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DOES THE ELEPHANT DANCE?
A DISCUSSION ON CONTEMPORARY INDIAN FOREIGN POLICY

Washington, D.C.
Tuesday, October 25, 2011

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P R O C E E D I N G S

MR. TALBOTT: This is an excellent book that has a title that ends with a question mark, *Can the Elephant Dance?* I'll keep you all in suspense as to the answer to the question. No, actually, I won't. I think, was it -- Tazey, was it you who came up with the answer? Or, no, I guess it was David -- David himself. Sometimes and ungracefully, is the short answer. But it's a terrific book indeed. It covers a great deal of ground, both historically, contemporaneously, it looks into the near future, which is going to be a period in which India is, of course, going to play an increasingly important role, not just regionally, but globally.

I look across the room and I see a lot of people who I know are truly expert in the subject, so I can drop a name or two. I was just in Hong Kong a few days ago for a conference on East Asia and Raja Mohan, known to many of you, was participating in the conference and he made the point which was more than endorsed by a number of the East Asian participants that India is increasingly a player in that part of the world, well beyond what we think of as its traditional area of interest and operation. It has, as it were, rounded the corner and become an Asia Pacific player.

David, as I think all of you know, comes to Brookings not just as a distinguished expert and diplomat who runs the IRDC, which is the Canadian agency that takes Canadian foreign aid money and applies it to research in the developing world, much of which is, of course, developed, as we know, now. He also has served in the region as Canada's high commissioner in India, and in that capacity he was the non-resident, accredited ambassador of Canada to Bhutan and Nepal.

He is also an alumnus of this institution. Twenty-two years ago he was a research fellow -- is that right? -- in our economic studies department and a number of his mentors from that period are still very active here at Brookings, so I can say welcome

back and multiple respects to David.

This is -- his remarks on the book are going to set up a panel discussion, which will be moderated but with active participation, I suggest, by Bruce Jones. We have kind of a Canadian contingent here on the podium. Bruce, in addition to being a professor at NYU, is also a senior fellow at the Brookings Institution and directs our Managing Global Order Project, which deals with efforts to both analyze and understand and also improve the international system of governance. And I think it's appropriate that in the little green room gathering we had before coming in here, Tazey said -- Tazey Schaffer said that while she liked David's book overall very much, she found that the chapter on India's role in multilateral institutions to be particularly compelling, which is particularly appropriate for what we're going to be talking about here.

Tazey is somebody that I had the pleasure of working with in the Department of State. She is a true sage on the region and about diplomacy more generally. She and Howard have written a lot together over the years including a very good book on how Pakistan negotiates with the United States, which could hardly be more timely given the current state of U.S.-Pakistan relations, and it is an immense honor for Brookings and a personal pleasure for me that Tazey is now part of the Brookings family in our Foreign Policy Program.

And she is joined by Steve Cohen, well known to all of you. Whenever I'm saying a word of introduction about Steve I always have to ask him beforehand, "Now, what is your next book?" And there is always an answer to that. His next book is going to be on the future of Pakistan and we'll be rolling it out here at Brookings early next year if I'm not mistaken.

MR. COHEN: December 5th.

MR. TALBOTT: December 5th. Okay. So, mark it in your calendars.

And his last book was on Indian defense strategy and, again, very pertinent for all kinds of reasons, some of which I suspect will come up in this discussion.

So, David, once again, welcome back. Congratulations on the book. And tell us a little bit about the dancing elephant.

MR. MALONE: Thanks, Strobe. Thank you very much, Strobe. It's great for me to be back. And thank you all for coming out today.

It's a fairly abstruse subject overall and I am very happy to be back at Brookings. I had an extraordinarily formative year here working with a wonderful team under Charlie Shultz in the Economic Studies Program. And it was the beginning of me thinking about writing seriously and although it took a while for the fuse to detonate, Brookings has been extremely important in my upbringing, so to speak, and also very welcoming at the time.

And I am grateful to Bruce, a co-Canadian, for chairing his think tank in New York. The Center for International Cooperation is extraordinarily dynamic and when I was working in New York directing a think tank there, the International Peace Academy, we worked closely with CIC, but today I think it's fair to say the action is virtually all at CIC, while IPI, under my successor, focuses largely on the Middle East and productively.

IDRC, as Strobe mentioned, is an optional add-on, but I think a high quality one, to the Canadian Aid Program. We receive about $200 million from the Canadian parliament, but we also raise money from others. We're heavily invested in India because India's the ultimate laboratory on development. The failures in India are as interesting as the successes and India is watched very closely by other developing countries in terms of what works there, what doesn't work there.

And to give you an idea of the sorts of projects we occasionally coordinate for and with others, with generous funding from the Hewlett and Gates

foundations, but also the UK and Dutch governments were coordinating something called the Think Tank Initiative, which provides core funding to 52 promising or already very strong think tanks in the developing world, and that's exciting stuff for us in Canada.

Now, to the book, I started it four years ago slowly by reading as much Indian history as I could. At first, like most people, I started reading British historians of India, but one noticed constantly justification of imperial rule, even from people who should have known better, and so I rapidly switched, of course, to Indian interpretations of Indian history, and they are wonderful, and learned a great deal from them.

There hasn't been a survey of Indian foreign policy for quite a long time. Most Indian authors prefer to drill deep on one aspect of Indian foreign policy, for example, S.D. Muni, recently on democracy in Indian foreign policy. So, in a way the book fills a gap in the Indian literature on the subject.

I worked with five young Indian research assistants exploring different dimensions of the topic producing a huge amount of material, bits and pieces of which we published as journal articles together, or sometimes as op-eds together in the very dynamic Indian media.

Working with these young Indians was tremendous fun. They don't think like me and substantively their thoughts are also different, so I learnt a tremendous amount from them, so that was a very enjoyable aspect of the project.

The sources for the book are overwhelmingly Indian. I wanted them to be overwhelmingly Indian; about 85 percent of them are Indian. Why is that? Well, when some American scholars and European scholars write about Indian foreign policy they quote Henry Kissinger. When Henry Kissinger writes about Indian foreign policy, he also quotes Henry Kissinger. And when Indian scholars on foreign policy write about their own foreign policy, they make the same mistake. So, Kissinger dislikes Indian intensely

for a number of reasons to do with his tenure in several American administrations, and he is not the best source on the subject, although he's always interesting.

More interesting for me were the Indians who have shaped foreign policy starting with Nehru, of course, who while sampling the hospitality of his Majesty's jails during the '20s and '30s, had plenty of time to think about and write about what Indian foreign policy would be, the foreign policy of an independent India, and for him it would be, above all, anti-imperial, and secondly, Asian. Nehru had a very Asian vision of India and what its foreign policy would be.

I think three things matter, three rather pedestrian things matter in the foreign policy of any country -- history, geography, capability. I won't say much more about history except to say that the legacy of the Raj still influences Indian foreign policy. The distrust of the west is, in the Indian elite, quite strong, and there are very good reasons for this. The Raj was a catastrophe for India contrary to what British historians like to put about. And this sense that India was brought low by the Raj -- it was also brought low, of course, by the late Mughals before the Brits took over the country -- remains strong, and by the time of independence, Indians realized Britain was completely clapped out and so the proxy for the Raj became the United States and there was a great suspicion of the United States as the new imperium, so to speak, and this has had consequences throughout subsequent decades.

Geography. Whenever we think of India and the west we default to Pakistan, and of course the relationship between India and Pakistan is an important one. It's a contentious one. Pakistan was born of partition. It was partitioned, in turn, by India in 1971 under a great deal of provocation from West Pakistan, which was busy slaughtering lots of East Pakistanis, so there's quite a bit of unhappy partition in the relationship. And it's a quarrel of cousins, which makes it much worse -- or of brothers.

It's a family quarrel. Nothing is more like an Indian than a Pakistani or a Bangladeshi, and vice versa. So, it's quite intense and the current focus is, as you all know, and shared with the United States, Afghanistan, and we don't know how that story will end. But for India, Afghanistan is historically an important partner. Many of the dynasties that ruled North India came from Central Asia or Afghanistan to India and India has a sense of responsibility for Afghanistan, which may be a bit overweening, but it's real. Pakistan, in the meanwhile, feels that India's influence in Afghanistan and its reconstruction program there, which has been a large and, at least, moderately successful one, is a dagger pointed at Islamabad's heart.

So, as NATO prepares to withdraw from Afghanistan, we can expect tension in various forums between India and Pakistan to increase with unknowable outcomes.

But of course the most important neighbor, by far, for India, isn't Pakistan. India outweighs Pakistan in every sense. The most important neighbor is China, and China outweighs India in every sense. It's three times bigger, three times richer, three times richer per capita, and if the figures of either country are to be believed, the growth gap between the compounds China's advantage rather than diminishing it.

And the history of India and China is a difficult one since Indian independence. Nehru took a positive view of the communist rise to power in India and wanted to champion the new rulers of China internationally. He did so at Bandung in introducing Chou En-lai around. And the thought he was making friends of these Chinese rulers. He couldn't have been more wrong. A few years after Bandung, Chou En-lai said conversationally to some western journalists of Nehru, "I have never met a more arrogant man."

China did make a couple of generous offers to settle the border dispute

between India and China, China having taken over Tibet in 1950. The Tibetan border with India became the Chinese border with India. But India, being a democracy, Nehru found it hard to compromise, even though the Chinese were offering more than they were asking. It was easy for the Chinese to pull off compromising. Nehru clearly didn't feel it was easy for him to compromise on something that was politically sensitive in his country, so he turned the Chinese down and from then on it was a rapid downward slope towards the Chinese-Indian border war in 1962.

The Chinese have mostly forgotten about it because they won it comprehensively. The Indians have never forgotten about it because they lost it comprehensively, and so the looming Tibet over India's north, for India, remains a geographical and political fact that induces considerable discomfort and often gauche maneuvers, I'd say.

A word about the U.S.A., of course, because Strobe is still with us; he wrote a wonderful book about the dialogue he engaged with India when deputy secretary of state. India and Pakistan had gotten themselves into a mess induced by Pakistan over the Kargil Heights, very dangerous because both countries had tested nuclear weapons the year before. And as often happens in these situations, the much reviled United States was called in to mediate and everybody was happy that the United States was called in to mediate. The Chinese were happy. They declared themselves essentially neutral and wanting a negotiated solution at the time of Kargil instead of supporting Pakistan outright, and Strobe and his colleagues were able to do that, but then as I think of it, Strobe stayed on for a deeper conversation in India with his partner, Jaswant Singh, who was the foreign minister of India in due course, and although the clock ran out on the Clinton Administration in its dealings with India. This was the beginning of Indians thinking seriously about normalizing their relationship with the United States, which had

been such an unhappy one since the mid '60s and a qualified one earlier.

And that bore fruit, as you all know, some years ago. Under the Bush Administration, a nuclear cooperation agreement eventually endorsed by the international community was negotiated. Nick Burns, a worthy successor in engaging India, I think, did a very good job of it, but in order to achieve the agreement, I think most external observers would judge that the United States compromised more than India did. India knew that the U.S. administration was desperately seeking a foreign policy success while India could wait. And so India did get more out of it, it seems to me, than the U.S. did, but it was a win-win overall because it did normalize the relationship and brought India out of the status of nuclear pariahdom into which it had been cast after its first test in 1974.

It also favors India's emergence, my last topic of conversation. Is India truly emerging? One key question is can India reach beyond its own neighborhood, which is a vexed one, to become a truly global power? There's evidence that it tries at times. Certainly its current prime minister, who is a champion of the nuclear deal with the United States, has worked very hard on making Indian diplomacy more global. But its domestic problems, which are very significant still, its uneven economic track, fast growth, but poor distribution, terrible infrastructure, serious corruption, and other problems, argue that it may take longer than Indians would like. It is a member of the G-20 and when Manmohan Singh speaks in the G-20, everybody listens, because unlike most leaders, he's a leading economist, so he knows where of he speaks.

But Indian diplomacy, actually today, unfolds in many forums, some of which we know very little about in the West. In the West, we're terribly transatlantic. If it's happening transatlantically or with Japan, it's important; if it's not, it's not really happening for us, and that's why observing Indian diplomacy is rewarding, because

they're doing all sorts of things that don't involve us at all. By design they don't involve us at all in the West.

So, for example, the Shanghai Cooperation Organization cooked up by Russia and China, which is about Central Asia, not actually a great deal going on in the SCO, but it's a grouping of countries who all care deeply about Central Asia, and the observer states -- Iran, Pakistan, India -- care as deeply as the members. So, quite a lot of attention to the SCO and the Indian prime minister shows up, even though India is only an observer member at times.

IBSA, India, Brazil, South Africa. At first people in the West thought it was just one more grouping of convenience, but actually now it has depth, it's been going on for a number of years. They styled themselves as the leading market oriented democracies of their continents, not a bad brand to have, by the way. They do work quite closely on diplomacy as we see in the UN Security Council at the moment where all three countries are present, two of them as elected members, and they often vote together.

The private sectors of each are investing in the other countries of the grouping, so IBSA actually has weight and content now, which some other forums, including western forums, one should add, lack.

Increasingly, India is included in any global negotiations of importance. In the WTO it's part of the Quint, one of the five key actors. At Copenhagen it was part of the group known as BASIC, again, a four-country group that engaged with the United States to produce the outcome behind the backs of the Europeans, by the way. And so what we see is an India that is much more present in diplomacy, but that is out of focus for most of us. Even those of us who study it find it's often difficult to understand exactly what's behind India's policy.

In conclusion, a few characteristics of Indian foreign policy. First of all,

its quest for autonomy, which dates back to the Raj. India will never again be the pawn of another nation and so when countries sign treaties with India, which India will take seriously, the idea of India becoming an ally is, it strikes me, a mistake. I don't think India will easily become the ally of any great power. I think it will be a good partner in many circumstances in which its own interests argue for the partnership. And I think Indians personally cleave to the United States a great deal, as polling of Indian public opinion shows, but that does not make India an ally of the United States or any other Western power. It will remain an autonomous power.

Secondly, and Steve has written a great deal about this and very well, India's inclination towards strategic restraint, this drives some geo-strategists berserk because here is a country that could be creating all sorts of havoc in its neighborhood and actually prefers to hold back. Apart from the '71 war of Bangladesh's independence in which India did march into Bangladesh, it has been on the receiving of Pakistani aggression rather than aggressing itself, and generally it has shown considerable strategic restraint while investing a bit in its military, particularly its naval assets, and we might come back to that.

Above all in Indian diplomacy today, economic interests of India trump everything and Indian diplomacy is overwhelmingly bilateral rather than multilateral, and the bilateral relationships are designed to serve, above all, India's economic interests.

Tazey has written a wonderful book on U.S.-India relations. It should be read by everybody in India, everybody with an interest in foreign policy in India, because it gives an extremely lucid view of the relationship and perhaps that will be part of our conversation also, I certainly hope so.

With thanks for your patience I now look forward to hearing from others on the panel. Thank you. (Applause)

MR. JONES: David, thank you very much. I thought that was insightful and refreshing as ever. I thought particularly helpful in framing the U.S.-India relationship, which we don't hear as much about as we should, and putting in context the relative size, the theme of autonomy, including as it pertains to the U.S.-India relationship, and some enlightening comments on what's so misleadingly referred to in this country as the AfPak question. And also one of your concluding points about the domestic issues in India and whether or not India will be able to project capability -- increase its capability.

We co-chaired a session with the Federation of Indian Chambers of Commerce and Industry here a few weeks ago, FICCI, and one of the speakers made the point that everybody's familiar with the advertising campaign of Incredible India, but he argued that now the business community has to make a big campaign about Credible India. And so, Steve, you've read the book and you've thought deeply about these issues, including some of the security questions that run throughout several of the themes, so why don't you lead us off?

MR. COHEN: Sure. First of all, let me say that, I guess, it's rare, but it's an honor to say that David's book has displaced my books on India, in a sense. We can remainder them now.

I've written two books on India, conceived largely one in 1979, and that book *India, Emergent Power?,* ended with a question mark, and when I came here to write another book on India as an emerging power, Richard Haass, who was then director of foreign policy studies says, "Brookings doesn't publish books with question marks. Either it is emerging or it's not emerging." (Laughter)

And so, that was 1998. In 1998, India wasn't quite so emerging. It wasn't clear where India was going. There were a lot of problems with India, and the

economy was still gathering speed and still traditional problems with the U.S. and with Pakistan, let alone China and further down the road, so I think -- I concluded in that book that -- I used the metaphor of elephants also in the last paragraph, which I deeply regret now. I think we ought to declare a moratorium on zoological comparisons with elephants, eagles, tigers, dragons, whatever they are -- or chimpanzees, as somebody is suggesting. So, we ought to abandon that.

But in their aggregate -- in both books aggregate, there were two major issues, which were keeping India back. One was the economy, and by 1998, 1999, I was in the middle of writing the last book, it was clear that the economy was changing. The other was Pakistan, and that has not changed, although the relationship has changed.

Indians are not aware that as they remember the '62 war with China, the Chinese have forgotten it. The Pakistanis remember the '71 war with India and the Indians have forgotten that. In a sense, memory is a critical factor in how people perceive their relations in the world. So, I think I can safely retire both my books, the larger books, but the book I'm writing now is going to be on India, Pakistan, will their conflict last 100 years? Shooting for a century, so that should be ready in about two years. And I'm not sure whether it will last 100 years or not, but that's only -- they've only got 30 years to go.

I think that it's clear that India has addressed the economy and I think the big question in the short run is whether it will address the Pakistan issue. China is a long term issue and that's something we can debate whether it's an immediate concern or a long-term concern. But clearly no matter how we view this, something has changed in the way Indians see themselves and see the rest of the world. India has changed, and I don't know whether it was the nuclear deal, I don't know whether it was the economy. Indians are more self-confident, they're more self-assured, they're more aware of their

capabilities, they're more critical of themselves. I think that's one reason your book is so good is you do draw from Indian writers about their own criticisms of their own system. I think that's an important insight.

When I first went to India, no criticisms of India was allowed, it was simply -- it was a united front. I think that richness and debate in India is very important now.

So, it's defied its own past, it's grown economically and more or less equitably. The growth of Indian politicians, they're very concerned about equal growth despite the number of billionaires, it's the policy decision that everybody will rise.

So, I think that there's a possibility of a transformation of salvation and Ambassador Schaffer and the other Ambassador Schaffer have written, I think, a brilliant short article on a grand bargain for India and the U.S. and Pakistan.

And move the region away from the negative hurting game between India and Pakistan. I think the obsession with Pakistan and the obsession with India are mutual obsessions. About three years ago, David, at your center I gave a talk and I wrote down -- I debated whether to use the language in it, but I stuck with it and I've used it in print since then. I said that there are two organizations in South Asia, which are retrograde, which are looking backward, not forward: one was Pakistan's ISI, and I think they've become more notorious and more famous now; the other was India's Ministry of External Affairs. Both were living in the past, and the Pakistanis were trying to herd into it, and the Indians were trying to ignore Pakistan even though they couldn't, and MEA, of course, has this view that Pakistan doesn't exist, it doesn't deserve to exist. And as long as those attitudes remain, in a sense, it's going to be a negative herding game in the region.

I think that there are signs now of normalization between India and

Pakistan, which I've never seen in the past. Of course this could be ephemeral, but leave aside the Indian agreement with the Afghans. The Pakistani agreements have a trade agreement with India. That is, I think, a momentous event and the fact that it was approved by the armies it makes it triply significant. The question is whether it's too late or not to, in a sense, rescue Pakistan from itself in the future, and that's what our book -- we're going to launch that book a month from now here. That's what that book is about.

This would also have the effect of a normalization between India and Pakistan. It would have the effect of reducing Chinese influence in South Asia. And I had a conversation with Jaswant when I was in India last. He said one of the major historical transformations that have happened since the end of -- since partition, the end of World War II, is that China has become a major factor in South Asia. From an Indian geo-strategic point of view, that's not a good thing, in the sense that India doesn't control or dominate its own region, because the Pakistanis have invited them in.

So, I think a normalization between India and Pakistan would address China's increasing role, not necessarily nefarious role in South Asia, but increasing role in South Asia.

One of the spoilers, I think, revenge on the part of the Pakistanis, Indian desire to punish Pakistan for being Pakistan, for bad behavior, and I think that the relationship is vulnerable to any terror group, even in India's, let alone Pakistan, that wants to break up normalization. I'm pretty sure that's what Mumbai was all about. Some Pakistani group, maybe the ISI, maybe not the ISI, wanted to break up normalization that was taking.

So, as soon as they get close to normalization, I think you can see more terror attacks instigated primarily, possibly, by Pakistan, but perhaps even by Indians who are unhappy with normalization with Pakistan.

Is India capable of managing this transformation within its region and conducting global diplomacy? Barely. When we look at the figures and facts about Indian diplomacy and diplomatic services, level of military modernization, they're still learning and here, I think, is where they could learn a lot from other countries, not just the U.S., but a number of countries how a developing emerging country modernizes its bureaucracy and the way it organizes itself to deal with the rest of the world.

I like the Schaffers' grand bargain, and maybe you can comment on it. I won't discuss it in detail, but it's a negotiation between the U.S., Pakistan, and India about Kashmir and Afghanistan, and I think we need more of that kind of thinking about diplomacy, breakout of the stereotypical zero sum game of the past, and moving ahead to a more effective diplomacy, backed by military capability, which it doesn't really have. Let me stop there.

MR. JONES: Great. Thank you, Steve. Ambassador Schaffer, your perspective has already been invoked several times and you have a unique perspective on the evolution of U.S.-India relations and the U.S. role in South Asia in particular.

MS. SCHAFFER: Thank you very much, Bruce. Thank you, David, for giving us the excuse to get together and talk about your excellent book.

I'm going to talk about India-U.S. relations but before that I'm going to make two brief points, basically two brief points that I particularly agreed with in David's book. On the India-U.S. relationship I think we may have a slightly different perspective.

The first has to do with India's role in Asia, by which I mean, including East Asia. I think this is an increasingly important area for India, it's important economically, it's important in the way India is looking at its security environment in which things like energy supply and the Indian Ocean figure far more prominently than was the case in the past.

It has also become an area in which Indian and U.S. interests are increasingly converging, and this is a point I will come back to later.

My second point, and David alluded to -- or, I guess Strobe alluded to this, is -- that I love David's chapter on Indian multilateral diplomacy. He describes the huge talent of India's diplomatic team that does multilateral diplomacy, and here I'm talking not so much about the G-20, which actually is a wonderful setting for India and the United States, because India has this dream team that represents it in the G-20. It's a forum that both countries take seriously and it's a nice discreet forum where the press gets in for its photo-op and then leaves the room for the rest of the discussion.

But when you look at the UN, India -- this is a part of India's diplomacy that is managed primarily by its diplomats and its multilateral team is hard to beat, they know their brief, they know the issues, they know all the moves, and yet I think David is quite correct in saying that while they are tactically, extraordinarily skillful, they have not really parlayed this into strategic success in the multilateral arena, and thinking about it I wonder if it's a failure of coalition building and if coalition building isn't an uncomfortable skill for India to develop. I would have to say it's an uncomfortable skill for Americans to develop, but that's a subject for another day and one well worth talking about.

But multilateral diplomacy, I mean, my experience with it was entirely on the trade side. Multilateral diplomacy is all about coalitions, many of which will last only as long as a particular issue is under discussion, but which require a degree of mutual trust and cooperation that you don't necessarily think is going to be necessary for a relatively ephemeral coalition, but it turns out that you don't get there without that.

So, that and my observation of how India and the United States have dealt with each other during India's current tenure on the Security Council lead me to reinforce my view that for India and the United States to have a truly effective

partnership, it has to be able to operate in this larger environment, and this brings me to the subject of India-U.S. relations.

I think David is more skeptical about the staying power of this relationship, and I am more optimistic, but I would say we start, probably, from the same twin assumptions: first, on the optimistic side, that the U.S. has become the most important single external relationship for India, that it has done so largely on the basis of interests that have come closer together.

We talk a lot about democracy as a bond between us, but when you're talking about the management of the relationship. In fact democracy is a complication as often as it is a bond, by which I mean that the things which play in Peoria or the Iowa caucuses or whatever, are almost systematically the opposite of things that play in the Indian domestic political debate, whether you're talking about the so-called chattering classes or about what people are going to talk about when they go back to their constituencies to either butter up the constituency or run for office.

So, on the positive side, Indian and U.S. foreign interests, in a lot of important areas, have come closer together and I believe this is going to keep pushing India and the United States together. On the negative side, we bring to the table very different foreign policy styles. And to cut a lot of debate short, India is, as David quite correctly noted, committed to strategic autonomy and interprets that to mean that India must not even appear to be accepting too much influence on its foreign policy from other powerful countries, and there's one other powerful country in particular that is usually in peoples' minds when they say that.

It also means that the United States has a certain tradition when it comes to partnerships and, at least since World War II, that is that the other partner is usually junior. And India is not the least bit interested in being a junior partner. And that, to my

way of thinking, is an even bigger problem than the U.S. over fondness for the term *ally* and India's allergy to the term *ally*. That, in the end, is a verbal thing that we can probably deal with, but this question of what is expected when one is a foreign policy partner and of whom, is something that I think we are still working on.

So, if you come back to the proposition, which I agree with, that India's foreign policy has undergone some very fundamental changes in the past 20 years, and that the India-U.S. relationship is one of the key elements in that, I still think we have a lot of potential for doing good things together, but it has been clear to me for some time that this is a high-maintenance relationship that requires a lot of work from both sides; benign neglect is not an option in this particular case.

MR. JONES: Ambassador Schaffer, thank you so much. David, let me turn back to you. Let me just add one question, and partly reacting to some of the points that Ambassador Schaffer just made and some things that Steve has written about earlier, and that's the question of what impact counterterrorism issues have had on the U.S.-India relationship. I mean, I'm struck by the degree to which the U.S.-India negotiations were completed, in a sense, in the shadow of 9-11 and that framework, which put them both on the same side of an issue, which at the time seemed particularly strategic here, has long been strategic in India, and does, I think, also create at least one set of issues where U.S. domestic opinion and Indian domestic opinion is somewhat aligned. So, just that additional element. So, comment on anything that you like.

MR. MALONE: Well, first, and I think it came out in both Steve and Tazey's comments, India hasn't yet invested enough in its defense establishment, although more in the navy than elsewhere, to be a great Asian power. But if there is to be competition to China in the Asian sphere in the future, it seems to me that the competition will be Indian and American and in that sense, there may be quite a lot for

the U.S. and India to talk about in due course, but I'm not sure we're there yet.

And I think there's also a reluctance of India that finds its own relationship with China complicated and difficult enough to manage to take on problems of others with China as well. There's a sort of suspicion of its own capacity to deal with too much complexity, particularly with a powerful contiguous neighbor involved. But I thought you brought out something very important, both of you, in the subtext of your remarks.

On counterterrorism, the answer is in principle it's important. Both countries feel strongly against terrorism, both countries have suffered from terrorism, the source of the terrorism has sometimes been similar or thought to be similar, so, in theory, there should be a great deal to discuss and in formal terms there's quite a bit to discuss. But, in fact, the Indian security apparatus is truly appalling. The Indian Intelligence Bureau is somewhat more competent than its external intelligence apparatus, the research and analysis wing, but IIB barely knows, most of the time, 10 percent of what's going on within India, much less is it capable of sort of projecting cooperation.

Indeed, trying to get both the research and analysis wing or the intelligence bureau in India to cooperate with any external power, leave aside the U.S., is difficult because they're embarrassed by their own capacities, or lack of them, and they're deeply suspicious of whether cooperation with others at an operational level, in fact, will lead to a sort of takeover by more competent and better equipped, perhaps, outsiders.

Secondly, I think an important point came up earlier. Some of the disorder in India, the Maoist insurgency, for example, some of the separatist insurgencies as well, Kashmir, arise from deep dysfunctions within India and they're painful for Indians to discuss with outsiders. When one has good Indian friends, as many in this room do, as everybody on the panel does and Strobe does, of course they open up on these

things, but they're painful to Indians, and so they don't lend themselves to a cheery policy discussion on cooperating in the -- seriously cooperating in the counterterrorism field.

I do think, and I quote an Indian author on this, an Indian novelist, because he best encapsulated an Indian syndrome. When things go really wrong between India and Pakistan, as they did at Kargil, India's response for everything I've just said is usually to call Washington and see what Washington can do to, first of all, calm things, because when you're dealing with two nuclear weapon states you want to bring the temperature down as quickly as you can. Generally, this instinct in Indian foreign policy, as I say, is supported by others. And the United States, again and again, has proven itself able to be useful on this front, so that sort of macro threat. But when it comes down to micro cooperation on counterterrorism, I have my doubts for the reasons I mentioned, but Steve knows more about it than I do.

MR. JONES: Let's turn to the audience because we have a very rich audience and there will be lots of questions. So, the floor is open. We'll take two or three questions and come back to the panel. So, I've got a cluster up front, one, two, three, and then we'll do another round.

MR. DHUME: I'm Sadanand Dhume. I'm with the American Enterprise Institute and I have a very brief comment and then a question. My comment is related to something that Ambassador Schaffer spoke about, about the Indian allergy to the word alliance, and I don't disagree with that, but I wonder how much of that allergy is to the idea of alliance and how much of it is to the idea, specifically, of an alliance with the West for the reasons that Ambassador Malone alluded to. And sort of I'm reminded of the 1971 Indo-Soviet friendship treaty, and it sort of seems to me that if the nuclear deal was, in fact, a friendship treaty, in some ways, but if India had framed it that way it would have been unacceptable because the allergy really is more to the West than to the idea of a

large, overarching friendship, which India did, in fact, have with the Soviet Union, or sort of having.

So, that's the comment. The question is about something both of you raised, Ambassador Schaffer and Ambassador Malone, about India's inability to function in multilateral settings very effectively, and I'm wondering what you see as the trend line here, because on the one hand you would think that as India becomes more globalized, as its economy becomes more sophisticated, it would naturally acquire the ability to cooperate better in multilateral situations. On the other hand, as India sees itself more and more as a great power, which we see as you sort of read the Indian press, it may in fact become more obstreperous, harder to cooperate with because it sort of sees itself as not needing to cooperate. So, when you sort of look at this historically, when you look at the trend line of India as a multilateral partner, which direction do you see it going in?

MR. JONES: Great. Gentleman behind you.

SPEAKER: My name is Prakash (inaudible) and I have a question to Ambassador about the China comment you made, especially on the border dispute with China. You said that the Chinese made a significant offer and Nehru turned it down, and as you know, India-China relations, U.S. is a major factor, and U.S.-India, China is a major factor, and so what I would like to know -- and even today, this morning, the prime minister said that they have -- India and China have to get back to work on these things. So, what I would like to ask, historically, what exactly went wrong? And what is the current status of that particular dispute?

MR. JONES: Front row.

MR. SHAH: Thank you. My name is Hasmukh Shah from *Business Times*. Today's conference is on foreign policies but India was playing an important role in economics. India's economic growth had been applauded all over the world and (off

mic) engine of growth for the western (off mic). Where do you think India can play the role as in improving global economy because of current economic stress? (Off mic) good thing for India. Thank you.

MR. JONES: Thanks. I'll take one more. Charlie, in the front, and then we'll go towards the back.

SPEAKER: I find it curious that we seem to get a fairly Pacific view of India and I would just like to hazard that from the view of people in the region, I'm not saying I even agree with this, but from the viewpoint of people in the region, they look at India's historic annexation of Goa, of Sikkim, their involvement in Bangladesh, their support in Sri Lanka, for a long time, of the rebels, or at least aid coming from India, whether officially or unofficially, they look at several wars with Pakistan, and this whole idea of terrorism, the tragedy of Mumbai, but the United States doesn't speak out -- again, vantage point of people in the region -- they don't speak out on the horrors of Mr. Modi and his massacres of thousands of people in Gujarat. You know, there seems to be a disproportionate view here that somehow India is Pacific, emerging, but if you sit in Pakistan or you sit in Nepal, which we haven't heard any discussion of, or you sit in Bangladesh, you get a very different view that this is not a nice benign neighbor, but one mucking around in their affairs and even in Pakistan. We have strong evidence that the Indians, for many years, have been stirring up Balochi Insurgents in Balochistan. So, I'm just saying I think we need a countervailing view here that this is not just a misunderstood Pacific power.

MR. JONES: Let's go from my right to left, so Steve, why don't you pick up on anything you want to respond to including David's comments.

MR. COHEN: Charlie's last point, I'm writing a book about this, so --

MR. JONES: Stay tuned.

MS. SCHAFFER: He wants an answer now.

MR. COHEN: I think on the terrorism issue, I'd say two things: first, the Americans were not interested in terrorism that happened in India until Mumbai took place when Americans were targeted. Before that we didn't care, it was simply irrelevant. And the fact that it was coming from Pakistan made us less interested in what was going on, but the Indians themselves have discovered after Mumbai, and maybe other, that they cannot cooperate in these things within themselves. Internally, there is no cooperation among the Indian intelligence agencies between the services, and I think it stems from the politicians' distrust in the government. And while the politicians use the intelligence services for tactical reasons, like J. Edgar Hoover was used by American presidents, they have a distrust of the rise of a police state in India, and that's a good thing. In a sense, it makes me respect India more. On the other hand, it makes the police and the paramilitary less competent because there's sort of a liberal bias against the police and the Raj. And this may stem from the nationalist movement. And the civil servants serve as interface between the military and the intelligence services and the politicians.

I think there's a liberal bias among politicians against the police and military and that's probably a good thing but it also has the result of they're unable to cooperate on critical issues, let alone cooperate with others. If you can't cooperate among yourselves, how can you be cooperating with the Americans?

MS. SCHAFFER: Let me go from the last to the first. The last shall be first, or something. Charlie's question about the view from India's neighbors, you're absolutely right, the view from India's neighbors is far more jaundiced than what we've been talking about today. However, think about it: India has, I would say -- has had, for the most part and with exceptions, a rather overbearing foreign policy towards its

neighbors. It has played hardball -- I'm thinking of the ten or eleven month, basically, blockade of Nepal in about 1990 over a dispute having to do with Nepal's relations with China -- but they didn't invade. It was a hard policy, but it wasn't an invasion.

Sri Lanka is more complicated because, in fact, by the time you got to the latter stage of the war, the LTTE saw India as an enemy and the Sri Lankan government knew it and was relying on India as a friend.

So, I think beyond the observation, which I have made to Indian friends, that the Indians are the gringos of South Asia, suffer from some of the big neighbor syndrome, I think actually that the argument that's been made that India has shown restraint in its military policy has a lot to commend it.

Sadanand asks whether the allergy to alliance is generic or anti-Western. I think it is, in its practical applications, largely anti-Western, but I suspect that if you had that argument with somebody they would find ways of defending the relationship with the United States in the context of a policy that generally is not particularly keen on alliances.

What are the trend lines in India's multilateral diplomacy? I suspect a mix of both the trends you ask about, both towards more effective engagement multilaterally, and in some respects, towards a tendency to throw ones weight around. I don't think India has really, in some sense, found the effective technique for throwing its weight around, and what David writes about in his discussion of India's multilateral diplomacy is not so much that India has insisted on this or that particular result, but that having made a lot of tactically adept moves, it has not necessarily put itself in a more central position to shape the overall outcome of a, for example, UN debate, and while India has been quite effective at blocking outcomes it didn't want, for example in the World Trade Organization, it hasn't really brought about positive outcomes that it wanted.

Now, at the time when the Doha Round was really looked on as a going

concern, which, I think, it isn't today, I mean, I don't today, I think the reality was that India saw relatively little advantage for itself in a successful Doha Round. I think the calculus may have shifted a bit and that the Indian leadership sees some disadvantages for itself in being accused of causing that failure. So, I would take that as one of these experiences which, over time, is going to lead India to look for different ways of engaging in the Doha Round, and please understand that I'm not saying that the U.S. has that game perfectly, because we have lots of problems in the way we do it too.

But that's -- I see not a single trend line, but it depends on the institution, the issue, and the ways in which it comes up.

MR. JONES: Just my two cents briefly watching India and New York at the council, and as you said, I mean, very talented individuals, but I think that what India has discovered from the Security Council, which many, many other elected members have discovered before, is the Security Council is extremely tough. It's very, very hard to perform well. You have to have you're A-game every single day, and India put exactly zero additional diplomats into their mission to perform that function. Most countries, when they take on elected seats, put dozens of additional people in to sort of support on the various files, and I think India has found it very, very challenging to perform that role. David?

MR. MALONE: Well, on a few points, again starting with the last one, I think you're right, but I think the cases you cite are very different cases. Certainly India conspired to have Sikkim join the Indian Union by subverting Sikkim politics, but it wasn't a military takeover. Goa, it's hard to feel sorry for a Portuguese military dictatorship that overstayed its welcome quite seriously, so let's forget about Goa. The French were much smarter and volunteered to negotiate the handover of their colonies in India and were able to maintain advantages for their citizens in India, so I'd say Lisbon very much

asleep at the switch at the side.

But coming to the core of your question as Tazey did, I think the problem is that relations with neighbors in Delhi, unless it's a crisis with Pakistan or China, are just never important enough to command the type of attention they would need to command over a period of time to achieve sustained improvement. When I was first in India, one of the most senior people in the defense establishment said to me, "You know the prime minister and I disagree on everything? I think all of our neighbors are thugs and crooks. He says if all of our neighbors are thugs and crooks, perhaps we have something to do with it." And the truth probably lies somewhere in between those two remarks.

MR. COHEN: Who was the prime minister?

MR. MALONE: Dr. Singh.

MR. COHEN: Okay.

MR. MALONE: So, I think some of the neighbors aren't easy. For example, Nepal is a very difficult neighbor for India. There's an open border between the two. Anything that goes wrong in Nepal is blamed on India. Twenty percent, or perhaps even fifty percent of the time, that may be right, but the Nepalese make mistakes of their own, which they are less keen on recognizing.

Coming on to the question of India's multilateral personality, in the book I cite two examples with very different Indian style. One Tazey's referred to already, the Doha Round, the climactic negotiation in Geneva in 2008, in the run up to a national election in India. Domestic politics, always important, even in India's foreign policy. India had, at the time, a very smart, very ambitious, very trenchant trade minister who clearly viewed India's position through a domestic political angle. He boasted of wrecking the negotiations and it doubtless won him some votes in India.

So, that's one dimension that can occasionally appear in India's

multilateral diplomacy, completely different performance a year and a half later at Copenhagen where India had a new environment minister, Jairam Ramesh, one of the more interesting younger politicians in the Congress Party, and he made an argument domestically and kept getting pilloried for it, that it was simply unsustainable for India to go on arguing that the West had to pay for everything and developing countries needed to do nothing. Rather, India should act in its own interests to fight climate change and shouldn't be shy of saying so, which is more or less what he and Dr. Singh did in Copenhagen while the Chinese adopted a much more aggressive position, even though China, domestically, is trying to fight climate change in a number of ways.

So, in different forums, with different individuals, at different times in India's political cycle, because it's a highly political country, you get different forms of Indian multilateral behavior.

The Indian-China border dispute, I won't get into the history of it because it's very complicated and Gafoor Noorani recently published a book that was actually very illuminating on the subject with a number of documents from both sides. What I will say about the border relationship today is that the two sides conduct controlled provocations of the other, so China will not issue a visa to an Arunachal Pradesh member of the Indian public servant because they will say, well, he's Chinese, why should we give him a visa? India will do something equally infantile a week later in the relationship. Now, this nearly always ends badly for India, and why is that? In China the Chinese government controls its system and controls its media, so these provocations go only so far as Beijing wants them to.

In India, the media is gloriously free and dynamic and sometimes irresponsible, and frequently has a public nervous breakdown over how soft the government in Delhi, any government in Delhi, is vis-à-vis China. So, China nearly

always gets the better of these little upsurges in difficulty between them.

On India as a great economic power, I don't think we should get too carried away. Indian growth is very impressive and I do tend to believe Indian figures more than I do those of some other countries.

That being said, while, as Steve has mentioned, the lingo in Delhi is right about redistribution and the dynamism of growth is such that it has raised most boats in India a bit, there are simply tremendous deficits in the Indian growth story. Infrastructure is truly disgraceful for a country of India's ambition, as anybody who travels to India knows, Delhi, being an exception and a showcase, but if you go to secondary Indian cities you spend all your time trying to manage two appointments a day through impossible logistical arrangements locally.

Corruption, China has its own forms of corruption and fights it in its own ways. India doesn't fight corruption at all effectively and one of the reasons we've seen exasperation throughout India, not just in the middle class over the last year, is patently it isn't being fought with any degree of success. And it takes two to tango. Any corrupt transaction requires the party being corrupted, but it also requires a corruptor and there the Indian private sector also has a lot to answer for, so -- not all of it, by the way, because there are some Indian conglomerates that have refused to get into much corruption, but there are others that, frankly, keep this muddle going.

So, the Indian economic miracle is a fragile one, in my view, requires a lot stronger and more positive governance from Delhi, and requires more opening of the economy. We tend to go on about Indian liberalization, but it was a very partial liberalization. Why are Indian conglomerates investing more abroad than at home? Because it's easier for them to buy Jaguar than it is to build a Tata plant in West Bengal. This is not good. This is not a miracle; it's a disaster. Indians need, instead of constantly

boasting about India's success, tackle what isn't working, and then they will be a great economic power.

MR. JONES: Let's go back to the floor. There are several questions in the middle of the room and then we'll do another round at the back of the room. So, let's take one, two, three, four.

MR. CADIAN: Yeah, I'm Rajesh Cadian. I've heard this discussion so many times. When we come back to another factor, which is the role of the diaspora. Increasingly we find the diaspora affecting both Indian and U.S. policies bilaterally. In fact, yesterday -- I'm a physician -- we had our legislative day and for the second time in ten years we had particular, specific points of discussion on the Hill, and this is not just related to medicine, we see it in IT, we are seeing it in manufacturing, we are seeing it in defense industries, so I'd like the panel to comment something on that. And I just wanted to make one point about RAW and IB. IB is certainly better run. Neither talk to each other, so the question of them talking to outsiders is even more remote.

MR. JONES: Quite right.

MR. CADIAN: But coming back to IB, we talked of alliances. IB was very closely allied with the British Secret Services for many, many years, and it continues to maintain a secret and strong alliance with British Secret Services. Thank you.

MR. JONES: Across the aisle.

SPEAKER: Hello, David. First to say just to say how much I enjoyed the book. Two quick comments and then a question. Comment first on the CT relationship, I would just note that I think sort of post Mumbai this really has been one of the signal accomplishments in terms of the bilateral partnership and although a lot of it will happen in the shadows and outside of the public view, I think you can look at things like the homeland security dialogue as evidence of how we are making our two internal security

bureaucracies interface with each other in a way that's important to the security of both countries.

On the neighbors, I would just note -- and here's where it segues to my question -- it seems to me the most important driver of the neighbor's relationship is going to be Indian economic growth and, you know, certainly Steve's point about Pakistan is right on and I think that a lot of that is explained by what's happened with opportunities of that the Pakistani business community sees in India. Likewise, I was in Kathmandu last week and heard from everybody, the prime minister on down, this level of enthusiasm for engagement with India that simply wasn't there before.

So, a lot of this comes down to what happens when you have an economy of 1.2 billion people growing at 7.5 percent a year.

I think the prime minister, people like Montek and others, have clearly understood the importance of economic -- sound economic policy to the rise of India as a global actor, but there's also this tradition in Indian foreign policy, which, much like some of the commentary in the United States, sort of has this conceit that foreign policy is ultimately about theory less than it is about economic growth and the ability to bridge the challenges of macro policy with international influence.

So, I guess my question for you is, to what degree -- and I haven't gotten this far into the book to see if you address this -- but to what degree have you started to see an evolution in the culture of Indian foreign policy to more fully embrace this question of economic performance and especially international economic performance as a driver of international influence?

MR. JONES: The woman just in front. Let's do both.

MS. NGUYEN: Thank you. I'm Genie Nguyen with Voice of Vietnamese Americans. Would you also address the foreign policy of Indians in the next ten years

with the South China Sea involving China, Japan, and the ASEAN -- especially in Vietnam? And also talking about the infrastructure and the connectivity, would you also talk about the position of Myanmar right on the border between India and China? How would that affect India's policy in the future? Thank you.

MR. JONES: Great. If you could just hand the mic up.

MS. SIROHI: Hi. My name is Seema Sirohi. I'm a journalist from India. I wanted to ask Ambassador Schaffer about the grand bargain. There were a couple of references by other speakers to your article. As you can imagine, it has created quite a stir in India. I was wondering if you could flesh it out a bit. You say that in this bargain that the U.S. should accept Pakistan making decisions on behalf of Afghanistan in terms of negotiating with the Taliban. So, my question is, why should India accept that or why should India accept limiting its role in Afghanistan given the very awful history of terrorism emanating from Pakistan? And also, if the panel could address, in this whole big problem in the subcontinent, which is the India-Pakistan problem, do you see Pakistan as a solution or as part of the problem? And what is Pakistan's definition of peace? Sometimes it sort of boggles the mind what exactly they are looking for.

MR. JONES: Thanks. So, let's go David, and we'll go in this direction. Fairly brief responses if you can because I'd like to get one more round from people at the back of the room.

MR. MALONE: Thank you. Well, the role of the American diaspora, I think, is particular. In Canada we actually have five times more Indo-Canadians proportionate to the size of our overall population than the U.S. has Indo-Americans. But the Indo-Americans in the U.S. are exceptionally well organized, have been economically very successful, and particularly during, I think, the negotiation of the U.S.-India nuclear deal, were significant and helpful actors on the Hill in promoting the negotiation.

I find in Delhi the attitude toward diasporas is much as it is in places like Tel Aviv, you know, yes, by all means please help us but please don't think you're running anything back here. So, I think there are limitations to the role that the diaspora can hope to play in influencing what goes on within India, but I think it can be very helpful to Indian engagement with the United States and has demonstrated that.

Jeff, who is a wonderful colleague in India, delighted to hear that the counterterrorism dialogue is going well. I still say that India's capacity -- and Steve made this point -- in terms of internal security is pretty disappointing, and I recall after Mumbai, I was no longer living in India but I was following it closely, that the fury of the Indian public was more with India's own lack of capacity to respond in any competent security way than with Pakistan. The fury with Pakistan came a few days later.

So, I think engagement on counterterrorism is a good thing, but India has a long way to go in building up its own capacity in these areas including communicating across institutions.

And I do think you're right about India's economic growth being the principle dynamic in South Asia. I think it's viewed differently in different places. I think Sri Lanka certainly understands that it's been quite successful at growth itself, that a strong economic relationship with India is to its advantage.

Pakistan, I mean, it's paradoxical. Pakistan got off to a much better start than India economically. For the first 30 years of independence Pakistan really was doing quite well and India really wasn't, and since then the trends have been in the opposite direction.

I hope that the freer trade formal arrangements that the two sides are hoping to pull off in days ahead make a difference on the ground. I've found that a great deal of what's been agreed between them in the past formally hasn't made a big

difference on the ground. Perhaps it will be different this time and I certainly hope so.

Do I see a difference in Indian diplomacy? Yes. I think in recent years it is more economic than strictly political diplomatic, certainly in the way India engages with Canada. It's not primarily about the Canadian diaspora. For example, our problems of the past on the nuclear file and on support from Canadian Sikh fringe communities for the Free Khalistan movement, all of that's been swept under the carpet in order that the economic relationship can be built up.

Naturally, India is very interested in our natural resources. It's interested in access to the U.S. market through NAFTA. It's interested in a number of advantages Canada can offer and Canadian companies are interested, like American companies, in the huge Indian market. They're still puzzling over how to penetrate the huge Indian market, but -- so, I'd say, yes, Manmohan Singh, Montek, others, recent foreign secretaries have been quite successful, I think, in giving that orientation. Whether every last Indian diplomat agrees with that orientation would be another matter.

MS. SCHAFFER: I'm going to limit myself to the final two questions. The lady who asked about India and the South China Sea, I think this is an example of a number of things. First of all, India's determination to create independent relationships with as many of the significant players in East Asia as possible, in this case Vietnam. Secondly, it is a response to what in India and, for that matter, in the United States, is perceived as an increasingly assertive and in your face Chinese policy making claims of preeminence in the South China Sea that the United States hasn't accepted and that the other riparians in the South China Sea apparently would prefer not to accept.

It's my observation that when you have Chinese statements or policies sticking fingers in India's collective eye, like the visa issue with people from Arunachal Pradesh, that tends to bring India into closer dialogue with the United States, but I would

say that East Asia, in general, and China, in particular, is one of the areas where the U.S. and India have finally been quite successful in establishing a serious professional dialogue. You've had Kurt Campbell, who's the assistant secretary of state for East Asia, and his counterpart. They've gotten together, what is it now, four times, or perhaps more in the past year in a half. And it's no surprise that this is taking place in an area where India and the United States feel they have quite similar interests.

Seema, you asked about the grand bargain. For those of you who may not have seen it, my husband, who's sitting in the second row, and I published an op-ed piece in ForeignPolicy.com about a week ago, the burden of which was since the policy the United States has been following for the past ten years of basically trying to get on the same page strategically with Pakistan and to work with Pakistan, in cooperation with Pakistan, toward a peaceful resolution of the problems in Afghanistan, this doesn't seem to be working. The gaps between our strategic objectives are increasingly and painfully on display. Maybe it's time to think of something else. And the something else that we put out there was rather than basically try to impose on Pakistan a solution in Afghanistan that they clearly are going to object to and are going to continue to object to on the ground regardless of what they might say they are doing. What would happen if you essentially exceeded to Pakistan as the primary outside influence in Afghanistan? That doesn't go as far as what you said, but that's what we wrote -- but at the same time package this with two other things, one is a U.S. warning that it would basically consider Pakistan responsible for any acts of terrorism that emanated from either Pakistan or Afghanistan. And the other is announce that the U.S. favors a resolution of Kashmir on the line of control, which is not the Indian government's position, but it is a position that many responsible people in India appear to us to be willing, probably to accept, particularly given that nobody much in India would like to absorb the Muslim populations

from the other parts of the old princely state.

Now, this is a grand bargain which has a certain 19th century flavor to it, that it really needs Otto von Bismarck, and the dear boy isn't around anymore. (Laughter)

It also has lots of practical problems, which, for those of you who want to read through the article, we actually spell out. So, there aren't any sure bets, but in view of, and I would say most recently, the difficulties Hillary Clinton has had with the getting us on the same page with Pakistan scenario, that doesn't seem to be working. And I would have to say that I'm a huge admirer of Secretary Clinton. I think she has handled herself with tremendous skill in Pakistan. She brought out the whole A team, but at the end of the day, while people were talking about 90 or 95 percent agreement, my reading is that the serious disagreements are lurking in those 5 or 10 percent.

Now, there's another -- he didn't couch it as a grand bargain -- there's another vision of an alternative policy towards Pakistan that Bruce Riedel put out, which was basically the phrase he used was containment. In other words, give Pakistan the cold shoulder on the security side, but be generous on the economic side.

There are lots of problems with that too. Why would India accept it, is a question that you have to put to India. Why might India accept it? It might make the same calculation that our article is making, that Pakistan, at the end of the day, has shown, over many years, that it is prepared to do what it takes to pursue what it considers to be its strategic objectives in Afghanistan, and that basically means freezing India out.

So, by one means or another, India's preferred option may not be available, so what do you look for when you're looking for a second best?

MR. JONES: Stephen, briefly.

MR. COHEN: I'll just be very brief. In the case of --

MS. SCHAFFER: Sorry, that was a little long.

MR. COHEN: -- India and the South China Sea, both India and the United States are concerned about an expanding China, and in a sense they're not in a policy of containment, they're in a policy of hedging because they're hedging against a rising China. If China turns out to be a maligned, dangerous, threatening state, that hedging will turn into containment, maybe with U.S.-Indian cooperation, maybe not. So, I think that's -- but I think that's in the future. That depends also on Chinese behavior.

And furthermore, all three countries are nuclear weapon states. We haven't quite seen a situation where nuclear weapon states are rising and challenging, so I think I would defer that issue for a generation or so.

In the case of Pakistan, I think that -- I'll say something different than Ambassador Schaffer, but I agree with her -- that these kinds of proposals are worth thinking about and talking about. But Bruce and I wrote a piece where we criticize U.S. government's organization. I don't think we're able to deal with South Asia as a whole. We're so divided in our own bureaucracy and within State and Defense, and so forth, and even the White House that we don't have the capability of having a coherent South Asia policy.

MR. JONES: That would probably provoke another good round of discussions but we won't do it today. So, I'm going to go to a couple of last questions at the back, the lightening round, very brief comments or questions and we'll have very brief responses and wrap up.

SPEAKER: Hi, my name is Tam-ni Rutna, I'm a foreign policy student at Georgetown and my question is also on the South China Sea. There's always talk of U.S. and India kind of balancing Chinese presence in the South China Sea, but Bob

Kaplan, in his book *Monsoon*, argues that it might be in U.S. interest to actually cooperate with China and kind of share the spoils in the South China Sea.

So, how likely do you think that scenario is and how would it play out for South Asia?

MR. JONES: All right, I'll take one or two more questions if there are some. There were hands earlier. No? So, then let's --

MS. SCHAFFER: We've worn them out.

MR. JONES: We've worn them out, exactly. Or anybody else in the front? Okay, so let's just come back on that but then any final comments that you all want to make to one another and then we'll wrap up. You go first.

MR. MALONE: Oh, okay. On the South China Sea, this may be an atypical year because we're about to have a change of leadership in Beijing. It's very hard to judge what Chinese policy actually will be several years from now, but there has been a steady move that Steve describes, of China seeking to expand, and Tazey described it also, it's zone of influence if not its exclusive zone in the South China Sea. I think in the case of India, there has long been an argument about is India being encircled by China, by Chinese naval installations built in neighboring countries, Chinese penetration of Nepal commercially and otherwise, but in fact to the Chinese the world may look rather different. They may feel rather encircled by the United States and its allies -- Korea, Japan -- and to the south by a country that, while not an ally of the United States, is certainly much friendlier with the United States -- India. So, I think a mutual threat perception is going to be a delicate game to assess over the next ten years and I wouldn't expect anything too dramatic to happen in the near future.

MS. SCHAFFER: Let me add to that only that I think India is playing both a hedging and a balancing game in East Asia and this coincides reasonably well

with what I think the United States is doing. No one wants to pick a fight with China. Everyone talks about the importance of engagement with China and they actually mean it.

On the other hand, if you have a rising China, whose power substantially exceeds that of India at the moment, and which has been becoming more assertive, I think, rather faster than some of my China watcher friends had expected, then it stands to reason that both India and the United States would be looking to thicken their network of friendships throughout East Asia and that each would figure in the other country's concept of who we need to be able to work together with.

This is well short of an alliance but is well within the bounds of how diplomacy, strategy, and foreign policy try to create a friendly environment.

MR. COHEN: I'll make two points. After Ayub Khan's book *Friends Not Masters*, which the Pakistanis often said friends, not masters, U.S.-Indian relations are friends, not allies. U.S.-Pakistan relations are friends, not allies. In a sense there's a difference between the two. Another thought experiment: if partition had not taken place, David would have written a book about emerging China, we'd be sitting here talking about how to contain this enormous engine, which was much bigger than China, and I think if history had gone differently, we'd be sitting in Washington worrying about containing this expanding India. Well, maybe not. Maybe Indian culture, India personality would have been quite different. That's just an experiment to think about.

MR. JONES: Any very final thoughts before I wrap up?

MR. MALONE: No, simply to say how wonderful it's been to have this dialogue here today and how keen and trusted India is in Washington in contrast to many other less geo-strategically minded capitals.

MR. JONES: I think that the best books provoke discussion about their

topic, not just about the book, and that's what happened here today, so thank you all very much for coming.

I do want to take a moment to thank somebody else. Toni Harmer has been the associate director of the Managing Global Order Project over the last couple years. She's leaving MGO to go and do an important job on climate change, but she had the grace and good spirit to stay back for a few extra days to help organize this event, so my particular thanks to Toni for pulling this off.

And then of course to the two of you for very insightful comments and thoughts and, David, most of all to you for sharing the book with us. So, thank you very much.

(Applause)

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Expires: November 30, 2012