the calibre and relativity of US power. There is a set of opinions that talks about American decline, both in terms of use of power and its economy. That assumption needs to be revisited. It is important to understand that America is revitalising in the sense that today America has practically solved its energy problem. In the next 2-3 years, America will be the net energy provider to the world. The manufacturing sector is also on a high. In the geo political scenario, although Europe is declining, but as long as the US power is in place, the collaborative American-European structure will not decline.

China is now a rising power vying for dominance. In this scenario, it is to be seen how the two powers will collaborate. There are two formulations of alternatives for Asia in this scenario. First, the whole idea of building cooperation and engagement is to get the Asians used to America being a partner in Asia. The upgrading of cooperation in piracy, drug trafficking etc. is to recapture the strategic space that Americans have lost in the last ten years due to their engagement in Iraq and Afghanistan. Second is the emergence of multipolarity around the world and in particular, the rise of China. This is a concept based on an assertive China rising which will try to contain America and create its own sphere of influence.

Looking at the two contexts wholly, Asia is seen to be divided into multiple areas of influence where the two powers are trying to revitalise themselves and assert their influence. This scenario might then lead to a Cold War scenario in the region. But there is a silver lining behind this situation. For the growth of American power, economic engagement with China is a given. So, in the next 5-10 years China will remain a very important partner of the US. For countries like India, the essence of

China's relationship with US will be nuanced, particularly the geo political relationship.

There is another element involved which is the collaboration between Australia, Japan, Indonesia, Thailand and other countries on the rim land of Asia to restrain the Chinese influence and to ensure that trade and commerce across the Sea Lanes of Communication (SLOCs) remains open. Another element involved is the economic engagement. As far as economic issues are concerned, India has a huge ongoing relationship with US. In November-December 2012, in a period of 26 days, 23 American delegations visited India representing all areas of commerce like agriculture, technology, biochemicals, pharmaceuticals etc. That is the degree of engagement between India and USA and the engagement is going to continue for various reasons, one of them being that India will always remain an attractive market in years to come. There is going to be a nuanced Foreign Direct Investment (FDI) to kick start the Indian economic engine. The second aspect of enhancing the relationship is in the area of building India's Comprehensive National Power. Two issues are involved here. The first is whether the American military industrial base is willing to invest in India. Secondly, is the American industry ready for comprehensive Transfer of Technology (ToT) to India in the defence domain? Being a global player, USA is apprehensive about India's capability and capacity to become its partner and the reliability factor as far as armament is concerned.

There is not going to be any dramatic increase in the Foreign Military Sales (FMS) or purchases from US until serious infirmities on both sides are addressed. Another area of collaboration could be higher education. Provisions could be made for American universities to come to India to revitalise India's higher education.

Discussion

The following points were discussed:

- Commonality of interests between India and USA and what strategy India should adopt in order to enlarge its strategic space,
- Work in collaboration with US and not follow an antagonistic policy towards China

- The importance of public perception of the relationship between the world's two largest democracies. The transience of national interests in today's context and the significance of values to drive a relationship. The common values of democracy and pluralism that the two nations share is the reason for their strong relationship.
- Benefits of the relationship need to outweigh the uncertainties and costs involved to keep the engagement going. Hence, the policy to be followed is one of hedging and balancing.

Concluding Remarks: Maj Gen Dhruv C Katoch (Retd), Director CLAWS

The present scenario, India needs to be internally secure and strong. The shared interests and values between India and USA based on factors other than the ones discussed are very important to the relationship between the two countries. As far as India's security structures and security paradigm is concerned, the doctrines need to be revisited. Long term threat analysis needs to be carried out and capacities developed based on threat. The strategic relationship must be structured accordingly.