

# POLICY Q&A

June 2011

*Produced by The National Bureau of Asian Research for the Senate India Caucus*

## FORMER U.S. AMBASSADOR TO INDIA ON CHARTING THE FUTURE OF U.S.-INDIA RELATIONS

**O**ver the last decade, the United States and India have deepened trade, economic, military, and strategic ties. The current administration is now characterizing the U.S.-India relationship as the defining partnership of the 21st century.

*In an interview with NBR, former U.S. Ambassador to India Thomas Pickering emphasizes the need to treat India as an equal and chart a course for future cooperation based on shared values and interests. Ambassador Pickering, who also served as ambassador to the United Nations, Russia, Israel, Nigeria, Jordan, and El Salvador, and is a member of NBR's Board of Advisors, explains the remarkable stability in U.S.-India relations across administrations, but cautions that U.S. policymakers must understand India better to deepen relations in the future.*

### **How would you characterize the relationship between India and the United States today?**

The current relationship is an aspiring relationship of growing together on the basis of a combination of strategic and economic interests, and I think for both countries it's an effort in mutual exploration. But in a very interesting way, unusual in the United States and to some degree in India, the relationship transcends administrations. It sort of began under the Democrats here and under Prime Minister Narasimha Rao in India, but it went equally well, if not better, with the BJP (Bharatiya Janata Party) and with President Bush and the Republican Party. Now the relationship has been picked up by President Obama and a longer-serving Congress coalition government under Prime Minister Manmohan Singh.



**Ambassador Thomas Pickering,** former U.S. Ambassador to India, also served as ambassador to the United Nations, Russia, Israel, Nigeria, Jordan, and El Salvador. He is currently a member of NBR's Board of Advisors.

**Has this been a gradual development?**

Yes. President Clinton had the job of trying to create in South Asia distinct policies for India and Pakistan rather than joint policies. Indians had always said that Washington's India policy was filtered through a prism that reflected Pakistan. It is also true that India had lost the opportunity to hide in the embrace of the Soviet Union. In a sense, India had to strike out in the new world on the basis of a declining Soviet Union, the appearance of a rising China, and the potential for a robust relationship with the United States. But first New Delhi had to find a way to de-demonize the United States, while Washington, for its part, had to recognize the potential of this relationship.

**If you were talking to the members of the Senate India Caucus directly, what are the issues you think they ought to pay attention to in the bilateral relationship?**

My view is that it is very useful now for the two countries to coordinate closely on where they want to go next. One of those options is space, where there is already cooperation. Another is high technology. My own sense is that there can be a great deal of cooperation in this area. The United States, over a period of time, has been willing to release a lot more high tech defense items to India, and in fact one of the questions that has been wrestled with most closely concerns arrangements on both sides to protect that information once it is released.

There are other significant areas where the two countries could work together. The ability to do research in a country like India is supported by the fact that there is a very strong base of highly qualified people. Such collaboration often involves a two-way flow of ideas and thoughts, so the United States isn't simply hiring Indian brains as an exclusive one-way proposition. We're doing a lot of manufacturing—or the IT equivalent of manufacturing, software and processing—in India as well, and that too feeds in both directions. These are three areas where we have responded to Indian hopes.

*“...the relationship  
transcends administrations”*

**Ambassador Pickering** is vice chairman of Hills & Company, an international consulting firm providing advice to U.S. businesses on investment, trade, and risk assessment issues abroad, particularly in emerging market economies. He retired in 2006 as senior vice president international relations for Boeing.

He has had a career spanning five decades as a U.S. diplomat, including serving as undersecretary of state for political affairs. He holds the personal rank of Career Ambassador, the highest in the U.S. Foreign Service, and is based in Washington, DC.

The United States' hopes for the relationship are more political: to exchange views with serious Indian figures in areas of progress in Asia, to learn about Indian views of developments in the whole region, and to begin to develop and think about areas where we might actually cooperate to our mutual benefit.

Another area where relations have taken off is the military-to-military relationship, which is really quite astounding if you look at the history. The two countries' had almost no history of anything significant until the middle of the 1990s, but then relations began to bloom in a very careful way and through steps and stages. Now the relationship has come around to involve very significant joint exercises, and, perhaps even more significantly, the potential for operating together in some areas—particularly in the Indian Ocean and in places where the two countries could counter piracy together.

**It was a tremendous disappointment in some circles when India down-selected Lockheed Martin and Boeing in a recent fighter jet procurement process. What can we conclude from this?**

My feeling is that the decision was a sad mistake, and to some extent a serious one, but one that the United States

and the companies involved quite wisely have tried to treat as part of the process of doing business. In business, one must come to know that you don't win them all; you stay in business because, in the long term, you think you make better products. Only bad businessmen create animosity among their customers.

In the end, if it turns out that the European planes cost more than either of the American options, then the Indian military will have to answer for its decision. The real question is security, and that depends a lot on capacities. If a country is buying second-rate equipment to maintain its security when it could procure first-rate equipment, does this make any sense, even if the equipment is manufactured by a country that would like to be a close ally? But some of the distrust of the old days still hangs on.

**Another great concern in the Indian defense world, of course, is China.**

India obviously is heavily focused on China. China is its nearest large neighbor and the only country in the region that could destabilize or threaten India's existence—not that I think that's in China's interest or that China is doing so, but one looks at potential.

I was deeply concerned in 2004 that somehow the Indian prime minister would be sent the message that a *sine qua non* of U.S.-India relations in the future would be that India would become an ally against China, so I asked the prime minister the only question that actually got into the proceedings with the South Asia Caucus in July 2004. The question I asked him concerned India's relationship with China, and he explained it very well.

He said that India, of course, has had a very troubled relationship with China but seeks to find answers to those problems through diplomacy. This does not mean that India is somehow neglecting its concerns with respect to China, but that India's China policy is defined in terms of Indian interests and will be pursued through diplomatic efforts to try to resolve any problems. This answer was perfect, because it put the relationship in exactly the right context for those people who were waiting for New Delhi to let the United States hold its coat while India went to war with China, of which there were not a few in some parts of the Republican Party at the time.

***“The U.S. relationship with India has to be on the basis of equality.”***

**For members of the Senate India Caucus, I think it is useful to remember the United States can have productive relationships with both countries. There is no requirement to choose to be a China person or an India person.**

Indeed, there is not. It is very important to understand that the U.S. relationship with India has to be on the basis of equality. This is something that Americans have a tendency to forget, because we are so strong both economically and militarily.

**Some people have looked at India and other countries as an entry point to a region—for example, at India as an entry point to South Asia.**

I think that is a fairly naïve view. On the one hand, India is flattered, or was in the past, by the notion that the United States sees it as the largest and most significant power in South Asia, while Pakistan finds that view utterly reprehensible. Pakistanis would like American aspirations and interests in the region to afford them a position of full equality. To some extent, that went the way of the past with President Clinton. Now with Afghanistan, the trappings of the U.S.-Pakistan relationship are causing some degree of heartburn in India.

We tend to need Pakistan more than Pakistan needs us. That's the current dilemma, because in many ways the United States is utterly dependent on Pakistan for logistical access to Afghanistan. In some respects this situation is paradoxical, because in my own view the United States is in Afghanistan more to avoid destabilizing Pakistan than for almost any other reason. It is utterly strange that at the same time that we are in Afghanistan trying to help Pakistan, the Pakistanis see our struggle against the Afghan Taliban as a struggle against erstwhile allies.

**What are some indicators or benchmarks that non-experts might look for in observing the U.S.-India relationship over the next few years?**

Whether over the next year or so the United States and India can develop a programmatic direction for the future

is a big question. Specifically, could we even begin to think about a U.S.-India free trade agreement as something that might help to diffuse some of the current tensions that exist in the trade area? Those tensions exist for good reasons and will not disappear simply because somebody says we can get an agreement.

**Trade, outsourcing, and international competition are major domestic political issues in the United States. What can you say about the view of India from the perspective of U.S. domestic politics?**

There is good news and bad news. The good news is that there is almost no domestic U.S. division over India or what to do with India—almost none. The bad news is that very few Americans know much about India. Maybe that is a contributor to the good news; I don't know. So I think that educating more Americans about India and finding ways to get them to understand both India and the region in which it exists are very important for our own future. To some extent, the United States has skated through with a lack of domestic controversy over India because many Americans have very little knowledge on the subject. In the future, that won't always be easy.

As for the concerns in U.S. politics over outsourcing and competition, at the moment such concerns are more oriented to China. In any case, the job-creation problem will always

exist. If you start with the totally false assumption that exports create no jobs in America, then anything you want to advocate that is anti-foreign will work. But if you consider the large number of jobs that are created by exports, then the problem must be defined much more carefully. The truth is that the easiest time for a company to offshore is when a business is growing, because then it can grow both domestic and offshore jobs.

The notion that the United States should isolate and insulate itself from foreign competition means that it would create artifacts of production that are bound to die because in the end they cannot stand up. If we continue to compete against the best, domestically and overseas, then we know through the winnowing process of the market that we are in fact trying to get the best.

The United States should not glorify its relationship with India by skipping over the problems, but at the same time it should not let the problems deter it from helping to create a much stronger relationship, which is very much in the interest of both countries. I think we are heading in that direction now. ∞

***“The good news is that there is almost no domestic U.S. division over India.”***

**ABOUT THE NATIONAL BUREAU OF ASIAN RESEARCH**

Founded in the legacy of Senator Henry M. Jackson, NBR provides Members of Congress and their staff with the highest quality Asia expertise through policy-relevant research and private and public briefings with our network of experts. NBR is a non-profit, non-partisan research institution headquartered in Seattle, Washington with a second office in Washington D.C. More information on NBR can be found at [www.nbr.org](http://www.nbr.org).

For information on NBR's programs on Capitol Hill, please contact Sonia Luthra, Assistant Director for Outreach, at [NBRdc@nbr.org](mailto:NBRdc@nbr.org) or (202) 347-9767.

