



Strategic Context of U.S.-India Relations

Evan Feigenbaum, Deputy Assistant Secretary for South and Central Asian Affairs

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DEPUTY ASSISTANT SECRETARY FEIGENBAUM: Okay. Well I'm just off a plane from India and I'm sick as a dog, so if I wheeze my way through this you'll have to forgive me.

They asked me to talk a little bit about US-India relations; I'm assuming that's what you're interested in. I guess I want to have a discussion, so I'll just do two things: I thought I'd take two minutes – well, three to five minutes – and just talk a little bit, first, about the conceptual architecture of US-India relations a little bit, so you get a feel for how I think we're thinking about the place, why it's becoming important. And second, I'll just say something quickly about operationally what's going on in this relationship.

On the conceptual: It's the most interesting moment in the history of US-India relations. It's fair to say, I think, that as recently as maybe seven, eight, nine, ten years ago, very few people in the United States foreign policy elite — the establishment, at least — thought about India much at all. And when they did, they thought about it usually in a very narrow South Asian context: Indo-Pak nuclear issues, issues of war and peace in Kashmir. But the notion of India on a larger strategic level really was absent from our thought on foreign policy. So there's really been a sea-change, I think, in the role that thinking about India plays.

It's reflective not just of the things happening in India, but I think of some interesting things that have happened in the US foreign policy debate writ large. I tend to divide these into three levels: One is global. The second is regional. And by "regional," I don't just mean South Asia. I mean Asia more broadly: an Asia — East, Central and South — that I think is becoming a much more integrated strategic and economic space, and I'll talk a little bit about that because it will certainly be the case as you look out prospectively over ten years. And then third, there is the bilateral level.

At a global level, I think the interesting thing, first and foremost, is that we've realized we don't live in 1948, much less 1958 or '68. And the world of 2008 is not the world of 1948. So if you think about the architecture of the international system, it's largely outdated. It's a global architecture, but it was established by the victorious powers after the Second World War, so in some sense, it's a Euro-Atlantic architecture. And so there's a mismatch, first at a formal level, between the architecture, on the one hand, and the realities of power and capacity in the world of 2008.

So first, at a very formal level, that's why you have a UN Security Council that doesn't include Japan. It's why you have an International Energy Agency that purports to coordinate among major consuming countries but doesn't include the two fastest-growing energy consumers in the world – China and India. Granted, they're not OECD members and OECD membership is a requirement. But what is it to have an IEA when you don't have China and India as part of it, just conceptually?

It's why you have — I'm not advocating this, I'm just noting — a G-8 that doesn't include China or India. If you think of the G-8 as a league of industrial democracies, okay. But if you think about it as a club of leading economies, conceptually again there's this mismatch between architecture and the realities of the world we live in today.

Likewise on something like the Bank and the Fund, the Bretton Woods institutions, where governance of the Bank and Fund is based on voting rights, weighted voting shares. And China has something like a 3.5 or 4 percent voting share in the Bank, about the same in the Fund. So with the rapid growth of the Chinese economy, you have [people] thinking a lot about whether we need to re-weight some of the voting shares because Asian voting rights are underweighted and the Euro-Atlantic voting shares overweighted relative to the realities of power.

So at a global level, I think there's been a recognition in this country that there's this mismatch between architecture and capacity. We look at countries like China, like India, and we see increasingly the capacity to work with the United States on an array of challenges: to sustain growth, fighting poverty, dealing with climate, dealing with HIV/AIDS, countering terrorism.

Now, whether countries like India self-define their own interest that way is a different question entirely. Part of what we're facing in India is a serious foreign policy debate among serious people, who have different views about what India's interests are in the world and the extent to which they're aligned with the United States and other Western powers.

But at least in this country, we begin with the recognition that countries like India now have capacity that wasn't there ten, fifteen years ago. And so we need to take more seriously that capacity as we think about American foreign policy interests globally. So I think at a global level, that explains, in the first instance, the growth of our interest [in India].

Second, at a regional level, as I said, we used to think about India — if we thought about it at all — I think largely in a South Asian context: which was India and Pakistan. What was happening in the nuclear balance? What was going on in the neighborhood?

But there's something interesting happening in Asia more broadly. I can't prove it to you with data; I just have to show it to you anecdotally. In fact if you look at the data, it doesn't support this, but there's something happening. And as a guy who's... covered all three regions of Asia in the Department and on the Policy Planning Staff, there's just something interesting happening anecdotally.

China is very active in the East Asian supply chain. China is becoming much, much more active, especially economically, in Central Asia. We in the Department are interested in links between Central Asia and South Asia, which are tenuous right now but we see some interesting things happening, especially in the southern Central Asian countries with Afghanistan, and to a lesser degree with Pakistan.

Then of course India is part of this — not so much in supply chain data but much more strategically: You see India in Southeast Asia working in regional organizations: things like the ASEAN Regional Forum, or the prospect of becoming a member of APEC [the Asia Pacific Economic Cooperation forum] after the membership moratorium is lifted in 2010. [India is in] the East Asia Summit. There is the quadrilateral that existed for awhile between the US, India, Japan, and Australia. So just anecdotally, something's happening.

If you think out about what the world is going to look like in 15 or 20 years, I think we can make an argument that the trend is that Asia will be a more integrated space — at least strategically, maybe to some degree economically. The Chinese economy has largely been what's driving that, but India will be part of that too.

So those of us who try to be forward-thinking about the role of India in the world are starting to think about India not just as a South Asian power but as an Asian power — and about the role of India, China and Japan, these three large Asian powers, and their relations with each other in this larger... Asian space. So we spend a lot of time

thinking about India vis-à-vis China, China vis-à-vis India. That doesn't mean China is the rationale for the interest in U.S.-India relations. Despite what some people say, I can think of 63 good reasons why we should have improved our relations with India a long time ago. But I won't deny that it's in the background, it's a factor. And particularly it's an economic factor.

...Third, there's just this bilateral issue. Everybody talks a lot about what's happened between the two governments. It goes back a couple of administrations: it began under the Clinton administration; you remember Clinton's visit to India. And it's really accelerated, I think, in this administration.

But it's also been in two Indian administrations now: the former BJP government and now the United Progressive Alliance. So it's not something that you can chalk up to ideology. There's a bipartisan view in this country and a multi-party view in that country, although it's by no means uncontroversial in that country and much less controversial here.

And I think that has to do with the most interesting thing about the bilateral relationship to me, which is that it's sort of moving forward in spite of government. And in fact the most interesting and exciting things are happening outside of government: It's this very dynamic private sector. It's happening in terms of investment both ways: Indian investment into the United States, not just American investment into India, in fact now branded Indian investment in the United States. It's students, business people, citizens. There are 80,000 Indian students in the United States, more than from any country in the world. There are about three million Indian-Americans who are kind of a "human bridge" between the two countries. There's a lot of investment. The... US-India Business Council tells me that, ten years ago, they were lucky if they could get three companies to show up for a meeting. Now, you go to a USIBC meeting, there will be 150 companies. That's not just big guys. It's increasingly smaller and medium-sized business, but principally big guys.

So what's most exciting, and most dynamic, is that it's happening despite government. This doesn't mean that what's happening at a government-to-government level isn't important. It's just, I think, our most mature relationships are the ones that happen despite what happens between two governments.

I guess that leads me from the conceptual to the operational. You may have noticed that this is a time when, if you read the paper, a lot of the official U.S.-India agenda has "stalled out."

...But the good news is, again, there's a lot of excitement in the US-India relationship quite apart from what's happening officially. There's a lot happening officially, but some of the bigger-ticket items have slowed down a little bit. These are things like the Civil Nuclear Initiative which we're still hopeful about but a lot of that is going to depend on political decisions that India has to make; we've done about as much as we can do from our end. The same thing on a couple of other areas. When you think about trade, whether the Doha round moves forward or doesn't move forward depends a lot on what countries like India do on agriculture and services and industrial goods; that's why it's unclear at this point.

So we're in a period in Indian politics where I think we're looking at coalition governments about as far as the eye can see. So there's going to be a lot of – ironically, despite the fact that the two major parties, the BJP on the right, and the Congress kind of on the center left – largely share consensus on moving forward on relations with the United States, we're in a period of coalition government where regional parties and other parties are really becoming much stronger. And they now have a voice on foreign policy in ways that they didn't before. So the process of forging these coalitions requires a lot of tradeoffs. And sometimes some of the initiatives that we have been interested in moving forward are sometimes caught in the midst.

...But it's kind of an exciting moment I think in the relationship... so we're kind of aggressively working this relationship forward. But I think what really accounts for the most dramatic growth is the private sector: it's citizens, more than anything else. And that's not going to change.

The last thing I'd say is something I said in Delhi the other day to a couple of prominent "greybeard" people. We were talking about diplomatic relationships and somebody said, "if the U.S. and India stopped talking tomorrow" – which of course isn't going to happen, but if it did – they "wouldn't worry about the U.S.-India relationship because there's so much that's dynamic and active." That's not true of all of India's relationships: if you think about the India-Russia relationship, for instance, it's an important relationship but it's principally a diplomatic, defense and governmental relationship; there's virtually nothing happening in the private sector and there's not a lot happening with people to people contact.

So the United States plays an interesting role now in India's diplomacy and strategy as well. It's not something you'll find written down. But I think the trajectory is irreversible, and it's largely independent of politics. Being an election year here, and maybe an election year in India, I don't think it matters that much [to the U.S.-India relationship] who is elected president here. There may be shades of opinion, particularly on the nuclear deal. But there's a broad consensus in this country on this relationship and it's a bipartisan consensus. It extends across a couple of administrations now of both parties. A lot of people are invested on a very human level.

So we couldn't be more excited about what's happening. But I think you have to think in terms of five, ten, fifteen year increments, and not what's happening by next Tuesday. So that's a little bit on the conceptual and operational. I'm happy to answer your questions.

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