

“The Future of the U.S.-India Relationship”
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by

AMBASSADOR R. NICHOLAS BURNS
former U.S. Under Secretary of State for Political Affairs
and Professor of the Practice of Diplomacy and International Politics,
The John F. Kennedy School of Government, Harvard University

Speech

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I am honored to be with you this evening for the Center for the Advanced Study of India annual dinner. I want to thank in particular, your Director Devesh Kapur, and the Chairman of the International Advisory Board Marshall Bouton.

We are here tonight to celebrate the growing friendship between the United States and India. One of the most ironic aspects of this modern relationship is how few Centers on India one finds on American University campuses these days. There are, rightfully, plenty of Centers and Institutes devoted to China, Russia, the Arab World and Europe but only a few to India. This unfortunate state of affairs stands in opposition to a major current of our time—the establishment in recent years between the United States and India in business, government, entertainment and education of one of the fastest-growing partnerships in the world.

Congratulations to CASI, then for your pioneer status and for the work you have done and will continue to do. Your Center is one of America’s central repositories of the history and breadth of our relationship with the country that will soon be the world’s largest by population. As we celebrate together this evening, we can all agree that your example might inspire a flowering of Indian studies in our country.

I thought I should look ahead tonight to the Administration of Barack Obama and into the next decade to chart what the U.S.-India relationship may and should look like for Americans and Indians alike.

But, first, given the spectacular growth in the partnership between the world’s two greatest democracies, it is worth retracing just how far we have come during the last decade.

As all of you know, the United States and India had the ultimate unfulfilled relationship for most of the last sixty years. From Partition and India’s independence in 1947 until well into the

1990s, our two countries co-existed but never managed to move qualitatively much beyond that. We were ships passing in the night during the long decades of the Cold War when India was famously champion of the Non-Aligned Movement and the U.S. famously aligned as leader of the West.

It wasn't that our motives were cynical or misplaced or that we wished misfortune for each other. We were never adversaries. In fact, time and again, from Harry Truman to JFK to Ronald Reagan, American Presidents called for a positive breakthrough in our relations with India. But, more often than not, and for different reasons, we never found the trust that governments need to develop a true partnership.

Happily, that all changed when, on the American side, President Clinton and then President Bush made the ambitious and prescient strategic bet that India would rise in our time as one of the world's great powers and that therefore we had, as a matter of basic self-interest, to forge a much closer relationship with it. In India, the BJP and Congress leaders made the same basic judgment—it was time for our two governments to put aside the ideological differences that had separated us and to realize that as the world had changed, we should as well and that our two countries would be the better for it.

The result has been the development, since the mid-1990s, of one of the most promising bilateral relationships in the world. Its strongest pillar is that it enjoys the support of the leading political parties in each country and, even more importantly, of the Indian and American peoples.

What caused this change?

For Americans, I suspect the end of the Cold War convinced many inside and outside of government that the coming age of globalization would demand that we expand our geo-strategic friendships beyond our traditional allies to the rising powers of the world—China, Brazil, Indonesia, Mexico and, above all, India.

Many elements brought us together with India—a common language; a common bedrock belief in democracy and human freedom; a common interest in regional peace in South Asia; and, indeed, in global stability. For, despite our many historical, political and cultural differences, there was a basic streak of idealism that underwrote the politics of both countries, that defined who the American and Indian peoples really were. Perhaps Gandhi and Nehru, FDR, JFK and possibly even Obama embodied these aspirations in their most visionary dreams. At our heart, we both believed that it was a historical mission of each of our countries to help to return the world to justice, and to the promise of an ultimate peace.

Most important, our peoples brought us together. Our businesses which produced a dramatic acceleration of trade and investment. Our students as Indians have become the largest group of foreigners studying at our universities. And, of course, the growing Indian-American community.

For Indians, the start of the outreach to America and the wider world can be dated to Manmohan Singh's historic opening of the Indian economy that gave Americans a real opportunity, for the

very first time, to visualize India as a priority trade and economic partner.

On a different level, the end of the Cold War and unprecedented prosperity in India began to transform the country itself. India did what idealists could only have dreamed of a generation ago. The economic miracle in India lifted over 200 million people out of abject poverty and into a new and burgeoning Indian middle class. Slowly, India became a leading country in scientific and technological talent. Gradually, India began to stretch its political ambitions as it took on new leadership roles in its own region and in the major international institutions that make up the world's power order.

As we have watched this slow-motion evolution of a country rising to power in the world, it often seems that India is in the middle of a fundamental transformation with one foot back in the Non-Aligned Movement and one foot in the global leader camp. It is a pivotal transformation and one that is leading India into a new era. How fast this unfolds and where it ultimately takes the Indian people is difficult to predict.

But, the results so far for the U.S.-India relationship are clear for all to see. We can be confident of positive progress as we look ahead to a new American Administration and to Indian elections in 2009.

Think for a moment of what the two countries have accomplished. The U.S.-India relationship has grown so quickly and by such great strides that I expect Americans a generation from now may well consider India one of our most important friends in the world. We have certainly seen the greatest change in our relationship with India of any major world power.

And, critically, India's rise to world power is a historical process that should not threaten America's own interests in the world. We welcome India's growing strength in South Asia—a region now vital for our interests for the very first time in our history. We welcome India's newfound activity in Asia proper as an important anchor and in the great multilateral institutions that are the backbone of the modern international community. This basic comity of interests is, needless to say, a rare event in the history of great power relationships going back many centuries.

That is not to say that we have identical interests or agreement on all the most important issues of our time. Far from it. And, we are countries with very different histories and cultures.

But, reflect for a moment on the extraordinary progress we have made together in just ten years time. We are working together for peace and stability in Afghanistan, a country that might well be as dominant an issue for President Obama's first term as Iraq was for President Bush. We are working together to resolve conflicts on India's borders in Nepal, Sri Lanka and Bangladesh.

Our bilateral trade more than tripled during the last eight years alone.

Our militaries now train and exercise together on the seas and in the air.

And, our peoples have come together in a way that few would have predicted even a decade ago.

We see the influence of the Indian-American community right here in our own country in the extraordinary story of Governor Bobby Jindal, in the eloquence and insight of Fareed Zakaria, in the increasing prevalence of Indian technology and products in our stores and in the fact that you can now find Bollywood movies in every Blockbuster in the land.

No event better symbolized this rise than the U.S.-India Civil Nuclear Agreement.

When Condi Rice returned in April 2005 from her first official visit to India, she explained that she and Prime Minister Singh had agreed to reach for the ultimate game-changer in Indian-American relations. The two governments would finally deal with the elephant in the room. We would end three decades of disagreement on the status and future of India's civil nuclear program. For our side, the U.S. would attempt to change our laws and those of the entire international community to permit India access to state of the art nuclear power plants and nuclear fuel for the first time since the international embargo had been put in place on India back in the 1970s.

It seemed extraordinarily ambitious. And, from a negotiating standpoint, a huge mountain to climb. When Secretary Rice then asked me to be the lead American negotiator on the deal, I had no idea that this one agreement would come to symbolize for both countries the creation of a new, strengthened and qualitatively better partnership.

But, that was achieved only after three years of the most intense, difficult, often frustrating and ultimately exhaustive and exhausting negotiations in which I have ever participated. I made eight trips to India to negotiate that deal. And, I met my two Indian counterparts, Foreign Secretaries Shyam Saran and Shankar Menon, in many parts of the world as we debated, argued, and worked through complex and esoteric technical issues and ultimately negotiated a final agreement.

I began to realize just how big this deal was in the public consciousness in India when I was passing through security at the Delhi airport late one evening in 2006 for the long flight back to Washington. Just as I stepped through the magnetometer, the guard pulled me aside and said in halting English: "Please, Mr. Ambassador, you must finish the 123 agreement. It is vital for India!"

I realized at that moment that our civil nuclear deal had come to symbolize for the Indian public, especially, a new beginning and friendship with America.

I suppose I would be preaching to the choir tonight if I recited the many reasons why this agreement makes sense for our country. I will spare you the full sales pitch. But, the essence of the argument is this: it is an agreement that works for us both and that will vault our relationship forward in ways we could not have imagined even a few years ago.

As the two countries implement this agreement in the years ahead, it will pull India deep into the heart of the international non-proliferation system from which it had been excluded for three decades. The majority of India's nuclear reactors will come under international supervision for the first time. And, it will help to cure the anomaly of India being forced to sit outside that

system, playing by the rules, while others inside, specifically Iran and North Korea, were cheating.

This agreement will help India to address its voracious need for energy to fuel an expanding economy and population. We hope it will gradually reduce carbon emissions down the line. American firms will find a new market for our nuclear technology.

I am no longer in government and will not have the opportunity to participate in implementing this agreement in the years ahead. But, I will watch from the sidelines with pride, knowing that we did the right thing by thinking out of the box and making this daring leap into a very bright future.

When Barack Obama is sworn into office on January 20, he will face a sea of foreign policy problems and dilemmas. But, India will be a major exception. He will have the more enviable task of charting with the Indian leadership a new and optimistic path into the future.

I expect India to be high on the priority list for the new American administration for the simple fact that, for the very first time in our history, India's region, South Asia, is truly vital to our most important national security interests.

Nearly alone in that region, India is stable, democratic and the key actor in resolving the many crises there.

Two issues will dominate. First, the U.S. and the UN will need India's help in stabilizing Afghanistan as the Taliban insurgency heats up. India's assistance to the Afghan government is vital in rebuilding villages destroyed in the war, in fighting illiteracy and in promoting education for all, most especially young girls who were denied that right when the Taliban was in power.

Second, it will be in the American interest to see positive progress in the India-Pakistan Composite Dialogue and on Kashmir. One of the central indicators of progress in South Asia will be whether or not India and the new Pakistani government can overcome their mutual suspicions and find a way to work together to repress terrorism in the region and to work toward stability and peace. That is a dream that has not been achieved in the entire history of the subcontinent since Partition. But, it is a necessary pre-condition for the kind of peace the region's people deserve.

President-elect Obama should also wish to build on the work of his two immediate predecessors by continuing the construction of a successful and diverse U.S.-India bilateral partnership.

Here are the major elements that need work by both governments in the immediate future:

The two governments can do much more to build a good security relationship. We will likely never be military allies but a mutually beneficial military partnership is a reasonable ambition. When our Navies and Air Forces combined efforts to rush aid to the Tsunami victims in late 2004, it was dramatic evidence that, after fifty years of estrangement, we were finally beginning to achieve close military ties. I hope we will see an expansion of our military exercises and

training. And, I believe this entire process would be accelerated if India made major purchases of American military technology in the year ahead. Military sales are not important for commercial reasons alone. Actually, they achieve something more long-lasting. They tend to bind together the two militaries in training, equipment and even doctrine over an entire generation and they bring officers from the different countries together as that technology is introduced.

Agriculture should be a natural joint venture project between the two countries. India's six hundred million poor—the largest collection of poor in the world—need a vast infusion of capital, technology, financing and hope. Prime Minister Singh has set an exceedingly ambitious target—a Second Green Revolution in India. As in the first Green Revolution, can American agronomists and our land-grant institutions help Indians to achieve such a breakthrough? For that to happen, the Indian government will need to be more open to the capital and technology of the Indian and American private sectors and less inclined, in my judgment, to see the state as the overriding guide and structure for agricultural development. Prime Minister Singh and President Bush established agriculture as a priority in 2005 but precious little progress has been made because we have been unable to reconcile the vastly different attitudes the two governments have brought to the table.

Can we build in space technology and in manned space flight a partnership between the world's two great, engineering nations? Can we develop together the technologies vital to produce the breakthroughs in energy efficiency that both of our countries badly need? Learning to combine the scientific and technological promise of both countries will be an important, future indicator of the Indian-American relationship.

Will we continue to encourage our students to study at each other's universities? I have little doubt that Indians will continue to come to our campuses in record numbers. I see evidence of that at Harvard every day. I hope we might see a dramatic expansion of the Fulbright program in India to encourage a great many more young Americans to seek formative educational experiences in India itself.

These are among the most important positive opportunities for the Obama Administration with India over the coming years.

There are two important issues on which, I suspect, India and the U.S. will find very tough sledding in 2009 and beyond. How we fare on these may well define how far and how well we develop our partnership during the Obama years.

The first is global trade. The Doha Round broke down, in part, due to strong disagreements between India and the U.S. We have clashed on trade for many years. The challenge now in the midst of a global financial crisis is to resist the lure of protectionism and to compromise so that, in the long term, enhanced trade might help us to climb out of the global economic hole in which we find ourselves. From an American standpoint, Indian flexibility on banking, insurance and retail will be vital. Trade is a two-way street and America will have to find its own way to compromise. We are two of the leading actors in this drama and so must demonstrate leadership for the global good.

The second difficult issue that will define U.S.-India relations in the next few years will be Climate Change. There is every indication that the U.S., under Barack Obama's leadership, will take a central place in the Copenhagen Talks to create a successor agreement to the Kyoto Treaty. An agreement is difficult to visualize if India and China, especially, do not agree to make the sacrifices and reductions in carbon emissions as other great powers are asked to do. If India's position is that the U.S., Europe and other developed economies are expected to make sacrifices that will have a heavy impact on our businesses, but India and China are not, then I believe prospects for an effective treaty will be very difficult to realize. Climate Change is a highly visible issue. I can think of no other important global issue that could sour the atmosphere among our publics more than this one.

Finally, our two countries will need to work together to contain and then resolve the financial crisis that shook New York, Mumbai and every other American and Indian city and town beginning in September. One of the great strengths of both our countries is the spirit of risk-taking in our business communities. Will our governments find a way to regulate these markets more strictly and yet do so in a balanced way that will permit our major investment firms and businesses to help restart our stalled economies?

A related challenge will be to redesign and reform the international financial and economic institutions for the modern 21st century global power structure.

It is a curious and unfortunate fact that the great international institutions that form the backbone of our modern world resemble much more the power structure of the time during which they were created—the 1940s—than that of our twenty-first century world today.

With that in mind, I hope the United States under President Obama's leadership will consider advocating a new, international effort to bring the 21st century's rising powers into global and institutional leadership roles. As India rises to economic power in the world, it will merit, sooner rather than later, a seat at the G-8 table as that organization evolves in membership to include India, China, Brazil and the other new economic powers.

And, right here in New York, it is high time indeed that the Security Council begin to reflect the world of 2009 and not 1949. A modern, twenty first century Security Council must, I believe, include the UN's second largest contributor, Japan. And it must also include the soon to be largest country in the world by population—India. The United States has not until now specifically supported an Indian seat on the Security Council. I hope the Obama Administration can do so early in its tenure.

As we look ahead to 2009 and a new era in U.S.-India relations, I am optimistic that the two countries have built in just ten years time a relationship that will be important to both for as far into the future as we can see. I know that this relationship will remain strong because our mutual interests will continue to dictate that we work together closely.

In the final analysis, governments do not base foreign policy on sentiment but on clear national interest. In the case of India and the United States, we have a coincidence of interests in one

basic respect. We inhabit a planet that is increasingly integrated through the global forces that have narrowed distance and time and that have tied our economies, technology, and even increasingly our societies to a common fate. What is different about our time is that countries can no longer hide from history or the problems of the day behind great oceans or mountains as in the past.

We live in a world that requires us to engage with other peoples beyond our borders every day to confront the great challenges that cannot be resolved by countries in isolation from each other or countries trying to go it alone.

If that is the most fundamental truth about the 21st century world we inhabit, I know this: Americans need friends in the world and we need allies with which to work to resolve the greatest transnational challenges of our time: Climate Change that threatens the global environment; the crime and drug cartels that spread poison and hatred on our streets; the international terrorists who challenge peace, order and the rule of law; the spread of disease and the threat of pandemics that affect all countries.

If these are among the greatest threats to peace and security in the world today, then we must deploy our combined power to overcome them. That, in its essence, is the challenge for the U.S.-India relationship in the years ahead.

With that in mind, it makes sense for Americans to see in India not a formal ally or even a country that is always like-minded but a country, nonetheless, that can be a valued partner and a friend as we seek a newer and better world in the future.

Thank you for the invitation to be with CASI and for listening to me this evening.