



An Impact Assessment of President Obama's Visit on the India-US Strategic Partnership

Sanjeev Kumar Shrivastav

Sanjeev Kumar Shrivastav is a Research Assistant at the Institute for Defence Studies and Analyses (IDSAs), New Delhi.

December 09, 2010

Summary

President Obama has elevated the India-United States strategic partnership to a higher level - "one of the defining partnerships in the 21st century." The strategic partnership which is grounded in shared values as well as shared interests between the two great democracies has been further deepened as a result of a visionary and forward looking approach adopted and exercised by President Obama and Prime Minister Manmohan Singh. There appears to be a greater clarity on shared interests as well on common challenges which is likely to lead to the evolution of a shared vision for the future. President Obama's visit has set the right tone for advancing the relationship. It also highlighted the world's expectation of India performing a global role in the coming years. For this purpose, India will have to make itself more efficient and robust internally. In this process, India-United States strategic partnership could be of critical significance.



The Visit

With his much awaited successful visit to India, President Obama has certainly elevated the India-United States strategic partnership to a higher level – “one of the defining partnerships in the 21st century.” The strategic partnership which is grounded in shared values as well as shared interests between two great democracies, has been further deepened as a result of a visionary and forward looking approach adopted and exercised by President Barack Obama and Prime Minister Manmohan Singh.

Shared values

It is evident that both India and United States have realised the significance of shared values in the form of democracy, individual liberty, freedom of expression and practice of religion, multicultural society, rule of law, etc., which are inherent in their societies as well as in their political practices. These values have been shared constantly between the two societies during the course of history. One of the most illuminating examples of this sharing of values between India and the United States is the following: A great American leader of the twentieth century Martin Luther King was deeply influenced by the apostle of peace and father of Indian nation Mahatma Gandhi. The Mahatma himself was influenced by a prominent 19th century American philosopher and litterateur Henry David Thoreau, with Gandhi considering the latter's essay “On the Duty of Civil Disobedience” as one of the most profound influences on his life and ideas. Thoreau for his part was influenced by ancient words of wisdom expressed in the Vedas and Upanishads. These

inherent values provide a solid foundation based on which an enduring strategic partnership can be built between the two societies and nations. Given the solid foundation of these shared values, strong substance and shared interests, India and the United States are set to evolve a high level of trust and clear mutual understanding in the process of evolving a shared vision to successfully meet the opportunities and challenges of the 21st century. President Obama's visit also marked the celebration of the continuing confluence of two great democracies.

Major Agreements

There have been several major outcomes of President Obama's visit to India.

Economy

With the signing of more than 20 wide ranging deals worth US \$ 10 billion, the process of economic cooperation between the two countries has been strengthened. Trade figures of the US Census Bureau reveal that India-US annual total trade till September 2010 was \$ 36.3 billion compared to the total annual trade of \$ 37.6 billion for the year 2009. With the success of Obama's visit, India-US annual total trade volume is expected to grow. It is noteworthy to mention that according to US Bureau of Labor statistics, the unemployment rate in the United States in October 2010 was 9.6 per cent, one of its highest levels since 1990. The deals signed in India will create about 54,000 jobs in the United States which could greatly help in allaying fear in the United States related to outsourcing of jobs to India. A point may be successfully made that India is not merely gaining jobs from the United States but also creating it, propelled by its own demands, in the United States as well. There exists enormous opportunities for greater economic cooperation between these two economies. At present India is the 12th largest trading partner of the United States. Given the size of the two economies, substance, opportunity and scope, India ought to be in at least among the top three positions in the near future.

Defence

India-US defence trade has been on the rise in recent years. Total defence trade between India and the US since 2008 in terms of contracts signed stood at \$ 3.1 billion before the Obama visit. As one of the significant outcomes of this visit, both nations have finalised agreements on two defence deals worth nearly \$5 billion which includes ten C-17 Globemaster III military transport aircraft worth \$4.1 billion and General Electric engines for Tejas light combat aircraft (LCA) worth \$820 million. After the formal signing of these two contracts, the total defence trade volume between the two countries since 2008 are nearly \$ 8.1 billion in terms of contracts signed – an unprecedented growth level in the history of defence trade between the India and the United States. It would be worth noting that the United States has conducted more joint military exercises with India than any other country since 2002. This growing defence cooperation between India and the United

States clearly indicates the growing confidence of the two nations in jointly dealing with future security challenges in whichever form they might arise.

Removal of Indian entities from the entity list

Removal of some Indian entities from the entity list and realignment of India in US export control regulations has been another significant outcome of the Obama visit. This was a very welcome step and will help the partners in developing mutual trust and confidence in the sphere of high technology transfer and trade. The growth in the high technology transfer and trade between the two nations will be viewed as one of the high points in the consolidation process of the India-US strategic partnership.

Support for India's membership in multilateral export control regimes

The United States has also announced its support for India's membership in the four multilateral export control regimes i.e. Nuclear Suppliers Group (NSG), Missile Technology Control Regime (MTCR), Wassenaar Arrangement and Australia Group. This also indicated at the expanding nuclear dialogue and cooperation between the two nations both at the bilateral as well as multilateral levels.

India and the United States may also begin new joint research & development projects to explore new inventions in the high technology sector. Given the very advanced state of high technology sector in the United States and India's talented pool of scientists and engineers, the two nations can partner well in the sphere of high technology. This will ultimately help realize the full potential of the strategic partnership. In this regard, a decision to set up a joint India-US Clean Energy Research and Development Centre is a welcome step forward.

Recognition of India's role in Afghanistan

Another significant outcome of the visit was the appreciation and recognition of India's role in Afghanistan by the Obama administration. The United States and its NATO allies are engaged in the Afghan war which entered its 10th year on October 8, 2010. India has vital stakes in the stability of Afghanistan. It has had pro-active engagement in the reconstruction of Afghanistan aimed at promoting peace and stability in the war torn nation. So far India has invested more than \$1.3 billion in projects to construct road networks, power transmission, schools, healthcare units, telecommunications development, vital infrastructure including construction of the new Afghan parliament building, etc. India has deep historical linkages with Afghanistan and its liberal values are widely welcomed among the Afghan people. India's role in the form of economic aid and reconstruction of Afghanistan has boosted the efforts of the United States and its NATO allies in the process of bringing about peace and stability in Afghanistan. During his visit, Obama clearly recognised and appreciated India's role in Afghanistan which

has been clearly stated in the joint statement. Both governments have also resolved to pursue joint development projects with the Afghan Government in the spheres of capacity building, agriculture and women's empowerment. This recognition will encourage policy makers in India to develop even closer and robust constructive engagements in Afghanistan. This recognition by President Obama is also a clear message to Pakistan that peace and stability in Afghanistan will not be achievable and sustainable without engaging India constructively.

Pakistan and Cross Border Terrorism

While addressing the Indian parliament, President Obama categorically asked Pakistan to dismantle "terrorist safe havens within their borders" by calling them "unacceptable". He also emphasised that "terrorists behind the Mumbai attacks must be brought to justice." By beginning his India visit from Taj Memorial in Mumbai where he paid homage to victims of the 26/11 attack and by delivering a direct message to Pakistan from the Indian parliament, President Obama conveyed a resolute message against terrorism. Building upon the Counter Terrorism Initiative which was signed in July 2010, India and United States have also announced a new Homeland Security Dialogue between India's Ministry of Home Affairs and the US Department of Homeland Security aimed at further deepening the operational cooperation, counter-terrorism technology transfers and capacity building. It is hoped that growing intelligence sharing and anti-terror cooperation between India and the United States will act as a stronger deterrence against agencies in Pakistan and will discourage them from webbing any evil designs against the two democracies and their freedom loving societies and peoples. However, it would be significant to remain engaged with Pakistan in order to help it become a stable nation. But it is essential for the United States to establish a strong verification mechanism aimed at properly scrutinizing how its aid to Pakistan is spent. There has been concern in India that a substantial amount of this money might be used for anti-India purposes by agencies in Pakistan.

Support for India's bid as permanent member in the reformed UN Security Council

One of the most significant announcements by President Obama during his India visit was endorsement of India's bid as a permanent member in a reformed UN Security Council. This announcement in the Indian parliament was an acknowledgment of the fact that a democracy with 1.2 billion people, a 1.2 trillion dollar economy and a society with inherent liberal values cannot be kept away from a permanent seat in the UN Security Council. It was also a recognition by the President that India's role in global affairs is indispensable as he declared India an "emerged power."

Education

Education is one of the most critical sectors for cooperation between India and the United

States. India is the second most populous nation in the world with approximately 50 per cent of its population being youth below 25 years of age. Imparting quality education to these young people must be an area of utmost priority to ensure a prosperous and peaceful future for the Indian nation. In this regard India-US cooperation could be very significant. At present, there are more than 100,000 Indian students enrolled in various educational institutions in the United States. Realising the importance of education, India and the United States have decided to form an India-U.S Higher Education Forum under the auspices of the US-India Business Council, apart from taking several other initiatives. To promote greater educational collaboration, the Foreign Education Service Providers Bill has been introduced in the Indian parliament. The Nehru-Fulbright Fellowship Programme and the Singh-Obama Knowledge Initiative are providing momentum to the educational exchanges between the two countries. The decision taken during the Obama visit to initiate the first Higher Education Summit from 2011 is a welcome step and it will further pave the way for facilitating greater India-US collaboration in the education sector.

Agriculture and “Evergreen Revolution”

Carrying forward the historic legacy of the success of the “Green Revolution” in India between 1965 and the early 1980s, it has been decided during the Obama visit that both governments will work for an “Evergreen Revolution” by developing, testing, and replicating transformative technologies to extend food security, with a special focus on farmers by enabling them with means and skills to improve agricultural productivity. Since agriculture is the main means of livelihood for over 58.4 per cent of India's total population, and, according to Tendulkar Committee report on Poverty Estimation, 37.2 per cent of the total population in India is still below the poverty line, the idea to bring about an “Evergreen Revolution” aimed at facilitating cooperation for agricultural advancement and providing food security is of immense significance and must be pursued vigorously. It will greatly help in expediting the poverty eradication processes in India.

Implementing India-US civil nuclear deal

Building upon the legacy of the Bush administration, President Obama's visit marked the completion of steps taken by the two countries for implementing the India-US civil nuclear deal as both nations have enacted domestic legislations and are also signatories to the Convention on Supplementary Compensation (CSC). India signed the CSC before Obama's visit and it is expected to be ratified by the Indian parliament soon. India and the United States have also agreed to work for strengthening their partnership in creating the green economy of the future. A Memorandum of Understanding (MOU) for a Global Centre for Nuclear Energy Partnership had been signed during the visit. It has been agreed upon by both sides that the United States will cooperate in the process of India's plans to establish a nuclear centre, to promote nuclear security as well as to address threats of nuclear terrorism.

Non-proliferation and Disarmament

The developing understanding on non-proliferation and disarmament between the two nuclear-armed democracies has been one of the major highlights of this visit. As the joint statement notes, “The two leaders affirmed that their countries’ common ideals, complementary strengths and a shared commitment to a world without nuclear weapons give them a responsibility to forge a strong partnership to lead global efforts for non-proliferation and universal and non-discriminatory global nuclear disarmament in the 21st century. They affirmed the need for a meaningful dialogue among all states possessing nuclear weapons to build trust and confidence and for reducing the salience of nuclear weapons in international affairs and security doctrines.” Both governments deserve appreciation for stating their shared intention and shared commitment to work together for making the world free of nuclear, chemical and biological weapons. This shared commitment would certainly lead towards strengthening global norms for nuclear non-proliferation and disarmament.

Health

Highlighting the importance of the health sector, India and the United States agreed to promote bilateral dialogue on health cooperation and signed a Memorandum of Understanding (MoU) to establish a new Global Disease Detection Regional Centre in India, which will facilitate preparedness against threats of dangerous diseases. This will be the seventh such centre and will be a part of the Global Disease Detection (GDD) network. The other six regional centres are located in Kenya, Thailand, Guatemala, Egypt, China, and Kazakhstan.

Climate Change

On climate change, India and United States agreed to work bilaterally on international climate change negotiations within the framework of the United Nations Framework Convention on Climate Change (UNFCCC) aimed at developing clear understanding on issues related to it, apart from supporting the Copenhagen Accord and looking forward to the positive outcomes of the Cancun summit. New MoUs have been signed for establishing a Joint Clean Energy Research Centre; to establish an India-US Energy Cooperation Programme aimed at addressing clean energy-related issues in India and the United States; on technical cooperation on weather forecasting in India and to study India’s annual monsoon rains; and to cooperate on exploration and utilization of shale gas resources in India.

Implications

Agreements and understandings on significant issues such as economy, defence, education, energy, agriculture, health, science, technology and innovation as well as nuclear non-

proliferation and disarmament clearly highlight that President Obama's visit has been remarkably successful and will be termed as a major milestone in the history of the growing India-United States strategic partnership. The cordiality, speeches, statements and the outcome of this visit clearly reflect that the India-US strategic partnership has moved towards acquiring a level of maturity. Further sincere actions on the committed words by both sides as well as regular follow-up sessions between the two governments will determine the advancement of this momentum, which will subsequently lead to a more mature level of cooperation, understanding and a shared vision for the future.

However, President Obama visit to India has once again highlighted the expectations upon India to perform its role as a global power. To perform that role, India will have to make itself internally much more robust and efficient and externally more pro-active. India has been growing at an average rate of nearly 8 per cent annually in terms of GDP growth during the current decade; also its defence budget and capabilities are on the rise. According to SIPRI military expenditure database, India's defence expenditure was \$ 36.60 billion in 2009, compared to \$ 21.9 billion in the year 2000, which indicates a 67.12 per cent growth. But the fact remains, according to a report by Suresh Tendulkar committee on Poverty Estimation earlier this year, that 37.2 per cent people in India are still below the poverty line. However, while defining poverty, the Tendulkar committee has taken into consideration not only access to food but also expenditure on health, education and clothing, etc. Similarly, about 34 per cent of India's population is still illiterate. India will have to build infrastructure, improve the quality of governance, ensure food security and provide quality education to its youth. India's future will depend on its young population and approximately 50 per cent of India's total population belongs to youth below 25 years of age. This young generation must be nurtured with quality education, attentive healthcare and proper employment. Given the traditional and non-traditional threats faced by India, it will have to develop a more robust internal security architecture as well as defence capabilities and infrastructure so that such threats can be dealt with more efficaciously. This will strengthen India from within and will help it in developing greater confidence to play its expected role in global affairs. On the external front, India must begin to have a more pro-active neighbourhood policy.

It may be noted that India is a society marked by high aspirations among its youth. It is imperative that the nation provides opportunities and direction to this enormous pool of energy and aspiration. If this golden opportunity is utilized with efficient planning and strategy, commitment and hard work, India can be smoothly transformed into an influential global power with democratic values and economic prosperity. Such an India would be a real asset for the world in the process of establishing a peaceful and prosperous international order. But if this opportunity were to be lost, then it would prove counter productive for the future of the nation and for the world. Given the backdrop of shared values, shared interests as well as the shared challenges, the United States would be a

crucially close partner for India in the process of achieving these goals. The growing cooperation and understanding reflected during the Obama visit once again assures of deeper India-US collaboration in new initiatives and projects for the future.

Conclusion

Given the shared challenges emanating from non-democratic regimes, non-state actors and also from the global economic slow down, India and the United States need each other more than ever before. This growing strategic partnership is an irreversible process, which is visible in the form of three million Americans of Indian decent serving US society, the frequent visits of Indian and US officials, the growing interaction between businesses and academics, and positive perceptions and high regard for each other's inherent values among the common people in India and United States. President Obama was precise in his assertion that this is an indispensable partnership and one of the defining partnerships in the 21st century. His visit to India has immensely helped in consolidating mutual understanding and the partnership as well as in evolving a shared vision for the future.