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India: Congress and White House Should Have Modest Expectations for PM Singh Visit

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Indian Prime Minister Manmohan Singh's meeting with U.S. President Barack Obama on Friday is unlikely to result in any major breakthroughs in the relationship. At most, it will provide an opportunity for the two sides to continue a strategic dialogue on critical global and regional issues. Disappointment among the American business community over India's lack of economic reform and protectionist policies are dampening enthusiasm over the visit.

Despite current hurdles in the relationship, Washington should continue to look for ways to cooperate on the two countries' increasingly convergent geopolitical objectives but temper expectations for any significant agreements before the Indian elections scheduled for May 2014.

Economic Foundation of Ties Fraying. Four years after Singh's splashy state-level visit to Washington, U.S. policymakers have adopted a more measured view of the Indo-U.S. partnership. The U.S. business community is intensifying its lobbying of U.S. congressional members to pressure India to reduce trade and investment barriers. It will be difficult for Singh to avoid addressing these concerns, as the National Association of Manufacturers has

placed ads in several American news publications against Indian discriminatory trade practices.

The U.S. business community is beginning to question whether India really is on a path to becoming a major economic opportunity on par with China. The Indian government failed to follow through on a second wave of economic reforms necessary to address structural problems with the economy.

Moreover, after recording several years of robust economic growth, the Indian economy is slowing down, and its gross domestic product is currently growing at only about 4–5 percent. Even the economic reforms Singh may try to tout as successes—such as the opening up last year of some Indian states to foreign direct investment in the multi-brand retail sector—were half-measures not viewed with much optimism in the U.S.

The U.S. shares some of the blame for the drift in relations. The U.S. Congress is adopting more protectionist policies when it comes to the issue of labor movement by restricting visas for highly skilled Indian workers. It seems domestic politics in both countries have led to greater tension in the bilateral relationship.

Openings on Defense and Strategic Cooperation. From the geopolitical standpoint, the logic behind a strong U.S.–India partnership still stands. Both India and the U.S. share concerns about the military and maritime ambitions of a rising China. India feels China's pressure particularly on its land borders, where provocative Chinese troop movements have fueled border tensions in recent months. New Delhi and Washington also worry about Afghanistan's future and whether it will again serve as a safe haven for global terrorists

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after the U.S. and NATO withdraw combat troops at the end of 2014.

But turning their shared geopolitical concerns into concrete cooperation has not been easy and is often hindered by entrenched suspicions within the Indian bureaucracy about American policies, particularly regarding its arch-nemesis, Pakistan. One of the reasons cited for India's decision in 2011 to forgo American F-16 fighter planes in favor of French multi-role combat aircraft was the fact that the U.S. also provided F-16s to Pakistan.

It will be important for Singh to demonstrate that Indians continue to see value in the strategic partnership. Singh takes pride in his role in improving U.S.–India relations during his first term in office. But he will have to balance his desire to bolster his legacy of improved U.S.–India ties with the fact that his party will want him to avoid major concessions to the U.S. that could become fodder for the opposition in the run-up to next May's election.

Push for Deliverables. Despite the recent difficulties and lowered expectations in relations, it is still in the U.S. interest to partner with India where possible and to keep up the strategic dialogue. Their common democratic values and shared strategic concerns continue to provide a solid basis for working together on regional and global security issues. U.S. officials should press for some concrete deliverables from the visit to demonstrate to the skeptics that Indo–U.S. relations remain worth the effort. Specifically, the U.S. should:

■ **Press for a new defense deal or initiative.**

The two sides have been working assiduously behind the scenes to encourage greater defense trade. During a recent trip to India, U.S. Deputy Defense Secretary Ashton Carter discussed the possibility of the U.S. and India co-developing the next generation of the Javelin anti-tank missile. Washington had previously balked at joint defense production because of India's failure to sign defense technology protection agreements. Carter's recent announcement demonstrates that the two sides are finding ways to continue defense discussions while sidestepping the issue of technology protection agreements, at least for now. The signing of a \$640 million deal for India to buy six additional U.S. C-130J Super Hercules aircraft—a deal recently approved by the Indian Defense ministry—would also show that the

relationship still has strategic ballast. In the past five years, the U.S. and India have concluded \$10 billion in defense deals, but Russia remains India's top defense supplier.

■ **Acknowledge positive Indian movement toward an eventual civil nuclear contract while making clear that India's nuclear liability legislation remains problematic.**

The Indian cabinet recently approved a preliminary contract between Westinghouse and the Nuclear Power Corporation of India for reactors to be constructed in the state of Gujarat. The signing of a “pre-early works agreement” would be a step forward but not a major breakthrough. The heavy lift and drawn-out negotiations required for getting this preliminary agreement concluded does not bode well for the two sides being able to eventually overcome the liability issue altogether.

■ **Continue to highlight the importance of strategic dialogue on issues of mutual concern and India's important role in the Asia rebalance strategy.**

While there is still suspicion of the U.S. within the Indian bureaucracy and a push by some Indian strategic thinkers to remain equidistant between the U.S. and China, India will continue to rely on the U.S. to offset growing Chinese power and influence throughout South and East Asia. The U.S. and India can pursue like-minded goals, such as maintaining security and freedom of the Indo–Pacific Seas and encouraging democratic systems of governance, which will encourage peaceful management of regional disputes and a stable balance of power among the Asian nations.

Staying Realistic. While expectations for the U.S.–India partnership are lower than they were four years ago, this is not necessarily a bad thing. With better understanding of each other's core concerns and limitations, the two sides can narrow their focus to issues of overlapping interest and avoid areas in which there is little common thinking.

U.S. policymakers should continue to look for ways to cooperate on the two countries' increasingly convergent geopolitical objectives, even as they acknowledge that upcoming Indian elections will make it difficult for the Singh government to make

any major concessions to the U.S. in the next eight months.

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