With global dynamics changing rapidly, a world not yet completely accustomed to the norms of uni-polarity, is now learning to adjust to a multi-polar system. It becomes necessary then, to study key relationships that are likely to emerge from these remarkably uncertain times. One such relationship is between the United States and India, a mingling of old and emerging powers, and of economic downturn and newfound wealth. In this study, we examine major aspects of U.S.-India ties within the context of President Obama’s visit early in November 2010, addressing both the expectations before and the results after the visit. However, we shall begin by assessing the major facets of bilateral ties, the progress made and hurdles felt, in order to put things in perspective.

Section I

The U.S. has developed a strategically important relationship with India, but it is not without problems and implications, not just for both parties involved, but also for other stakeholders in a global foreign policy domain, that includes, but is not limited to Pakistan.

These strong ties, or at least the desire for them, are understandable for a number of reasons – stakes in Afghanistan, trade and defence arrangements, the ‘Chinese factor’, economics and trade, security concerns and ideological convergences in addition to India’s growing global presence and negotiating power are just a few factors that immediately come up. The problems are also visible; understanding them requires significantly more effort. India’s role in Afghanistan, the unresolved issue of Kashmir, relationship with Iran, U.S.-Pakistan military alliance, as well as divergent policies in, for instance, the climate change debate, are all hurdles to a smooth partnership.

It is in such a background that President Obama visited India in the first week of November, 2010. A much anticipated visit, it was not surprising since the precedent had already been set and it was only a matter of time before the president would follow. Indian Prime Minister Manmohan Singh had been the first state visitor to Washington during the Obama administration - a visit where President Obama referred to the U.S.-India partnership as ‘one of the defining relationships of the 21st century’.¹

And as the stage was set for Obama’s reciprocal visit to New Delhi, the expectations are high - perhaps unusually and unfairly so.² From the mundane – whether trade pacts would be signed; to the controversial – whether Kashmir

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would be discussed; and from the essential – whether defence agreements would be signed, more clarity be given to the situation in Afghanistan, and whether explicit support would be provided to India’s quest for permanent membership at the United Nations Security Council (UNSC); and the needlessly interesting – whether the president would make a visit to the Golden temple, the visit dominated official circles for weeks. If nothing else, it was certainly going to be an indication of India’s emergence, finally, as a power of regional if not altogether global status, and secondly, of a strengthened U.S.–India relationship.

U.S.-India ties – an analysis

As we examine the expectations prior to the visit it is essential to recognize other marginalized issues that include the conundrum in Afghanistan, protests in Kashmir, Pakistan-U.S. strategic dialogue and a gradual obliteration of the de-hyphenation hypothesis for India and Pakistan. Not insignificantly, Obama showed an intent to also visit Pakistan in 2011 since his itinerary for Asia was conspicuous due to the country’s omission and not unsurprisingly, voicing this intent did not earn him accolades in India, where some saw this as sending bilateral ties ‘backwards’.

That was not the sole point of contention and nor was it the most important. Sumit Ganguly for instance, wrote in the Newsweek prior to Obama’s visit, ‘Since he took office in 2009, U.S. relations with India have been marked by some tension, and many in New Delhi had hoped the visit would help allay a range of concerns. Sadly, these hopes are now diminishing, and even thoughtful observers are privately stating that the visit will improve the political atmosphere of the bilateral relationship, but not the substance.’

While such extreme characterization may be an anomaly, a considerable lack of enthusiasm - which might be exaggerated in certain academic circles – was actually quite pervading, or at least slightly more constrained when compared to official positions. However, negative perceptions are likely to be academic, think-tank oriented proverbial ‘sticks’ of sorts, conceptualized to achieve ends through intellectual pressure. Whether this fails or succeeds is another question. In the same Newsweek article, the author chastises India for expecting too much from the U.S., considering all the ‘contentious issues [that] are emblematic of a deeper malaise that afflicts the relationship.’ He is not alone in advocating caution against blind enthusiasm; the general consensus however, is not nearly as bleak even as significant problems are highlighted – both before and after the three days spent in India. To use a tired metaphor, the general perception of India-U.S. ties is definitely not one of some strains of light at the end of an otherwise dark tunnel, as Ganguly makes it out to be.

A spate of think tank publications came out in the weeks before President Obama’s visit, showing the level of interest and the broad parameters of mutual concerns between the two countries. One such report by the Center for New
American Security, citing the need to further strengthen ties due to India’s emergence as a global power, terms ‘the transformation of U.S. ties with New Delhi over the past 10 years….as one of the most significant triumphs of recent American foreign policy’.7

Yet, warning against unmitigated euphoria since ‘this critical relationship is falling short of its promise’, it calls for a ‘giant leap forward’.8 Recommendations for such a leap included U.S. commitment to Indian ambitions in the U.N. Security Council, and a ‘greatly’ expanding security and trade relationship since ‘India’s rise to global power is … in America’s strategic interest’. This logic of strategic interest has indeed become conventional wisdom and is likely to remain in vogue for the foreseeable future, at least until the current geo-political and economic scenario lasts its lifetime.

A closer relationship with India is believed to be important for a worldwide system of open trading, protection of global commons, success in counterterrorism and stability in South Asia, in addition to paving an easier path for ‘both Washington and New Delhi to have productive relations with Beijing’9 – all necessarily aspects of American ‘strategic interests’. Any persisting concerns regarding India’s position in the world that had unfairly emerged due to narrow measures of valuing ability through the Commonwealth Games, have since been answered by a successful conclusion to the international event and more importantly, through the contrasting position of growing private sector and the overall economy.10

A projection of India’s economic growth suggests that in the coming decade, ‘the United States will remain one of India’s top three trading partners, and probably the largest when one includes services and information technology trade as well as goods’.11 Indeed bilateral trade has tripled in the last ten years and is growing at 20 percent per annum.12 ‘There is a realization however, that while bilateral relations are likely to flourish, the more diversified and divergent global concerns, for instance on climate policy, Kashmir and Iran will continue to exhibit a ‘prickly quality to U.S.-India relations beyond the bilateral realm.’13 And yet, major discontinuities are speculated to be limited to four uniquely un-probabilistic and hypothetical scenarios.14

These remain substantial issues, and even if they do not present major hurdles to a long-term partnership, they do pose serious questions. Obama’s visit was expected to address most, if not all of these concerns and enhance the strategic partnership – which perhaps in the current global scenario tends to focus more on the American economy than on other considerations.

Issues in the relationship

Other analysts, before Obama set foot on Asian soil, were more philosophical in their approach of the bilateral relationship between both countries. There has
been concern that U.S.-Indian ties have not ‘taken off’ as they should have and Ashley Tellis for one, contends that while Obama has repeatedly professed the potential of India to become America’s most important strategic partner, ‘bilateral ties have become listless and marked by drift’. However, this may well have been a normalizing effect after the Bush era when, as George Perkovich puts it, the administration ‘offered more and asked less of India than it did of any other country, save perhaps Israel’ and that this ‘special treatment of India was unrealistic and therefore unsustainable.’ Thus, while Indian ‘mixed emotions about Obama’ due to less robust commitment than his predecessors are very real, it is ‘all the more reason,’ in the words of Dan Twining, ‘for India’s leaders to step up theirs.’

While ideological convergence in the rhetoric of democracy is considered to be a perennial plus-point, there is cause to be less enthusiastic about joining the bandwagon that heralds the relationship as a partnership of two of the largest democracies in the world. Indeed while philosophical undercurrents make for effective claims to partnerships, interests and implementation remain different and in issues such as Kashmir, where India ‘most dramatically falls short in democratic justice’, needless to mention America’s own problems in its wars in Afghanistan and Iraq, such ideological similarities limit the space for democratic enthusiasts.

And that is not the only case where a seemingly positive dimension ran into trouble. There were also concerns for instance regarding delays in the implementation of the ‘historic’ civil nuclear deal between the two countries, wherein private and public American officials faced ‘major disappointment’ the last few weeks before Obama’s visit. U.S. suppliers had been pushing for changes in a newly passed Indian nuclear liability bill to bring it in line with the international Convention on Supplementary Compensation for Nuclear Damage (CSC) and India resisted calls to change the Act. However, days before Obama’s arrival, there were reports that India may sign the aforementioned treaty ‘as a means of short-circuiting American pressure to amend the recently passed nuclear liability Act’, and this proved to be the case when it was signed in Vienna at the IAEA offices. Thus with Indian claims of having fulfilled commitments made with regards to the nuclear deal, more direct progress on that front was more likely, even as other technicalities have to be sorted out.

Many commentators recommend greater American role in ‘integrating India into the mainstream of global of global non-proliferation institutions’ as a potentially historic achievement. Perkovich again offers a different, perhaps more realistic point of view, noting that nuclear energy cannot transform the relationship. Indeed he argues that the civil nuclear agreement that was supposed to turn the relationship into a partnership has instead ‘undermined U.S. leadership credibility in trying to strengthen the global non-proliferation regime.’ That again reflected the ‘special treatment’ to India in the previous government, when in 2005 the U.S. acceded to Indian demands of lifting...
nuclear cooperation restrictions, which has ‘provided benefits to India and potentially to foreign exporters of nuclear power plants’, but also harmed U.S. repute.\textsuperscript{27}

Another significant point of divergence relates to issues in the security domain – relating primarily to Pakistan, but increasingly also to aspects of global terrorism and the war in Afghanistan. While India’s defence trade with the U.S. steadily increased – and is likely to do so further as India’s spending ‘over the next six or seven years is expected to be in the range of 280 billion dollars’\textsuperscript{28} – there is concern specially in the case of licensing. While the U.S. has shown intent to ease restrictions on high-technology transfers,\textsuperscript{29} and already ‘only a fraction of dual-use trade with India now requires a license’,\textsuperscript{30} further improvements are recommended. The contention here is not so much the Indian need to buy, but rather the American need to sell as highlighted by the Center for New American Security task force when it says that ‘an expanded U.S.-India military partnership, including defense trade should be a key aim of American policy.’\textsuperscript{31} This, in effect, was expected to become a primary issue of interest during Obama’s visit, which some crudely touted as his ‘sales trip’.

This should not be surprising, especially since the American economy is likely to benefit greatly from a partnership with India, with U.S. manufacturers and officials pushing for sales of arms to India as well. Not only will it be an ‘American solution to India’s defense acquisition problem’\textsuperscript{32} for Indian commentators, but American analysts also place ‘defense cooperation at the top of the list of what a U.S.–Indian partnership should entail’. As Perkovich writes ‘U.S. defense manufacturers, consultants, and political representatives today avidly press U.S. officials to do whatever is necessary to court Indian trust’ since ‘India will be spending billions more dollars on defense imports in the coming decade than any other prospective buyer of American equipment’.\textsuperscript{33}

Security problems do not end with bureaucratic and economic issues. There has been of late a potentially embarrassing case of David Coleman Headley, a terrorist involved in the lead-up to the 2008 attacks in Mumbai. Reports of inadequacy or even inefficiency in his handling,\textsuperscript{34} had surface, causing B. Raman to note that Indian and U.S. agencies have a trust deficit and that intelligence sharing is the ‘most unsatisfactory aspect’ of counterterrorism cooperation.\textsuperscript{35} Global counterterrorism then, which emerged as a symbolic moot point during the visit itself, was being seen in multiple dimensions beforehand.

This is inevitably linked to Pakistan; subsequently, a matter of greater concern for India has been U.S. military aid to its western neighbour. With further commitment to Pakistan during a recently concluded Pakistan-U.S. strategic dialogue, Indian concerns are likely to increase since its sentiments regarding American arms provision to Pakistan are well-known. The allegations are that Pakistan uses American-provided arms against India rather than to fight terrorism,\textsuperscript{36} and that certain equipment ‘can only be used against India’;\textsuperscript{37} this is
an issue that was likely to remain a point of departure due to America’s continued cooperation with Pakistan in the war in Afghanistan.

‘Reasonably’ explaining the American position to India, as Perkovich suggests, is unlikely to be a successful or even realistic option since, in the words of Christine Fair, ‘India's interests in Afghanistan are not only Pakistan-specific but equally, if not more importantly, tied to India's desire to be and to be seen as an extra-regional power moving toward great power status’. Thus the security and defense dilemmas surrounding the bilateral partnership remain shrouded in economic, bureaucratic and most importantly, geo-strategic domains. Simply ‘explaining’, however reasonably, would require diplomacy and trust-building measures of unprecedented proportions – which were also part of the aims of Obama’s trip.

A final point relates to China. With the contention that ‘China will be a major factor, though unstated, in how U.S.-India relations grow’ amid the political and economic realities of both countries’ attempts at growing bilateral ties with China, the narrative has yet to find coherence. The rhetoric of U.S. strategic interest in India being one of ‘containing’ China is now being reworded as avoiding a ‘vacuum of power’ in Asia, thus making it easier ‘for both Washington and New Delhi to have productive relations with Beijing’. Both India and the U.S. have multifaceted relations with China and India shares space and interests with its northern neighbour on the issue of climate change – where it is in contrast to the American position.

Indeed, even as Indian has concerns of American wooing of China, most visible at the time of Obama’s distinct overtures and the G-2 rhetoric, a strategic partnership to contain its growth and power is no longer considered feasible, at least in the official circles. China has become India’s biggest trading partner, and a while this complicates India’s ‘overall policy making toward China …. [it] should also cast doubt on American projections of India as a close partner in containing its economically dynamic neighbour’.

The overwhelming consensus is that it is in the interests of both countries if India-U.S. ties are strengthened. It is also agreed that in the current American administration, the level of interest and enthusiasm shown to India has waned significantly. That perhaps is not surprising since the previous Bush era, India had become used to a position of prestige. There is also agreement that there are significant hurdles along the way – relations and policies with China, divergent views on global concerns, security concerns linked to Afghanistan and Pakistan wherein the problem of military aid is highlighted, and bureaucratic and legal issues in bilateral frameworks are some of these important issues highlighted in this section. But despite these cleavages, prospects of a boisterous bilateral relationship are not automatically diminished. And it is with this mindset that the expectations of President Obama’s visit are most relevantly considered.
Section II: expectations before the visit

While the overall context and future trends of bilateral India-U.S. ties, as stated above, do not seem to present a vast spectrum of opinions, the global stage offers some interesting backgrounds for President Obama’s visit to India. And they warrant attention since tackling them successfully could have made it potentially ‘historic’, leading to a ‘global partnership’. 

As to how this could be achieved, there are divergent views given the problems listed in the previous section. On one side are analysts such as George Perkovich, who prioritize more global problem-solving, wherein the U.S. has less incentives and reasons to ‘build’ India; it should instead ‘focus on global issues—such as trade, nuclear security, peace in Asia, and climate change—that will also affect India’s longer-term interests’. On the other side are analysts such as Ashley Tellis who call for more direct policy support for India’s rise, including endorsement for a permanent seat in the United Nations Security Council. Thus while former advocates letting India handle its own domestic rise, the latter calls for an American role in strengthening Indian capacity. These are not trivial differences as they advocate dissimilar if not altogether contrasting policy implications for the U.S. and India, and correspondingly the norms of the relationship.

Obama’s visit was considered all the more important in the context of his regime’s relative inattention to India. There was no single consensual view however, in order to gauge success of the visit, especially since preceding events had further complicated the eventual outcome, in turn raising expectations unrealistically. While some of these divergent views have been mentioned in the previous section, here we turn to the one marginalized issue that has become a test for American diplomacy in its relationship with allies in South Asia.

Headlines throughout the summer of 2010 had been dominated by protests in Kashmir, and Pakistan had brought its traditional stance of a U.N.-backed plebiscite at global platforms much to India’s chagrin. While President Obama steered clear of opining over the dispute despite pre-election indications that the U.S. would aim to resolve the Kashmir issue – a ‘rookie mistake’ that did not endear him to India - there were increasing calls for him to do so when in India; this also becomes strategically relevant as well due to contingent plans in Afghanistan.

Predictably, this speculation is rejected by India and the sensitivity is something that the U.S. has kept in mind as well. As Perkovich notes, the quietude is common and understandable. Even so, there were suggestions that Obama would go to India armed, along with multiple other packages, with a possible solution to Kashmir – ironically, while recognizing that India is loathe to discuss the issue at all, the speculation was that this potential solution would be in line with Indian aspirations.
Kashmir does provide a dilemma to the U.S., which on the one hand is trying to bridge a trust deficit with Pakistan and on the other would find it undesirable to create a rift with India. And yet, it is ‘a challenge that the United States can neither avoid nor resolve’. However, given India’s power at rebuffing attempts to ‘solve’ what it does not consider to be an external issue, the contention was that the U.S. could at least be reasonably expected to address human rights concerns.

Positivists presume here that the U.S. could be tempted to broach Kashmir and a broader commitment to dialogue with Pakistan, while being more explicit with its support for India regarding permanent membership at the UNSC. Calling for a stable South Asia, ideally without the ‘dispute’ on Kashmir, but realistically with a non-belligerent India and Pakistan relationship, suits the U.S. for two primary reasons – one, it could be an effective means to convince Pakistan of its alliance in a relationship filled with mistrust, and two, this would consequently aid in its Afghanistan strategy.

However, the question to be asked is whether the U.S. is at all in a position to offer India a quid pro quo of sorts. And the answer would be a plausible, if not an altogether emphatic ‘no’. The U.S. has much to gain from a healthy relationship with India, which holds quite significant wild cards of its own – not least of which is security concerns and consequently its defence needs. In fact, while the Pakistani contingent in New York was pressing on resolving Kashmir at the United Nations General Assembly earlier in the year, India’s Defence Minister was also in the United States for entirely different reasons.

The weak U.S. economy, its war spending and rising unemployment and poverty rates present the biggest contradiction of political and ideological supremacy in this age. And in such a scenario, with uni-polarity a concept of the past, shared global governance and power has necessitated a realigning of relationships. India, with its own labour force, resources and impressively growing economy is unsurprisingly a winner in such circumstances. And with its security concerns, it becomes a market of some relevance for the U.S. to say the least.

Thus a quid pro quo was realistically not on the cards even if expectations of Kashmir being an issue raised by President Obama were not entirely counted out either – although it is an understandable diplomatic norm that controversial matters will not become part of the public discourse. Overall, while expectations from the visit characterised a growing U.S. interest in the region and recognition of India’s role in future, the preceding narrative also emphasised that the de-hyphenation discourse regarding bilateral U.S. relationships with India and Pakistan is coming to a belated, inevitable and eventual end.
While reports of the U.S. rejecting Pakistan’s ‘pleas’ to help solve the Kashmir issue predictably surfaced, analyses from non-partisan quarters also called for a resolution to Kashmir, criticising Obama’s silence on the issue and demanding that during the visit to India, he ‘find a way to return ….. what will be a test of the deepening Indo-American friendship.’

Needless to say, not all analyses parroted such views to gauge accomplishments. For one commentator, ‘if the visit is to be a success, [Obama] will need to …… avoid talking about Kashmir’ and ‘be sensitive to Indian concerns on Afghanistan and China’s role in South Asia’. Similarly, other opinions emphasise India’s own political clout, noting that ‘the real criterion for measuring success would lie in assessing whether or not the two leaders [Obama and Singh] have reached consensus on defining the dangers that their, and other, countries face from the Af-Pak area and how they intend to tackle it. They must agree on a mechanism for arriving at such assessment and there is only one way of doing it. What is needed is a trilateral forum of consultations consisting of the U.S., India and Afghanistan.’ Pakistan becomes conspicuous by absence and that is essentially the dilemma that the U.S. continues to face.

The debate on whether or not Kashmir should have been discussed is entirely different from whether it would have been discussed. And the consensus on the latter was, as has turned out to be true, heavily inclined towards the negative, at least on public platforms and joint statements that are part of any large-scale official tour. The fact is that after the bed-sharing in the Bush era, this visit would have intend to re-develop and re-live some of the love that has since been lost; as Tellis puts it, ‘the truth is that U.S.-Indian ties have actually been thriving, but largely at the private level’, and it is the official ties that now require the gloss in order to take that ‘giant leap forward’.

Thus the controversies were never likely to become public controversies. The oriental romanticism exemplified by a customary photograph in front of the Taj Mahal was not be revived – one, since the paucity of time prevents a visit to the monument, and two, since India has moved beyond the exotic and into the global, progressive realm. Not that the colour was completely missing as the visit came at the time of diwali, the festival of lights. And as the personalized attention – including what some would say over-the-top song and dance routines of the president and his wife in India - have consequently shown that public overtures have retained the necessary oriental flavour.

Thus, as the norms of friendly diplomacy dictate, President Obama did in India what he should have done in India. That means the controversies were publicly skirted and bilateral ties strengthened. This should additionally not be surprising given the outcome of the recent Pakistan-U.S. strategic dialogue where a joint statement talked of a “strategic, comprehensive and long-term partnership” between the two countries based on “shared values, mutual respect, and mutual interests”; similar statements, argued Bhadarkumar, were expected
from U.S.-India as well. And clearly, as the next section will show, he was not far off the mark.

President Obama’s tour of India came in the most interesting and challenging of times. Any ground-breaking or revolutionary steps were unlikely, as were public controversies. Given the contrasting opinions on how the relationship between the U.S. and India should be projected, Obama’s longest official visit was inevitably going to leave many dissatisfied. The proverbial ‘strengthening’ of ties, symbolic as it may be, was the one abstract notion however, that was likely to be fulfilled. A global re-balancing is a reality; the question is whether mutual benefits can be gained by India and the U.S. in a geographic and political domain where bilateral relations are contingent on several other factors, both global and regional. And answering that determines the success of his visit to India.

Section III: Obama’s ‘giant leap’

Amid these hopes and expectations, Barack Obama, the sixth U.S. President to visit India and the third in the last ten years, embarked on a three day visit to India on November 6, 2010. And it came at an unusually dismal time as far as the American economy is concerned. The same cannot be said about India. The economic situation in the U.S. is exacerbated by the growing rate of unemployment – a tremendous factor in the results of the recent mid-term elections in the U.S. that necessitated job-creation through successful deals with India, which in start contrast, according to IMF projections, s expected to grow at 9.7 percent this year and 8.4 percent during the next fiscal year.

President Obama started his longest visit to any country since taking up office in 2009, by paying homage to the victims of the 2008 Mumbai attacks. In fact, his decision to stay at Taj Hotel which was one of the multiple sites attacked by the terrorists was meant to send a message against terrorism and the symbolism was not lost on anyone. While addressing a gathering of survivors and family members of those who lost their lives in the attacks, Obama, besides declaring the hotel as a “symbol of strength of Indian people”, demanded that the perpetrators of the crime must be brought to justice, without directly naming Pakistan in his speech. He further announced that both India and the U.S. “are working together more closely to deepen counterterrorism” to ensure safety of the people of both countries.

While the counterterrorism rhetoric was expected and appreciated, as was the symbolism, by not blaming or pointing a finger to Pakistan, Obama provided a major disappointment for many groups in India. The main opposition party, the Bharatiya Janata Party (BJP) while registering its protest pointed out that, "It was the first address by the US President at a place [Taj Hotel] which saw the biggest terror attack on India.... It was a complete disappointment as the world and the United States had proof that the attack was planned on Pakistani soil by its
intelligence agencies. He had words which were not backed with action and intent.”

BJP spokesperson Rajiv Pratap Rudy further said that by not making a direct reference to Pakistan, Obama "missed" an opportunity to strike a chord with Indians. Stuck between a rock and a hard place, he also did not endear himself to keen Pakistani observers by naming the country later on in his visit. However, the general consensus was one of admiration for his tact and diplomacy and a natural eloquence that allowed him to be frank and yet respectful of the ideals of both the South Asian neighbours.

As things got down to business, quite literally, the contours of future U.S.–India partnership began to emerge. Expressing confidence that the relationship between the two countries was going to be one of the defining partnerships of the 21st century, Obama observed that India with its economic growth and a large middle class is a key market for U.S. exports and plays a huge role in creating jobs in the U.S. across every major sector. During the visit, trade transactions exceeding $14.9 billion in total value with $9.5 billion in U.S. export content supporting an estimated 53,670 US jobs were announced. Details of some of major trade transactions are as follows:

- The Boeing Company (headquarters in Chicago) and the Indian Air Force reached preliminary agreement on the purchase of ten C-17 Globemaster III military transport aircraft and are now in the process of finalising the details of the sale. This deal would make India owner of largest fleet of C-17s outside the US. This transaction is valued at approximately $4.1 billion supporting an estimated 22,160 jobs.

- Boeing and SpiceJet, which is a private airline in India, concluded an agreement for the sale of 30 B737-800 commercial aircraft. This transaction is valued at $2.7 billion with around 2.4 billion in US export content supporting around 12,970 jobs.

- The General Electric Company of Fairfield will supply six advanced class 9FA gas turbines and three steam turbines for the 2,500 megawatt Samalkot power plant expansion to be constructed by Reliance Power Ltd. This equipment and maintenance contracts are valued at $750 million with an estimated $491 million in US export content that would help in creating 2,650 jobs.

- Reliance power Ltd and the Export-Import Bank of United States announced an MoU that indicated the latter’s willingness to provide up to $5 billion in financial support to Reliance Power for the purchase of U.S. goods and services to be used in the development of 8,000 megawatts of gas fired electricity generating units and up to 900 megawatts of renewable energy facilities.
Indian Ministry of Railways announced the prequalification of the sole two bidders of the GE Transport and Electro-Motive Diesel to manufacture and supply 1,000 diesel locomotives over 10 years. The U.S. content of this deal is being put at more than $1 billion.

In addition to the above mentioned deals, the Harley-Davidson Motor Company announced to open a new plant in India which would help in creating jobs both in India and United States. On October 21, the Export-Import Bank of the U.S. approved more than $900 million in export finance guarantees to Sasan Power Ltd., supporting the sale of U.S. mining equipment and services from Bucyrus International and other U.S. vendors in association with the 3,960 megawatt coal fired Sasan Power plant in Madhya Pradesh. This supported $641 million in US export content and 3,460 jobs. Robbins Company announced an agreement with Unity-IVRCL to provide tunnel-boring machines, conveyer equipment and associated technical services for the construction of tunnels to convey water for Mumbai. This contract is valued at $10 million with $7 million in US export content and supporting 35 jobs. Palantir Technologies, a small Silicon Valley software development firm also announced a strategic partnership agreement with the Maharashtra state police to conduct a pilot programme to use Palantir’s end-to-end analytical software platform on trial basis to identify and alert authorities to security threats. Similarly, a number of agreements in the field of medicine, telecommunication, housing, and research were reached between the two countries.

Dubbing India as the market of the future where Washington was willing to step up investments, Obama said this was barely scratching the potential. He urged India to address the issues of tariffs and to reduce barriers to trade and investment in order to boost economic relations between the world's two largest democracies. Prime Minister Manmohan Singh announced that trade between India and the US would be subject to fewer restrictions from the Indian side, which would welcome more imports. Both countries also reached an understanding to set-up an Indo-U.S. clean energy research and development centre for carrying out joint research on emerging and new energy technologies. Furthermore, it was also decided that efforts would be made to tap hydrocarbons from shale gas across India.

Besides these trade deals, the U.S. also hopes that India, with its ever increasing defence budget, would also be buying military equipment from the US. According to some estimates, India might be spending $50 billion to $80 billion during the next five years for the up-gradation of its armed forces.

President Obama, also announced that restrictions on organisations like the ISRO, DRDO and Bharat Dynamics have been lifted and efforts are being made to remove the department of Atomic Energy from the restricted list. This issue
A major irritant in the relationship and India has, for quite some time, been trying to convince the U.S. to relax the controls on transfer of technology with both peaceful and military uses. In addition, Deputy National Security Adviser Mike Froman announced American support for India for full membership of the Nuclear Suppliers Group, the Missile Technology Control Regime, which are considered preserves of NPT countries and the Wassenaar Arrangement and the Australia Group.

On the contentious issue of visa fee hike, U.S. Commerce Secretary Gary Locke in addressing the concerns of the Indian IT industry, noted that "Indian IT firms had not been singled out in this regard and countries like South Korea and Taiwan would also pay more for it". The visa fee hike, which only recently came into effect, is expected to add $250 million to Indian IT sector's annual visa costs. Deemed as discriminatory, the fee hike was closely followed by the state of Ohio banning outsourcing of government IT projects which further irked the Indian IT industry which has been indignant amid allegations that it was causing U.S. job losses. In fact, the industry claimed that it was the only sector that created jobs and that the losses were in manufacturing, retail and other industries. At the same time, a report by the Confederation of Indian Industry (CII) claimed that sourcing by India of military and nuclear hardware, civilian aircraft and infrastructure equipment alone from the United States can create nearly seven lac jobs over the next decade. The report said that Indian firms operating in the U.S. were aggressively hiring U.S. workers, and a large majority of the workforce for their American operations were local citizens.

After successfully concluding trade deals and setting the right tone for his political engagements, Obama flew to New Delhi where he was received by Prime Minister Manmohan Singh. Ahead of their official meeting, President Obama hailed India’s reconstruction efforts in Afghanistan and expressed his belief that a “stable Afghanistan is achievable”. Referring to India’s achievements in the agriculture sector, he said such experiments could be replicated in rural Afghanistan and even if farm produce in that country increased by 20 per cent it would go a long way in helping the Afghan nation. He emphasised that all countries of the region, particularly Pakistan, need to be partners in this process. Expressing his country’s great appreciation for India, he said that the United States does not just see India as a rising power, but “we believe India is already risen”, a notion that is not just good for the U.S., but also for the world.

On India’s relations with Pakistan, President Barack Obama made it clear that the U.S. cannot impose itself on Indo-Pak relations and called for a “military response” against the perpetrators of terror attacks in Mumbai and New York. Besides ruling out the possibility of mediating between them, much to the pleasure of his hosts, Obama suggested that perhaps both countries should first try to address issues that are less contentious and gradually build trust before moving on to the difficult issues. Earlier in Mumbai, while interacting with
students at St. Xaviers, he emphasised that it was also in India’s interest that Pakistan remains peaceful and stable. He went on to say that the U.S. will work with Islamabad to counter extremism, acknowledging and reminding his hosts that more people had died in Pakistan due to terrorism than anywhere else. He noted that the Pakistan government was “very aware” of this threat and that the U.S. was working to purge Pakistan of this menace.⁶⁹

Prior to a dinner hosted by Prime Minister Singh in his honour, the two leaders also held a one-on-one meeting where discussions kept them busy for an hour. According to media reports, the meeting focused on issues that India deemed important – Pakistan, regional security, global geo-politics, maritime security and China were all part of the discussions that defined some problematic and potentially divisive subjects for India and the U.S.⁷⁰

On November 8, addressing members of both Houses of Parliament, Mr. Obama reiterated his assertion that the relationship between the United States and India will be one of the defining partnerships of the 21st century. Declaring that India is not simply emerging but has already emerged, President Obama announced American support for India’s permanent membership in the expanded United Nations Security Council. Hailed as an endorsement of India’s growing role in the global affairs by the sole superpower, the announcement was regarded as a major success of Indian diplomacy. With this announcement, the U.S. became the fourth country after Russia, France and Britain, to endorse India’s permanent membership at the UNSC.

However, while endorsing India’s bid for a permanent seat at UNSC, President Obama also cautioned that with increased power comes increased responsibility. Referring to the political turmoil in Myanmar, and the suspicions over Iran’s nuclear programme, President Obama said that it is the duty of the international community, especially the U.S. and India to condemn such activities but unfortunately, in the past India had been shying away from these issues.

The joint-statement issued at the conclusion of the visit to India welcomed the deepening relationship between the world’s two largest democracies. The two leaders resolved to intensify cooperation to promote a secure and stable world, advance technology, expand mutual prosperity and global economic growth and exercise global leadership in support of economic development, open government and democratic values. The two leaders also reaffirmed that India-US strategic partnership is indispensable for global security and prosperity in the 21st century and President Obama welcomed India’s emergence as a major regional and global power. His statement that in the years ahead, the US looks forward to a reformed UNSC with India as its permanent member was also much appreciated. It was also hoped that India and the US will partner for global security as India serves on the SC for the coming two years.
Both the leaders announced a shared vision for the peace, stability and prosperity in Asia, the Indian Ocean and Pacific regions and expressed their commitment to intensifying consultation, cooperation, and coordination to ensure a stable, democratic and prosperous independent Afghanistan. Besides appreciating the contributions made by India in the economic development of Afghanistan, the two sides also pledged to pursue joint development projects in the fields of capacity building, agriculture and women empowerment.

Elimination of safe havens and infrastructure for terrorism and extremism in Pakistan and Afghanistan was also emphasised in the joint statement. Condemning terrorism in all its forms, it was agreed that all terrorist networks, including Lashkar-e-Tayyiba must be defeated while Pakistan was urged to bring the perpetrators of the Mumbai attacks to justice. Both countries also announced a new Homeland Security Dialogue between the Ministry of Home Affairs and the Department of Homeland Security to further deepen operational cooperation, counterterrorism technology transfers and capacity building. Besides supporting India’s full membership in four multilateral export control regimes, they also decided to take steps to expand US-India cooperation in civil space, defence and other high-technology sectors.

Immediately after President Obama concluded his three day visit to India, US State Department spokesman P.J. Crowley told reporters at his daily news conference that the President has “achieved everything” that Washington had hoped for. Similar views were also expressed in New Delhi.

However, after initial enthusiasm and the hype, where the cultural extravaganza of the tour replete with images of the First Lady and the President dancing with children, Indian analysts have now started to look at things in a different light. Mr. Obama came to India with the pronounced intention of creating jobs in America and twenty deals worth billions of dollars were signed to achieve this end with Indian money. India, itself suffering from a high rate of unemployment, refrained from mentioning its own problems at all. Even for the U.S., which has lost some 7.5 million jobs in the last 35 months, creating 50,000 jobs would make a little difference except that it would give some respite to a beleaguered President whose party has just suffered considerable losses in midterm Congressional elections and whose re-election also depends heavily on the economic policies that his government adopts. In fact, President Obama’s decision to bring along 200 CEOs to India is also being seen as an effort to bridge the gap with corporate America as Obama is being held responsible for alienating the corporate world.

Similarly, Obama’s announcement of supporting India’s inclusion in Nuclear Suppliers Group (NSG), the Missile Technology Control Regime (MTCR), Wassenaar Arrangement (WA) and the Australia Group (AG) is also met with scepticism. While agreeing that membership would give greater flow of technologies controlled by these regimes for non-proliferation reasons, a number
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of hurdles are also being pointed out. It is argued that since India is not a signatory to NPT or the Nuclear Weapon Free Zone Treaties which are mandatory for the membership in NSG and Wassenaar Arrangement, its inclusion particularly in these, would remain a dream unless the US lobbies for a waiver of conditions.

Similarly, at a MTCR plenary meeting, a decision was taken to include adherence to the NPT as a factor while inviting a country to become a partner. This also makes India’s membership in the MTCR doubtful. It is only the Australian Group where India fulfils the eligibility criteria but even there, according to the government sources, membership might take a long time because India still has to convince the world that it has effective monitoring and control measures against diversion of sensitive chemicals from its chemical and fertilizer industry base after the incident of transfer of sensitive chemicals to the West Asian region by some Indian Chemical companies was exposed.

Commenting on the part of the joint statement that specifically deals with India’s role in Afghanistan, Chinmaya R. Gharekhan, argues that although consultation was always part of the process, India must now take full advantage of the new pledge of “cooperation and coordination” as it would help India to influence the course of events in Afghanistan. In his view, “coordination” gives India an opportunity to get involved in the process of “reconciliation” and express its reservations in a more forceful manner.

As far as Obama’s endorsement for India’s permanent place in the expanded Security Council is concerned, there are two different views. To many American experts, the announcement is more symbolic in nature and lacks ‘substance’. "Many Indians will regard the President's pledge to support India's bid for a permanent UNSC seat as the highpoint of the visit,” thus notes Hathaway, Director, Asia Program at the Woodrow Wilson International Center for Scholars, “but since no one believes Indian membership in the Security Council is imminent, in some ways this was merely a symbolic step, albeit a truly important one." Similarly, Lisa Curtis of the Heritage Foundation argues that "From India's perspective, Obama's endorsement for India to obtain a permanent seat on an expanded UN Security Council is the most symbolically important statement he made. The reality, however, is that UN Security Council Reform is likely still years away.”

This is strongly contested by the U.S. administration officials who while acknowledging that due an international divergence of views and a lack of consensus on the issue, such a process would take a long time to materialize, insisted that the endorsement carried a lot of weight. It is believed that such an endorsement would put more pressure on China to do away with its reservations about India and more particularly Japan. For many Indian analysts too, the endorsement was only symbolic in nature as reforming the SC was never
America’s priority. Besides, the five permanent members perhaps would never want new members with veto power.

Similarly, Obama’s reference to Myanmar and Iran immediately after endorsing India’s candidature for the permanent seat did not go well with the Indian audience as it enjoys cordial relations with both countries. A number of analysts are arguing that the two years that India serves in the UNSC as non-permanent member would be a real test as the U.S. would want it to comply with its own policies particularly in the case of Iran, and this would seriously undermine India’s independence in conducting its foreign policy. There are also apprehensions that Obama’s endorsement had much to do with annoying China as the US has been trying to form an anti-China grouping in East Asia; this perhaps unorthodox view notes that Obama has urged India to play a bigger role in East Asia to ratify its claims.77

Despite divergent views, the Indian government has termed the visit a success. The fact that its lobbying for an endorsement from the U.S. for permanent membership in the UNSC, greater role in Afghanistan and removal of organisations from the entities list has been successful cannot be ignored. Besides, the recognition of terrorist safe havens in Pakistan and reference to Lashkar-e-Tayyiba also helps absolve the U.S. of earlier allegations that it was turning a blind eye from the trouble against India emanating from Pakistan. According to a media report that appeared immediately after the visit concluded, Omar Abdullah, the Chief Minister of Indian held Kashmir, claimed that it had paved the way for the resumption of back channel negotiations between India and Pakistan on the issue of Kashmir.78 If true, then this also indicates Obama’s approval of the Indian stand on the issue.

Overall then, while there have been divergent views on the success of Obama’s visit, it cannot be denied that both countries have gained substantially – either through tangible or symbolic measures. In the words of Ashley Tellis, during the Asian tour, the stakes were highest in India, where the visit was a ‘ringing success’. This, as has been acknowledged in this paper, means that while economic concerns have been highlighted, American jobs and Indian exports secured, a ‘broader agenda’ was being pursued. This is a clear affirmation of India’s position in the Asian order, and of ‘its inclusion in the institutions of global governance’.79 This is perhaps an inevitability that few now contradict. For Pakistan, this deepening partnership however is likely to have implications, and it is relevant to highlight what these may be.

**Section IV: Implications for Pakistan**

Although, Obama did urge Pakistan to dismantle its terror infrastructure and take practical steps to punish those responsible for the Mumbai attacks, it must be acknowledged that unlike British Prime Minister David Cameron and his earlier scathing attack on Pakistan during his visit to India, Obama showed much tact.
and diplomacy. He recognized that Pakistan itself had been a victim of terrorism and emphasised that its dominant role for peace and security in Afghanistan, where stability is contingent upon stability in Pakistan.

As expected, due to Indian sensitivities not a single word about Kashmir was uttered. On his part, Manmohan Singh expressed his desire to mend fences with Pakistan, reiterating the rhetoric of India being ready to talk on all issues including Kashmir provided Pakistan takes practical steps to counter terrorism. To many, Obama’s refusal to play any significant role in the resolution of the Kashmir issue is also a failure on Pakistan’s part to fully propagate the current situation and gross human rights violations in the valley as compared to the Indian media which mounted a massive attack on Pakistan following the Mumbai incident.

As far as the issue of India’s inclusion in the UNSC as a permanent member is concerned, despite the fact that it would take a long time for India to reach that point of glory, it is widely believed that this endorsement is a recipe for destabilising the region since this would encourage a more aggressive policy in Kashmir and its neighbourhood. It shows a major policy shift by Washington that would enable the “Group of Four” (G-4 including India, Brazil, Japan and Germany) to give new momentum to the efforts of securing the endorsement of UN General Assembly.

Recently, German Ambassador to India, Mr. Thomas Matussek also highlighted the need for the G-4 countries to remain united in their quest for a permanent seat in the UNSC as no single country is able to garner the required number of votes on its own. In addition, Spokesman for the U.S. State Department, P.J. Crowley said that the U.S. intends to “work affirmatively and aggressively within the UN” to strike a consensus among the five existing members on the reform issue. If true, then the Indian dream of being among the five may be realised in not too distant a future. This also indicates that American support for India is after all not just a symbolic gesture.

Such a development has presented Pakistan with a new challenge and the options before it are limited. Pakistan along with UFC countries (Uniting for Consensus led by Pakistan and Italy and supported by Mexico, South Korea and Argentina), opposes the inclusion of new countries as permanent members and instead calls for increasing the number of non-permanent members to twenty four elected on regional basis. However a major diplomatic offensive has to be launched to secure enough votes to block any move by the G-4 and China must also be brought into the loop.

It is also worth mentioning that Pakistan, which is referred to as an “ally” and has paid a heavy price in the international community’s war against terror, was not informed beforehand that President Obama was intending to make such an announcement. This comes as a major disappointment and Pakistan, while
denouncing such an endorsement pointed out that the move would seriously undermine regional balance of power. Registering its protest, Pakistan’s Cabinet and Parliament passed resolutions expressing anger over the disregard shown to the country on the reform issue. However, for the past few months, there had been indications from the U.S. that the issue was under consideration and still Pakistan failed to take timely measures to convince the United States of adverse consequences for endorsement of India for the permanent seat.

The fact is that India with tremendous growth has a much larger role to play in the American global as well as domestic scheme. It is Obama himself who said that, “As the world’s two largest democracies, as large and growing free market economies, as diverse multi-ethnic societies with strong traditions of pluralism and tolerance, we have not only an opportunity, but also a responsibility to lead.” The emerging geo-political situation has made it imperative for Pakistan to put its own house in order. Economic progress and political stability are the tools available with Pakistan through which it can find a respectable place for itself in the world and thwart any move that is designed to harm its interests.

As has been noted, the Indian trip was for Obama a chance to quickly recover some of the bad press he had earned due to economic progress and results of the midterm elections. That he created jobs and signed numerous trade deals, in effect, is enough to gauge the success of the visit as far as the U.S. is concerned. For India, the successes are symbolic as well as material. And despite reservations that have been sounded, valid as they may be, Obama’s visit has strengthened ties with India in multiple ways. Was this a ‘giant leap’ forward – possible not. But it was a step in the right direction as far as India and the U.S. are concerned.

Notes and references

5. Sumit Ganguly, op. cit.
6. Ibid.
8. Ibid.
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Ibid.


11 Arvind Gupta, ‘Obamas visit to India: is the glass of Indo-US strategic partnership half full or half empty’, IDSA Comment, October 25, 2010.

12 Teresita C. Schafer, op. cit.

13 Teresita C. Schafer, op. cit. The author sees a major discontinuity between the U.S. and India if there is a new crisis in South Asia that requires more than just crisis management from the U.S; secondly, if Iran is attacked by the U.S. or Israel; third, with regards to China’s assertiveness since ‘the “China connection” has always been an unspoken foundation of U.S.-India relations’; and fourth, India’s discomforts due to perceptions of U.S. power. Other areas of concern largely focus on global, exogenous issues of energy, technology and climate change which could, in theory at least, drastically alter economic powers and lead to a discontinuity in a bilateral relationship.

14 Ashley J. Tellis, op. cit.


19 George Perkovich, op. cit.

20 Richard L. Armitage, et al., op. cit.


24 Richard L. Armitage, et al., op. cit.

25 George Perkovich, op. cit.

26 Arvind Gupta, op. cit.

27 George Perkovich, op. cit.


30 Kenneth I. Juster and Ajay Kuntamukkala, op. cit.

31 Richard L. Armitage, et al., op. cit.


33 George Perkovich, op. cit.
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37 Arvind Gupta, op. cit.
39 Arvind Gupta, op. cit.
40 Richard L. Armitage, op. cit.
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