THE BROOKINGS INSTITUTION

REIMAGINING INDIA:
WHAT'S AT STAKE IN THE WORLD'S LARGEST DEMOCRACY?

Washington, D.C.

Tuesday, April 29, 2014

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P R O C E E D I N G S

MR. NAGORSKI: Good morning everyone and welcome. I feel strange as an outsider welcoming you all to the Brookings Institution, but I feel strange in an honored and privileged way, so good morning and welcome to a great program.

There's so much talent in the front row here waiting to take the stage. I will keep my own remarks brief. I'm Tom Nagorski from the Asia Society. Delighted to be here, as I said, and I'm going to start with a confession. That when I first heard about the book and the concept behind it, Reimagining India. I thought, well, it seems a little bit like a gimmick.

You take a whole bunch of great minds, ask them to write you a three or four page essay, you mash them all together in a collection, and just like that you have a book. Not just a book, but a book with this lofty title. How could it possibly live up to something called Reimagining India?

Then a colleague of mine at the Asia Society in Mumbai said, 'Tom, why don't you read the book?' Good idea. It turns out, and as I now tell anyone who will listen and anyone with even a passing interest in India today, India past, that the concept works. It works on so many levels.

Above all, Reimagining India is not just interesting, but it is stimulating, it is provocative. So from my own standpoint, running programs at the Asia Society, it's basically wandered across our global network one center at a time. We had 700 people in Mumbai for a program. A great audience and discussion at our headquarters in New York. Another in Hong Kong, and every time the conversation is different. Each time the participants are different. The emphasis changes. Of course, with each passing month, week, sometimes day, India itself changes, so the conversation changes along with it.

We meet now in the midst of this extraordinary exercise in democracy in

India, and we meet in the capital of a country that stands to be influenced and affected many ways by the outcome. It is a moment when candidates, and voters, and interested parties, like my own colleagues, those of you who work at the Brookings Institution, and those of you that come to hear programs here are all deeply engaged in reimagining India in one way or another.

At the Asia Society or reimagining of India has taken new shape with the formation of our Policy Institute which is only three weeks old today. The Asia Society Policy Institute was formed on the 8th of April, and when you're that young you still count the days.

Obviously relations between India, and not only the United States, but India and its neighbors, and the rest of the Nations of Asia will play a big part in our work in that going forward.

Here at the Brookings their India project, its D.C. based component is the Brookings India Initiative which also has a Delhi based component, the Brookings India Center. This organization is all over all things India.

So I thank the Brookings Institution for hosting us today. I'm delighted to be here, excited for the conversation. I do want to acknowledge my colleague Matthew Stump from the Asia Society who's here. Thanks for helping to organize this. Thank you to Adil, who will be up on the stage in a moment. He, at McKinsey, has been our great partner and really responsible for this great Reimagining India project.

I thank our friends from the Indian government and the Indian Embassy, the Ambassador who's here, for all your cooperation in so much of our work here in Washington and Mumbai, in New York, and really around the world.

As I was just saying, I had the privilege of moderating an event on the elections at your consulate in New York just a couple of weeks ago. It was a spirited

event, as almost all conversations about India today, and about the elections tend to be.

So I thank you, as I said, I will get out of the way. It's really my great privilege to introduce, not that many of you need an introduction, to bring to the stage Strobe Talbott, President of the Brookings Institution.

MR. TALBOTT: Thanks, Tom. I think it's totally appropriate that you should open the program for all kinds of reasons, including the institutional collaboration that goes on between Brookings and the Asia Society.

I want to thank all of you for coming out on this rainy morning. I hope that we'll bring a little bit of light, if not sunlight, to what I think is a project that is actually quite well named. Health countries are always reimagining themselves. We'll also have a chance to talk a little bit about what might be salutary in reimagining the Indian/U.S. relationship.

Let me just say a quick word about our friend the Ambassador, Jaishankar. Jai has been in Washington for a relatively short period of time on this particular assignment, but it must feel like about a decade. He has had his work cut out for him, and he has done that work with extraordinary skill, including in ways that I can only guess at because he is the ultimate diplomat.

As you're about to hear, he is a terrific spokesman. Not just for his own government, but also for what is best in the bilateral relationship between his government, and the one that he's accredited to here in Washington.

I think most of you in the room know a lot about Jai's background. It's pertinent in a number of ways. You know, of course, that he's been in the Indian Foreign Service a long time, 37 years, does that sound about right? Does that make you feel fairly senior in the core? He has been posted as India's Ambassador to some, not only very important capitals, but some capitals that are going to be germane to conversations

he'll be having with those of us in the NGO community as well as in the government, and in the private sector. I'm thinking particularly here about Beijing.

I'm just going to touch on one other feature that maybe isn't always emphasized when Jai is introduced at occasions like this. I think you'll quickly figure out why I am going to mention it. He was here in the Indian Embassy in the United States in a period during the 80s when we were, we didn't know it at the time, but we were on the cusp of the end of the Cold War. He also served previous to that, I guess, in Moscow.

So he knows first-hand from both capitals not only the bilateral relationship was between the United States of America and a country that no longer exists, but it may ring a distant bell to all of you, the U.S.S.R. which had a lot to do with the context. I might say a lot that was regrettable about the context of U.S./Indian relations back during the Cold War.

Here he is at a time when we can all say that the Cold War is over, but we cannot say that relations between the United States and Russia are in terrific shape and heading in the right direction. That might have come up in some ways during our discussion this morning.

So that's not to feed you any lines for your opening remarks, Jai, but just a hint at something I might raise during the course of the conversation. Thanks.

DR. JAISHANKAR: Thank you, Strobe. It's good to be back in Brookings that too for an India event. It really gives me great pleasure to join you all today this morning for the Washington release of Reimagining India. I'd like to thank McKinsey, Asia Society, and Brookings, of course, whose coming together has made this function possible.

Before I deliver the rest of my remarks I have a confession to make which is that I've actually read the book. Not all of it at one go, but I would say the good

thing about this book is because it's written as a collection of essays you can read it, and put it down, and read it, and put it down again. Since I spend a lot of time, you know, waiting on meetings and staying in airports for aircraft which haven't turned up on time it's a good companion to have along.

Now, those of you who, like me, have had a chance to look through it I'm sure would agree that it is, you know, these 62 essays really have great value. They are, in many ways, I think, a full spectrum effort which span a variety of issues and challenges. While addressing them they do bring to bear a very broad array of approaches.

The book is descriptive, but it's also analytical. It's big picture, but it's also sectorial. It highlights problems, but it also, in many cases, suggests solutions. Its tone and texture are really very varied, as indeed, are its contributors. When you read the book you almost have a sense that you walked into a large Indian drawing room, you know, at about 9:00 in the night when people are into the second drink.

Now, in terms of what I have to say after reading the book. I think the first point I would make is that there couldn't be a better time, at least in Washington, to discuss this book because the issues that the book covers are really the varied debates of India's 16th general election, which is still unfolding, as many of you know.

If you look at what our political parties are doing in India they're actually asking the water to reimagine Indian, reimagine locally, regionally, nationally. So whether it is the distribution of power or whether it's the nature of growth, whether it's about vision or implementation, are we talking material issues or intangible values? This book actually captures the internal Indian conversation.

Another vote, as you're all aware is still on the way, and the results are more than a fortnight away. We've seen a high turnout in the election so far, so this

could be an indication that these debates actually do resonate with the voters.

Now, the overarching theme of the volume is of India's passage to modernity. It's captured by the subtitle: Unlocking the Potential of India's Next Superpower. That's really articulated in all its facets by the various authors.

Now, it's tempting to find a sweeping explanation for the progress on that journey. But I do take into account, Yasheng Huang's very valid caution in this book that the relationship between political systems and economic outcomes is ambiguous and indeterminate. But, as Strobe told you, having lived in the U.S.S.R., the U.S., China, Japan, Singapore, and of course, India, it's very difficult to resist the temptation of saying something about what helps or doesn't help nations to go forward. My take on that is actually the subjective element, what I'd call the human factor.

China, where I was until recently, is to my mind, in many ways, an example of leadership quality. Not surprisingly it has today the most serious leadership training program in the world. In contrast the U.S.S.R collapsed primarily due to loss of faith. Japan's stagnation, I believe, and it's interesting because this series began with the book, Reimaging Japan. Japan's stagnation, I think, was a mix of risk aversion and lack of imagination.

While Singapore, on the other hand, is really an extraordinary story of vision and willpower. U.S., of course, as we all know is about openness or optimism, or occasionally, lack of it. But when it comes to India we are told that are strengths are in our diversity and in our improvisation skills.

Now, I'm not disputing the merits of the first, but the downside of a Plan B culture is that its commitment to Plan A is rarely as dedicated as it should be. The magnitude of challenges brought out by this volume leaves little doubt for the need of a serious and sustained response to all the challenges in the book.

Now, if you're still searching for correlations I would actually point, and, you know, this is my Indian gene here speaking, I would really point to Harsha Bhogle's essay on cricket which is actually improbably instructive. It connects national sports and nationhood, reminding me of Frank Zappa's famous statement that all you need

Now substitute cricket for football and you actually get the story of modern India's evolution. To cut a long tail short, that is one of graduating from playing safe to wanting to win. So taking risks is as much part of going up the ladder as a serious application.

Obviously not all parts of the books are easy to accept. I can imagine the reaction to many Indians when charged with not having an open-mind. Which, of course, proves the point of the author. Today it's just as important for Indians to realize our shortcomings as it is to wake up to how the world perceives us. At the end of the day we will be judged by how we passed the twin tests of emission and performance or if you prefer Kishore Mahbubani's term, imagination.

Finally, if we are reimagining India, perhaps we could also reimagine the Indo/U.S. relationship. It is an important factor in the future development of India, and it awaits its next quantum leap patiently.

Now, since all successes need a sequel, at least in Hollywood and Bollywood, I hope McKinsey will give the reimaging Indo/U.S. relationship a though. Thank you very much.

MR. ZAINULBHAI: Ambassador, thank you very much. I must congratulate you for your diligence in reading the book. Thank you.

I'd like to just introduce the panelists and give you a little bit of background on the book, and then we'll quickly get to the substance at hand. We have, actually, quite an amazing group of folks here who are authors or participants in the book.

First, Strobe Talbott is going to join us because Strobe has been involved with India for a very long time, was a great guide to us during the writing of the book, and actually three authors from Brookings are part of the list of authors in the book, so I think it's fantastic that we have Strobe.

As you know Strobe was a journalist, although he says he's never given up being a journalist. Is that right? Once a journalist you're always a journalist. But in this case I get to ask the questions, so I think I feel good about that.

Strobe is, of course, been in the State Department for many years, and for the last 10 years has been President of Brookings. Brookings, as you know, has opened the India Center, and Brookings is outstanding in many, many fields. I think you said on many different areas Brookings is rated as the number one policy institute in the world. So we're delighted to have Strobe. If I could request, Strobe, for you to come.

Another Brookings author that I'd like to welcome on stage is Steve Cohen. I am embarrassed because Steve has been following India, Pakistan, and Afghanistan for something like 45 years, and speaks I don't know how many languages. You said you speak Dari and Urdu and Pashtu and --

MR. COHEN: Just two.

MR. ZAINULBHAI: Oh, just two. Okay. Actually has the benefit of having watched this for a long period of time, and I'm delighted because Steve also wrote a wonderful essay for the book in terms of how India's foreign policy might evolve.

I'd finally like to invite Chris Graves. For those of you who read the book the last essay, the closing essay institution he book is written by Chris. Chris was the architect, has been in the media business, and was a journalist, and was involved in setting up CNBC. Then, of course, runs one of the largest media firms in the world. I won't ask you which political ads you've done in this campaign.

MR. GRAVES: You can.

MR. ZAINULBHAI: Oh, I will ask you when you come up here. But his was involved in the campaign that India did called Incredible India which many of you might have seen. So, Chris, we're delighted. If you could come here.

I'm just going to spend two minutes on the book, the notion of the book, and really this is not about the book. This is about India.

The idea for the book came about because for many of you who follow India or are Indians two years ago the mood about India around the world, and also in India, was extraordinarily depressing, which was a huge contract to the mood five years ago about India which was incredibly euphoric.

As several people have remarked about India and Indians we tend to be extraordinarily bipolar. When things are good we are on top of the moon, and when things are bad we are just at the bottom. Actually, neither of those is the appropriate way to think about India. It's a very large, complicated, diverse country, and we are on a 50-year development path. During that path some things will go well, some things will go badly, but we can't slowdown from that development path.

So when we found that the mood around the world, and the discussions around the world were as depressing as they were we thought what could we do to elevate the dialogue to give people a broader sense of the broad path that needs to be taken, the challenges that can be overcome and how they can do that? So that through that dialogue the discussion about India could change. That was the idea.

We thought that if we wrote a series of essays, you know, not many people would read it. It would be very dense. It'd have lots of charts, and lots of numbers, and very few people would read it. So the idea came about that we should do a book that had 62 essays by lots of observers about India. It's 50 percent Indian, 20

percent Aspura, and 30 percent international.

Let's get a broad view from all of these folks about what will it take for India to unlock the potential which, you know, lots of people said you had the potential for 50 years, and we're tired of talking about potential. How can you get that? So that was the idea of the book.

I don't want to -- because it's 62 essays it's impossible to give a theme other than it talks about the development of India. So I don't want to go into telling you what the book says. I'll leave it to you to read it and get a flavor for it. But what I thought we could do today is given that we have people who are very familiar with the book, and two authors, and three authors have written one essay we could explore parts of the book.

Because this is Washington, obviously, we will explore certain parts that have to do with policy and foreign policy, and others, but that's what we will do today. The way this will go is I'll ask a question of each of the panelists to expand on one topic which, for about a few minutes, about five minutes each. Then I'll ask them a series of very specific questions. Then we'll throw it open to the audience.

As Strobe reminded me, the Brookings rules are you have to ask a question, you can't make a speech, and it has to be a short question, and then we will ask the panelists to answer.

So with that, let me just start off right away. I wonder if I could start with you, Strobe. Strobe, you've watched India's foreign policy for 20 years. You've been involved with it from the U.S. side both as, you know, in the Department of State, and then watching it. You've worked with governments of all types.

As you look ahead, and potentially a change in government, which there will be some change in government in any case, no matter how the election results come

out. How do you see India's foreign policy evolve? Does a change in government make a different in the foreign policy? What directions would you like to see the U.S./India dialogue improve? What role could one see India play that it is not playing today? What role should it not play as it goes forward?

Since you had day-to-day experience of this, I wonder if you could expand on that?

MR. TALBOTT: Thank you, Adil. Let me also thank you for your personal friendship and your institutional friendship, and for being a part of both what we're doing here in the U.S., and what we're doing under the aegis of Brookings India and the Brookings India Center. Which while based in Delhi is reaching out to the entire county, and we're going to have a network of relationships there. There are a number of people I see in the room who have been helpful to us, and who will want to engage in that.

Let me, Adil, in response to your question start with a general proposition which picks up on something that you just said in your excellent opening remarks. When I was looking at Ambassador Jaishankar and recalling the past one way to characterize the past, which was a decades-long period of missed opportunities and almost, it seemed at times, perversely deliberate misunderstanding of each other that was when the world could be described as a bipolar system.

Bipolarity is a disease. It means manic depression. Bipolarity is not a healthy condition either for a national psyche, if I can put it that way. That way a society imagines itself. For going from euphoria to depression, you even used the word depression. I think it wasn't that long ago that the slogan, Shining India, was used in a campaign, although my recollection is the campaign didn't turn out the way those who used the slogan hoped.

There has been, as those of us who regard ourselves as friends of India, been something of an up and down mood swing. By the way, as you also alluded to, and I think Jai did as well, the same is true in the United States. We're a country that prides itself on optimism except when we don't. I think we're a bit in the latter state now. So this is yet another something that the world's oldest and the world's largest democracies have in common.

There's some symptoms of bipolarity in the bilateral relationship. I have seen that in the 20 plus years that I've been working most intensely in India, with India, and with my colleagues here at Brookings, about India.

So I would say that the relationship needs to be smoothed out. A colleague of ours, known to many of you in the room, Tanvi Mandan, who couldn't be with us today says that what we really need is a constructive, pragmatic, purpose-oriented sense of normalcy in the relationship which depends on a lot of things.

It certainly depends on leaders. I'll come to that in a moment. Also, professionals, particularly professional diplomats, and most particularly, the ambassadors of each country and the other to have a sense of what is calming, and what will lead us to the right kind of normalcy. You have been terrific at that, including in the way that you handled your baptism by fire when you arrived in your new post.

But I think that those of us in the NGO community and in the private sector can play our own role. I might add, the media, as well, as an unrepentant journalist. Let me put it that way. I find the Indian media to be both exhilarating and infuriating. That's very much on the record, as is everything, I think, in this conversation this morning.

There's nothing to be done about that. There's no government policy, obviously, that's going to change it, but there are, on both sides, journalists who know the

other country quite well. I would hope knowing a -- I think that there is a critical mass of people in the media who understand that they can play a constructive role through both constructive criticism of both sides, but also keeping the big picture in mind.

The big picture, which I think Jai alluded to in his opening remarks, is a positive picture. Also there, despite the mood swings in each of the two countries, and both of them -- well, I would say there's a sense of excitement in India, maybe tinged with apprehension in some quarters because you are about, if the polls are any indication, almost certainly going to move into a period of change. That would probably be true whatever the outcome of the election, but particularly if the election goes in the way that so many of the polls indicated.

So in India there is a sense that there's a new opportunity coming. As often happens with opportunity it will come with some risks. The change may not please everybody as being for the better, but at least there's a sense of something about to change.

Here in the United States, we're still a couple of years off from our next major change, which will be a change no matter what the outcome is of our 2016 elections. Here in the U.S. there is a sense that the federal government, which includes, of course, well, I guess you could say all three branches of government; the Executive, the Legislative, and the Judicial are stuck. They are stuck in partisanship.

What that means is fewer and fewer Americans are looking to their government to change things for the better. Let's say a change we can believe in. But that in turn, because of the vitality of the United States, creates opportunities for governance and communities below the national and federal level which is to say at the state level, and the metropolitan level.

I think one of the many positive things going on in U.S./Indian

relationship is that in addition to cabinet officers and that kind of thing going back and forth between the two countries you now have governors and mayors going in both directions, chief ministers from Indian states, including Indian states that were not historically known for having much of an outreach to the world.

A colleague of mine, Bill Antholis, has written a book on the devolution of political power in both China and India. To the provinces, in the case of China, and the states -- and I would say that is basically a positive development, although it's going to be one that cannot be, by definition, coordinated from the center, but should be encouraged by all of us.

Last thing I would say, which I think was implicit, if I understood your question. I have had a chance during my adventure as a public servant to deal both with a Congress-led government in the early 90s, and with a BJP-led government at the end of that decade. What I was struck by, in both cases, and this was Prime Minister Rao, of course, in the beginning, and Prime Minster Vajpayee at the end. There was a high degree of continuity.

Now, I'm not saying anything here for the first time publicly, I wrote a book about it, the personification of the Indian government that I dealt with was Vishwanath Singh who remains a very positive and admirable character in my own book, as it were.

But I think that the fact that he and his counterparts in the American government were able to get the U.S./Indian relationship over a hump that had been there for decades indicated that ideology, even though occasionally there were reminders that the ethos of the Non-Align Movement was still there it was still possible for India and the United States to get on the right side of the post-Cold War era. We can probably circle back to that in the course of the discussion.

MR. ZAINULBHAI: Thank you. I'm going to ask next Steve Cohen to talk about, you know, India's evolving relationship and what do you see over the next few years in terms of India's -- you know, as you mentioned before, and you mentioned in your essay in the book, it's a very dangerous neighbor, right, this Pakistan, there's Afghanistan, Central Asia, China that's surrounding you on the north, and the Indian Ocean where lots of things are being played out.

Therefore, lots of things can happen in that. So in that environment what do you see happening in terms of relationships between India and its various neighbors? What do you see happening as the U.S. reduces its role in Afghanistan?

MR. COHEN: One of the most important and interesting Chinese sayings, which turns out to be a forgery, is that where there's danger there's opportunity. There's a whole website devoted to this Chinese character. But there is an opportunity for India. If I was to rewrite the essay now I would point to the opportunities that India may take advantage of rather than worry about the dangers. India's been obsessed with the dangers in the neighborhood, including from the U.S. at one point. I think they'll look at the opportunities.

I think Modi -- in fact, would I rewrite the essay and I would know more about Modi and his strategy now than I did before. I would say that, to summarize it, India has not squeaked at all and squeaky wheels get greased. India hasn't squeaked, and I think India's going to be squeaking loud, that is it's going to be doing things, some risky, some dangerous, some positive.

MR. ZAINULBHAI: A lot of people have said Indians are argumentative and noisy, but I've never heard squeaky.

MR. COHEN: Well, they're going to be squeaking. I think American policy's going to have reconsider its attitude toward India since Strobe's time. India,

South Asia, except for Afghanistan has been viewed as flyover country. As a Midwesterner I know what it means to be in flyover country. There they go, you know, from San Francisco to Washington, back and forth. But India's going to attract more attention and America has to adjust to that, I think, both administratively, and politically, and strategically, and it hasn't so far.

I think that the big change that I see is we all thought that Modi would transform India's economy. I think that's true. He will try to do that if it is a Modi government. But I think that's going to give him more muscle and leverage in foreign policy.

The key country is China plus Japan and Korea. Modi has close relations with China, Japan and South Korea, bad relations with U.S. I think that he's going to expand this into a strategic advantage for India. That is, he's going to use the economic relationship he has with East Asia, especially China to enhance Indian power, and also, in a sense, the originally Nehruvian dream, of India becoming one of the five or six major countries in the world. I think he's going to try to implement that, and I think his goal is to be Prime Minister for more than one term so he can complete that.

I think his role model, obviously, is Sadar Patel. Also a Congressman, but a much tougher, tougher man than Nehru is. I think he'll be tougher towards China, but more cooperative with China. He'll use the new relationship with China to gain influence over Pakistan, over the United States, and generally. To gain the muscle India becomes a military as well as a talking power.

So I think that's going to be the thrust of his strategy. How the Americans respond to that I'm not sure. I think so far, again, it's seen as flyover country. I think that you will see major changes in foreign policy.

The domestic side is another issue. I think the big question is there if

Modi and the Indian constitution can get along with each other. Indira Gandhi pushed the limits on that during her emergence, and clearly she pulled back, but I think they'll be tests of that sort.

It's going to be more than simply an economic policy. Economics will come first led by investments from China, Japan, Korea, and that's going to give India, I think, more strength and capability. I wouldn't be surprised if China doesn't become the sort of, I won't say the regional manager, but play a role between Indian and Pakistan. It's in China's interest to see normal relations between India and Pakistan.

Chinese have a huge investment in Pakistan, enormous political and economic, as well as military. So I think their view may be, and again, Ambassador Jaishankar, could be able to answer this better than I can. Will the Chinese eventually see themselves not as the broker in the region, but as seeing two friends not be able to get along together, and perhaps ease their relationship? In a sense, China could play the role that I imagine for them, of the U.S. playing, but I don't see anybody in the U.S. seeing that role.

MR. ZAINULBHAI: You didn't mention Afghanistan. You didn't comment on Afghanistan.

MR. COHEN: Yeah, I think the question of the American withdrawal of Afghanistan is a big issue in India, Pakistan, and, of course, China. I was in Delhi twice this year and I was cornered by people in various government agencies, what's going to happen in Afghanistan? I don't know any more than they do.

But clearly a bad withdraw from Afghanistan could trigger more chaos in Pakistan and more chaos in India. I think that's the Indian fear, I think legitimate fear, and the Chinese fear that a deteriorating Pakistan, and it's on a downward trajectory, could create more extremism in China and also in India.

That would be of interest to the Chinese and the Indians and, of course, to the Americans. So that's why they're worried about how much of a presence we'll maintain in Afghanistan to sort of -- of course our failure in Afghanistan goes back 15 years now. The failure to construct a regional strategy with the Iranians, the Chinese, and the Indians, and the Pakistanis would all collaborate in creating sort of a neutral or non-aligned Afghanistan. That may be too late, but I still have hope that could be revived.

MR. ZAINULBHAI: Thank you. Chris, I think some of the discussion from both the panelists said, what took for granted there would be some improvement in economic activity and that in years, you know, with a 5, 10, 15 year period the economy gets big enough that it can, you know, it has some weight, right?

On the other hand, over the last few years the economy's actually deteriorated quite a lot, and this dream of Incredible India doesn't really apply anymore, right? It was more like depressed India as we talked about before.

What do you see over the next couple of years for India to re-achieve its economic growth? I would just add one editorial comment to that which is at least from our perspective, and the perspective of many people in the book the real purpose of economic growth was not necessarily how to apply it to foreign policy, but how it applied to the league tables of the world GDP, right?

But it was that every point of GDP growth raises another 10 million families out of poverty. In the last seven years 140 million people came out of poverty. It's the largest poverty reduction India's ever seen, and the world has ever seen except for China.

So, you know, economic growth makes a huge difference in the way people live and the effect it has. We've seen that with 140 million people. So what do

you see happening over the next few years such that in the next seven years maybe another 200 million come out of poverty?

MR. GRAVES: First of all, I'd ask a question, thank you very much Mr. Ambassador for coming, and McKinsey, and Brookings, and Asia Society, and thank you for coming out on a miserable, endless winter here in Washington D.C. this year. I appreciate it great.

How many of you who are not from India actually have spent time in India? Just raise your hands.

MR. ZAINULBHAI: It's a lot.

MR. GRAVES: A fair amount. I would ask you to think back to your very, very, very first impression when you first went to India. I'll come back to that in a minute as you think on that because if it was anything like mine, 21 years ago, to go build a television news network there it is overwhelming in so many different ways.

What India has done to try to capture that for the world outside of India, to create a kind of brand that might lure foreigners to visit India as tourists. Which is, by the way, tourism should not be dismissed as a nice to have. Tourism is crucial. It's crucial for capturing foreign exchange. It's crucial for investment when you get hospitality travel companies investing from the outside.

Tourism often can lead the way. It can create 1 out of 10, perhaps, 1 out of 8 jobs in a giant nation like India. So it's very, very, very important.

So one part of that that we came to address in 2002 was what Mark Twain faced in 1896. Mark Twain was dead broke after being successful. Dead broke. He made two miserable investments. Not unlike today, both in media. One was in publishing and one was in a new type-setting kind of machine. He lost his shirt.

He needed, before he died, out of integrity and a need to not leave his

heirs impoverished to go on a world tour lecturing to recover and pay off his creditors. He was very full with integrity that he wanted to fully pay them off. They said just give us pennies and, no, no. I'll fully pay you off.

So he decided to go on this world tour and he spent three months of that world tour in India. When he arrived the same man who is so capable of distilling complex notions into one single pithy phrase or sentence was totally at a loss. He succumbed to an explanation mark and said, 'Indeed, this is India!' He just rattled on a litany of opposites and contrasts which have now become sort of a stereotype of India.

But we tried to -- I mean, if you think of branding, how important it is for companies. Whether it's a Nike or an Apple, it's really important for countries too, and a country's economy. Not only to mobilize its own people behind a vision, but foreigners investing back in that country.

So you alluded to in 2002 my company, Ogilvy, worked with the government to create something called Incredible India. Just like Mark Twain, how knows? How do you put this all together? It's incredible.

The only problem with that is while that's highly seductive for tourism it's really off-putting for foreign investors. Foreign investors want credible. They don't want incredible. They may be dull, and they may be blinkered, but this is an important thing that they need.

So for a couple of ideas to knit together, Strobe, you mentioned Bill Antholis' book, Inside Out, which is, I think, spot on in terms of how India and China are headed. We do work in both India and China for the last 30 years or so or more. In fact, David Ogilvy went to India 50 years ago to start Ogilvy there.

But this notion of the devolution, this stronger states, the rise of the states is a very powerful thing, but it also undermines the notion of a nation as a brand.

Because if you think about, you know, brand USA, there is such a thing by the way, brand USA, it often becomes an aggregation of many states and resorts rather than just a country. But off the top of your head there are many things that you would think of that make you feel America. You could convey that, often through Hollywood.

India has done that, could do that through two things, I've discovered in the last 21 years. If you don't understand cricket and you don't understand Bollywood you don't get India. It is so powerful. That's not meant to be dismissive. These are very powerful things. They're metaphors in everything that India does.

So pulling these notions together. You've seen recently a wave of foreign direct investments start to come in, portfolio investments starting to come back into the stock markets, the last couple of days have been rough, but there's some optimism about change. Why? What change would foreign investors hope to see in this combination of a devolution into states, and perhaps a change in government?

A couple of things, they're connected. One, foreign investors see Gujarat, as a state, as very business friendly, very business friendly. They see their chief minister therefore by extrapolation as business friendly. This is, of course, Narendra Modi, who is hoping to be the next Prime Minister of India.

The problem, again, for branding is you can't knit these together on (inaudible) India, so I would suggest there's a notion that worked for tourism, and still will work for tourism of an Incredible India as a brand to foreigners. Cannot work for foreign direct investment. It has to be state-by-state-by-state as its own personality, as its own brand.

I think there what you're going to find are real league tables that they've already developed in India, league tables of winners and losers. Now, it sounds harsh. It sounds hugely, you know, cruelly capitalistic, but that's what's happening in India now.

Just like cricket, is a league table of winners and losers state-by-state.

I think if you're going to -- the foreign direct investment has never been what it could have been in India compared to China, for example. India itself will point to its own brand being the world's largest democracy, which it is, and younger than China, which it is.

The demographics are radically different from China, but they're also radically different in that two-thirds of India is agrarian and China urbanized very rapidly, and through urbanization forced education, and has a very different manufacturing base for its economy that India does not have.

So if you're a foreign investor looking to build a giant business in India what do you need? What do you not get? The single biggest frustration and fear of foreign investors is inconsistency. They can live with a bad consistency, but they just need a consistency. So they've seen reversals of reversals of reversals.

I think if you were to chart through as a foreign investor or businessperson you lose track of the number of times policies have been reversed at a federal level, but not necessarily at a state level. So I think you're going to see foreign investors sort of give up on the notion of an India, Incredible India or a credible India, but go state-by-state picking winners and losers which is going to make it a really interesting playing field over the next 10 years.

MR. ZAINULBHAI: I think just one comment on foreign direct investment, if I may. I think from 1993 to 2002 foreign direct investment in India was roughly 2 billion a year. I was between 1 and 3 billion a year, but it is roughly 2 billion a year. From 2004 to 2010 it went from 3 billion to 48 billion, and then it dropped starting in '11 to 27 billion and it's not coming back up again.

MR. COHEN: Well, you just had it in the news again, I mean, with the

multi-brand retail. If you know what that is, that's like a Wal-Mart, right, is a multi-brand retailer. The rules under the current administration had changed and was very contentious, very tough victory. But they got to a point where foreign investors could own 51 percent of a multi-brand retailer.

The new manifesto of the BJP has come out saying we will overturn that. That it is bad for jobs for Indians in that. The BJP has also come out with a manifesto saying that they want to brand India that is five Ts, and forgive me, I haven't memorized all the five Ts yet, but I'll ready them to you very quickly here.

They are talent, tourism, tech, trade, and tradition. There's nothing to object to there. How could you? I would counter that as a strategy for foreign investors they actually need five Cs, possibly a sixth. Credibility, consistency, corruption-free, contract rule of law, construction of a 21st century infrastructure, and the sixth would, it has to be cricket.

Metaphorically from the point of views if any of you know cricket --

MR. ZAINULBHAI: Winning World Cup again or --

MR. COHEN: Certainly it's not bidding 14 core for an IPL all-rounder, for those of you who follow cricket. But it has to be playing by the rules of cricket in terms of decency, civility, integrity.

MR. ZAINULBHAI: Okay. So we will look forward to your five C campaign right after this election is over.

MR. COHEN: Full discloser, we are fully vested in this election through work. We have worked for the India government. We have worked for the Gujarat government, and we are working for one of the parties right now.

MR. ZAINULBHAI: Okay. Good. So that's helpful to understand. Sorry I'm destroying my mic, I hope you can hear me.

I wanted to come back to a couple of questions for each of you and then we'll open it up to the audience. I think Strobe, one of the things you said is that you saw amazing consistency across different governments in terms of foreign policy, but you also talked about the fact that there is a chance to take the bilateral relationship between India and the U.S. to the next level, right? That is at a certain level. Would be helpful to define what is the next level, and what would it take to get there?

MR. TALBOTT: I'm going to keep my answer at a fairly high level of generality, but perhaps in the discussion we can get into some specifics. I hope I can get the tonality of what I'm about to say about India's, insofar as you can generalize, about such a large and diversified country, India's sense of its role in the world.

I think in a way that is in some ways perhaps very Indian, and in other ways a little surprising, India is underestimating the extent to which it really is now a global player. It is not just a regional player. Even getting from being a, shall I say, having a kind of a moat psychology back before then Finance Minister, Manmohan Singh, opened up the India economy, there has been great progress in the way that India has gone out into the big world, and invited the big world in. Particularly in the economic trade and business sectors.

But with regard to both, well, it's particularly geopolitics of the 21st century which involves a large measure of geo-economics. I see a reticence or perhaps a lack of sufficient consensus on how that role should be played. The G20, those who are not in the G20 don't appreciate this description of it, but the G20 is the closest thing we have to a board of directors of the world, unelected by the 195 as a whole, but nonetheless it plays that role, and India is there.

India is also the eye in the Goldman Sachs acronym BRICs, which means that it has a major role to play in what used to be called the developing world.

Although, so much of India now qualifies as a developed country.

Yet, and here I go to perhaps because of the prejudice of my own experience, to the big geopolitical issues that we are facing. How to deal respectfully, constructively, and realistically with the emergence of China.

Now, I'm going to get to something I hinted at from the lectern, how to deal with a Russia that, like Walter White, is breaking bad. I'm looking around to room to see if I'm getting any recognition there. These are both countries that India has a long history with.

In the case of Russia, a friendly history. In the case of China, a fraught history. What we, the United States, have in common with India is that of the four countries we are the two real democracies. I think that there are going to be a raft of opportunities if American statesmanship is handled properly going forward, and if India steps up to the plate. That is not a cricket term, of course. Steps up to the plate --

MR. ZAINULBHAI: Steps up to the crease. You can say steps up to the crease.

MR. TALBOTT: -- and thinks of itself as a major league world power.

MR. ZAINULBHAI: I think that's very helpful. Steven, I wanted to ask you about, you know, one of the underlying -- many of its actions in foreign policy are based on an economy that continues to grow and becoming a, you know, pretty good, strong power economically. What do you see from the environment side that could actually get in the way of that economic growth, external factors? Forget about internal factors for a second.

Some people have mentioned that, you know, with a new government there could be a rise of communal tensions. That, you know, is obviously something that could affect the economy. That a collapse or things happening in Pakistan could actually

affect the India economy.

For the last 10 years nothing external, other than on the business side has affected the Indian economy, realistically. The business side has affected it, and other economies slowing down has affected it, but the neighborhood has not really affected it. But do you see any risk on that?

MR. COHEN: Yeah, with apologies to Don Rumsfeld, there is a known unknown. The known unknown is what extremists would do in Pakistan or based in Pakistan, or possibly even India to break up any normalization between India and Pakistan or even India and China.

We've seen this in the past with Casa, Mumbai, and other events where the extremists, in that case Pakistanis, possibly allowed by the Pakistan government, really attack Mumbai and did a lot of other damage also, the India Parliament, series of events, in the hope of breaking up the peace process, normalization process. So I think that's the known unknown.

So the Indians and Pakistanis, in particular, have to understand that as they move down the road toward normalization, if they do, and I think this is something the Chinese have an interest in. The Chinese have a strong interest in a normal Pakistan. Then there will be groups that try to disrupt this relationship, mostly in Pakistan, conceivably in India.

There was one case where a radical Hindu group, Navratri, attacked a Hindu precession to create an incident. So I think that that's the known unknown. We know it's going to happen. We don't know when it'll happen, so both governments, India and Pakistan, and the rest of the world have to understand that it will happen, and be prepared to just let it go and move onto other things.

MR. ZAINULBHAI: Do you think, so let me just push you on the second

part of the question that had to do with communal tension within India. What do you see on that?

MR. COHEN: I think it's analogous to Pakistan's nuclear policy. We worry about future behavior, not past behavior. I think Modi understands very well that he must maintain normalization within India. What his minions do, we're not quite sure, but he's got to keep them under control as well.

In the case of Pakistan, clearly that analogous to Pakistan's past bad behavior in nuclear areas. So I think he will be more worried about future behavior which would lead to programs against Muslims in India.

Well, I don't think that's going to be his policy. He correctly argues in defense, well, whatever we did in 2002, look at what Congress did in 1964 or 1990 against Sikhs. So I think, you know, two wrongs don't --

MR. ZAINULBHAI: 1984.

MR. COHEN: 1984. You know, two wrongs don't make a right, and I think he should be concerned about the future.

MR. TALBOTT: Could I just add a footnote to that?

MR. ZAINULBHAI: Yes, please.

MR. TALBOTT: When Chris asked people in the room who are not Indian, spend time in India a lot of hands went up and some hands didn't, but I'm going to assume that everybody here, even if he or she has never been to India has an image of India.

I don't know if Sunil Khilnani's book, The Idea of India, was yet another inspiration in addition to Nandan Nilekani's book --

MR. ZAINULBHAI: Called Imagining India.

MR. TALBOTT: Yeah. But, I mean, India and the United States having

something else in common, and that is we're not nation states. We're more than just multiethnic or multination states. We're idea states.

The idea is essentially the same idea. It is e pluribus unum. It's based on diversity. It's based on embrace of diversity, tolerance for people of other faiths and ethnicities. That's, I think, a bond between the two countries that has survived even the lost decades of the Cold War.

The aberrations, which I think I at least, I see them as aberrations, but tragic and bloody and murderous aberrations that have occurred from time to time. Just as outrages that have occurred in the United States based on race and religion remind us of what the normalcy is, the normalcy of respect for diversity.

I guess, Steve mentioned that Chief Minister Modi has a difficult relationship with the U.S. government, as we know, and a less than glowing press in the country. I think that's because all Americans who pay attention to India, even if they've never been there, have this idea of a tolerant, syncretic, civilizational state. When something happens or somebody is identified as being part of that problem it creates some doubt about what that person will do and represent if and when he becomes the leader of the country.

MR. GRAVES: I would suggest that there is probably a split view of Modi. There is media in general. There's political, there's Capitol Hill, I mean, they revoked his visa in 2005, but then there's the business community who may be a bit more real politic.

Not that they're going to be callous about things like a religious, you know, strife, but I think the business community, if you go to a U.S./Indian Chamber of Commerce type thing, are willing to hope that that never happens again and willing to forgive.

I think the next version of that that's emerging in India is violence toward women. That is becoming -- you know, on a statistical basis sometimes people look at the violence towards women in India as not a big deal because on a statistical basis on such a giant country they would say, yes, but they're incidents that the media has grabbed hold of because they're so horrible and lurid.

Well, they are horrible and lurid. There's a behavioral economics principle called the simulation heuristic. Media falls prey to this all the time. That basically if it's very cinema-graphic it feels out-weighted. It is a problem though, it is a problem for the image of India.

So some really interesting development on two fronts I've just noticed in the last six months there. One is a company, a private sector company, Tata and Sons, have put forward this mission called the Power of 49 reminding women that they're 49 percent of the vote and that they should make use of this power.

The other one is in the BJP manifesto that they -- I've noticed that they've carved out a huge piece for promotion of women in Parliament, reserving 33 percent of the seats, et cetera. So this, I think, they're hoping to move away from, you know, put behind us a little bit of these religious strife and move to the next big problem which is violence against women.

MR. TALBOTT: That's as long as religious strife can be put behind.

MR. GRAVES: True, true.

MR. ZAINULBHAI: Steven, please.

MR. COHEN: Just one sentence. One the Indian side, the danger to Modi if he becomes Prime Minister will be from his right, and the belief, the theory that America and Britain are in conspiracy against India trying to undercut India by being anti-Hindu. They cite The Economist editorials and so forth in saying that there's a plot --

MR. ZAINULBHAI: The Economist would be very happy to know that they're so influential.

MR. COHEN: -- there's a plot led by Western missionaries to really attack Hinduism and India. I think there's a danger of a backlash there as well. So I think he's got to defend himself from his right of this extremist's totally incorrect interpretation of Western policy.

MR. ZAINULBHAI: So let me ask you in the last -- as we've done events life this around the globe in the last few months, the book was released in November and the mood about India in November was quite negative still, especially amongst foreign institutional investors. Then starting January/February it started getting much better.

Today the stock market is at an all-time high in the last three months, $20 billion of new money has flowed into India. The total amount of foreign institutional investors which is in equities in India is now at $240 billion. Last year it was at $160. Just by comparison, before the Indian economy opened up in '91 the total foreign institutional investment in India was $5 billion. Right? So it's come a long way.

Do you think, I want to ask all three of the panelists, you know, we talked about the fact that when things are going well in India we were incredibly euphoric then we were incredibly depressed? Are we getting incredibly euphoric again? Can you see that things are going to improve so much?

MR. COHEN: I would say the volatility is still quite there. If you look in the last week there was one day when there was $1.5 billion withdraw from credit markets. The stock market, though, since the beginning of the year is up about 7 percent compared to about 1 percent on the S&P, for example. It's been doing pretty well.

There could be a real, either buyers' remorse or a -- you know, the stock market, if you follow the stock market it's buy on the rumor sell on the news is the maxim.

So I think once they know who is elected, it doesn't mean that they will pass judgment on that candidate so much as they'll say it's done now. We've got to get out of this market because it's ramped up quite a bit. So I would expect to see a sell-off, but I would not read that as a long term problem for opportunities in India.

MR. GRAVES: Yeah. I think that at least American visions of India are sort of captured or surrounded and we still see it as flyover country. When I was a student I learned that cows cast communism and corruption in Congress.

MR. ZAINULBHAI: Five Cs.

MR. GRAVES: Counter proliferation to that cow.

So I think that we tend to view India, if you have a category, whether it's the saintly divine Hindu, whether it's Congress, or whether it's nonproliferation, or human rights. In a sense we don't see India strategically. We see India in parts.

I think that's the problem with American policy. We make policy in terms of different attitudes and regions. Not a strategic policy. India's been guilty of that also, but I think they're coming around to a position of sort of a strategic calculation. Part of this has to do with our bureaucracies.

MR. TALBOTT: I guess I'll make an ancillary point. My impression is that this election in India is getting more attention in the United States than any in a very long time. Would you agree with that, Chris?

MR. GRAVES: Yeah.

MR. TALBOTT: Which, I think, is basically a good thing. Americans have, broadly speaking, over the decades and in our millions have not paid enough attention to India as we should. More Americans are paying attention to it.

Of course, whether it's a good or bad thing depends on two things. One, are they paying attention to the truth and factual representations of what's going on and

solid analysis. Given the state of the American media that's a challenge.

Second, if they are looking at the real situation then it will be a good thing if good things happen in India, and things that are conducive to business confidence, a more forthcoming attitude towards investment in India, and also a growing sense that the basis is solid for a strengthening of the U.S./Indian relationship.

MR. ZAINULBHAI: You wanted to say something?

MR. COHEN: Well I, you know, the problem is that, as I said, squeaky wheels don't get greased. Every time India goes to the polls it's the largest single organized event in human history. That gets you zero attention here.

MR. GRAVES: Organized to a point.

MR. COHEN: Actually quite better organized than our elections.

MR. ZAINULBHAI: It's quite organized.

MR. GRAVES: No hanging chads.

MR. ZAINULBHAI: The results will come out very fast, right.

MR. COHEN: So I think that India's going to squeak -- it's going to have new economic policies, new foreign policies, and I think that's going to make a huge difference in American attitudes. But they'll be a timeline before that happens.

MR. GRAVES: I think one of the other interesting aspects in this election is the number of first time voters. America, looking at the demographic shifts between even '08 and '12, and the impact on electorate here. Looking at India seeing that as many as 150 million first-time voters in India, and what is their mindset as Indian millennials? It's the first social media election as well. So this pulls together the coverage between the United States and India in a way that had never been pulled together before.

Also, that narrative of dynasty, on the one hand, versus tea seller on the

other. Some of the media looking back this direction wondering if the next election in the United States going to be a Clinton/Bush or other dynasty versus a tea seller in the United States.

MR. ZAINULBHAI: Coffee seller.

MR. GRAVES: Coffee seller, perhaps.

MR. ZAINULBHAI: I just want to add two comments on the elections since -- I think the Ambassador also mentioned this, but just as you're all following it. One is, that in fact, a very large number of people, new votes, it's actually about 110 million new voters that we don't know how they will vote. You know, there's a lot of speculation about that.

Second, that in fact the turnout this time, I think the Ambassador mentioned this, is roughly 10 percent higher than it has been last time. It's a very, very high turnout compared to anything.

Even in Bombay which is, you know, is notorious for having very low turnout. I think in the last election the turnout was 41 percent. This year is 51 percent. In the rest of India it's over 63 percent. So it's a very, very high turnout, and we'll see what that means.

MR. TALBOTT: Is the increase in one demographic?

MR. ZAINULBHAI: It's across the board. It's across the board. Since exit polling is allowed in India, but they're not allowed to discuss the results of exit polling until May 16th when the election results are announced we don't know some of these things, right? We will find out a little more about the exact demographic that voted and all of that in different areas.

But I think it is very interesting. I wanted to just add two things on the election for the benefit of our audience. One is, it's the first election in which several U.S.

consulting firms who were involved in the last election here are actually playing a role.

So several folks from the Obama campaign who did all of the high-tech, social media, number crunching stuff are actually in India working with different parties to help them figure this out. Several election consultants from the U.S. are also out there.

We don't know if it will make any difference or not, but they're certainly there. We'll see how that -- but it is also one of the elections where social media is playing an extraordinarily important role. In many rural parts in India in the last election less than 10 percent of people had mobile phones. In this election roughly 40 to 50 percent of the rural population, city everyone has it, has mobile phones.

So the amount of spending on social media has actually been quite interesting. Since it's the first time that's happening to that extent we don't know what the -- you know, we don't know what impact it will have. Everyone has their own story about what impact it will have.

So let me ask you since you are several journalists here, and many of you have mentioned media, I want to make one comment and then ask you a question, and then we'll open it up to the audience.

One comment is that while the U.S. has roughly six or seven 24 hour a day news channels. Would that be right? Six or seven?

MR. TALBOTT: Sounds right.

MR. ZAINULBHAI: Eight? Five?

MR. TALBOTT: Five.

MR. ZAINULBHAI: I think in India last count --

MR. TALBOTT: Fact we don't know tells you something.

MR. ZAINULBHAI: Yes, it does.

MR. COHEN: Or don't care.

MR. ZAINULBHAI: In India currently there are 87 24 hour-a-day news channels if you count all regional media. Part of the reason why there's such intense media interest is if you have 87 channels who have to get content 24 hours a day. You know, you have to fill it with something and politicians talking about things is a good way to fill, you know, to fill that content so there's a lot.

Second comment that I'll make is for those of you that think that Fox News and MSNBC is tough on their guests, right? I would invite you to watch Arnab Goswami. Skewer their guests on any of the panels. This is an unusually well-behaved panel because nobody's yelling and cutting anyone off.

MR. TALBOTT: It's not over yet.

MR. ZAINULBHAI: Not yet, right.

MR. GRAVES: What did you say?

MR. ZAINULBHAI: If Arnab was interviewing you, you would have a very hard time, believe me, and people would be getting their attention. But as a result of that actually because there are so many channels almost any aspect of the election and almost any aspect of people comes on some news channel or the other. That's not to say gets a majority, you know, it doesn't get a majority of it, but almost anything can be developed on any of the news channels.

So having seen that, I'm not going to ask you the question since all of you have traveled to India, all of that. Is India media tougher than Fox and MSNBC?

MR. GRAVES: First, I'm sorry --

MR. ZAINULBHAI: You started one of them.

MR. GRAVES: I started one of them. I apologize. 20 years ago or so partnered with Raghav Bahal, and we created CNBC TV18. I worked with Ronnie Screwvala, Prannoy Roy, Pritish Nandy, all the titans of media back in that day, most of

whom are still alive, some thriving, some bankrupt, I think.

But just a little color commentary to understand where that came from. In '93, '94, '95 period I don't believe there was any cable related law at that point.

MR. ZAINULBHAI: No.

MR. COHEN: So the technology had come before the regulation. There were 100,000 cable companies at that point in India. The rule was that basically you can't cross a highway with your cable because you might delay traffic, but otherwise fair game. String your cable anywhere.

The competitive strategy was to cut your competitors cables and blow up their head-end stations, quite literally blow up their head-end stations. This is a kind of precursor for what came in terms of media aggressiveness later.

In one year while I was there, one year, 22 new 24 hour television stations started in one year. So clearly I looked at that and said let's see how many are going to be alive in a year.

MR. ZAINULBHAI: And they multiplied.

MR. COHEN: And they multiplied, and they multiplied. So the good news is it's incredibly vibrant. You can get anything in India. In fact, in print India was one of the earlier in newspapers on the planet. So it's always had this incredibly vibrant media in India. That's the good side.

The bad side is you lead with assertion and allegation and nobody heard your clarification. So you just attack, attack, attack, attack. The other thing is it's so numbing. If you go, next time you go sit in the hotel room or somebody's house and change the channel. There is nothing in India that is not breaking news. Anchor changed his tie, breaking news. So it's just numbing at this point and they've lost, in my view, a lot of credibility in terms of taking issues seriously.

MR. ZAINULBHAI: So I want to make a plug, there's one essay on media in the book by Suhel Seth, who many of you know. It's actually very well written, especially for Indian media. Originally the title was Indian Media Mad Dog or Watch Dog. But we were advised to change it, so the title is now much more --

MR. COHEN: That's probably apt.

MR. ZAINULBHAI: So I want to ask you a question, yes/no question for all of you before we open it up. On election day, which is May 16th at 11:00 in the morning Indian standard time is when the results will be announced. Will you be watching Fox News, MSNBC, or Arnab Goswami?

MR. COHEN: I'll be watching our own channel in India, I'm an alumni. On the internet, on the web rather than watching any local channel in the United States on this.

I think it's actually as infuriating as the coverage may be in India it's more infuriating watching Americans who know nothing about India, including myself, pronounce things about India.

So I won't watch -- I'll try not to watch the American coverage of Indian where they'll stumble along pronouncing names badly and then get the parties wrong and, you know. Is that a little too cruel?

MR. GRAVES: NDTV. That's what I'll be watching.

MR. ZAINULBHAI: All right.

MR. TALBOTT: I'll be fast asleep. It'll be 10:00 p.m. This is one reason I have a lot of trouble with only one thing in Indian culture which is dinner time.

MR. ZAINULBHAI: Okay. So with that, first of all, thank you very much.

MR. TALBOTT: The Ambassador, by the way, makes accommodation for us in Washington. Dinners come a little earlier.

MR. GRAVES: Can I make one sentence for the question before this?

MR. ZAINULBHAI: Yeah, sure.

MR. COHEN: I think that all governments around the world, every one of them, have trouble with the media. It's harder to govern then every before. Secondly, including Puckett, and that's true of Pakistan which has this many 24 hour channels as India, almost.

Secondly, the Indian print media are thriving.

MR. ZAINULBHAI: Yes.

MR. COHEN: That's astonishing as the networks grew print media's doing very well. There's some relationship between them but it's quite -- Indian newspaper are really much better than they used to be, and their magazines are much better, so I think that's very helpful to know.

MR. TALBOTT: But the phenomenon of advertorial if that's the right, is that the right phrase for it?

MR. ZAINULBHAI: You pay for the news. Yeah.

MR. TALBOTT: That's a trend that I think all of us who care about free media need to keep a close watch on. We don't need any mad dogs, but we need some watch dogs.

MR. GRAVES: The clarity and transparency at the sourcing, yeah.

MR. ZAINULBHAI: Okay. So with that, first of all, thank you for being very honest and straightforward in your answers. I think at this point I'd like to take some questions from the audience. Please put the rules, right. A short question. It has to be a question. No speeches. Please, we will pass the mic around. I will come to you.

Just introduce yourself and ask the question.

MR. GROSS: Wolfe Gross by way of Bonavitas, Steve Cohen washed

up on my doorstep in New Delhi almost 50 years ago. The Ambassador in his key note mentioned reimagining Indo/U.S. relations and somebody very recently asked me was there a simple way of codifying the relationship, and I said one word, sinusoidal.

The problem with the sinusoidal relationship, to continue the metaphor, is that it's out of phase. U.S. interest peaks when Indian interest is --

MR. ZAINULBHAI: What would be the question?

MR. GROSS: The question is what can we do to resynchronize that relationship, so it's not out of phase?

MR. ZAINULBHAI: Strobe you want to take, and Steve you want to take that?

MR. TALBOTT: Since Chris gave you the five Ts and the five Cs I'm going to just plagiarize my colleague Tanvi Madan, and I would never come to an event like this without checking in with her and getting my instructions. She's worried about the five Ds. I have a cheat sheet, obviously. Drift, disillusion of importance, disillusionment, differences, and dealing with another democracy.

I think that's a pretty good list. There's a positive if we can get the opposite of each of those Ds. I have no idea what letter they could all start with.

MR. ZAINULBHAI: Thank you. Steve.

MR. COHEN: I would add another D, that's defense technology which is something that's been high on India's priority for years. We've been slow to respond. We did finally respond, but the guy responsible for that response is gone. There's little expertise in the Pentagon about this, so defense technology.

India once acquired American military technology to replace the Soviet military technology and it says, reduce their dependence on Russia. Of course, implicitly, to strength its position vis-à-vis China and Pakistan. I think that we should be providing it

since they're all nuclear weapon states, in a sense, no matter how much conventional technology they have this isn't going to affect the long-term strategic balance.

MR. ZAINULBHAI: Please, you had a question.

MR. CHAUDHRY: I am Dr. Nisar Chaudhry with the Pakistan American League. Interesting of the region that every country in that region says that they are in a tough neighborhood.

The other things is, as Strobe mentioned, the common thing between India and U.S. is diversity and democracy. The third thing, which is very important, is separate constitution. That's another common thing, secular constitution.

MR. ZAINULBHAI: Secular constitution.

MR. CHAUDHRY: In both these countries. Secular constitution in both these countries. About Modi, it's very important because he will not be running a country. He'll be running a continent, and then he'll have to deal with the whole country of leaders.

So I think (inaudible) and governance, there are two very different things. Let's hope for the best and expect the best from him also.

MR. ZAINULBHAI: What would you --

MR. CHAUDHRY: My question is --

MR. ZAINULBHAI: Okay. Yes, please.

MR. CHAUDHRY: Yes, my question is what stops India, Afghanistan, and Pakistan to deal with the common enemy of militancy, extremism, and terrorism, and overcome their skepticism and work together for stability, peace, prosperity, and a better future for the generations of the future?

MR. ZAINULBHAI: Stephen, I think that's definitely directed to you.

MR. COHEN: I was in the Regan Administration, although a Democrat, felt kind of strange there. But I would quote Regan and say, trust but verify. The talk

about trusting each other is technically bullshit, that's the word I would use.

In a sense Regan was right, you had to verify agreements. I've heard it said by a senior official of government, you know, three of four agreements you're going to have a strategy. In other words, verifying agreements that are already done, getting them done is critically important. Then trust grow on that.

MR. TALBOTT: Could I add something?

MR. ZAINULBHAI: Yes, please.

MR. TALBOTT: This is directed squarely at Pakistan. Whenever you offer a singular answer to a question as important as yours it's going to have to be oversimplified. But if I had a fairy godmother that gave me one wish for that region it would be that powerful circles, and probably the most powerful circles in Pakistan would pivot, to coin a phrase, away from seeing India as the principle threat to Pakistan, and would look to forces inside of Pakistan itself as the single biggest threat to Pakistan.

MR. ZAINULBHAI: The lady.

MS. GARG: Hello. I'm Suda Gard, and I'd like to thank the panel for your very insightful comments about India. So there's a lot of conversation about how the world views India, and also there was a comment about India underestimating its role in power in the growing world economy.

But what I didn't hear about a lot in the conversation was how does India itself view its role in the world or maybe that view hasn't been clearly articulated, and India's been somewhat inward looking? So I just wanted to get your thoughts on that.

MR. GRAVES: Could I take one?

MR. ZAINULBHAI: Please, absolutely.

MR. TALBOTT: You've accurately and clearly, up to a point, captured something that I said, but I would say India should properly, I hope will properly and

fulsomely understand its role not only in the world economy, but in what could be called the governance of the world. That is what are the rules in the world.

It wasn't a surprise, but it was still a disappointment to me when India decided to abstain in the United Nations General Assembly on the condemnation of what the Russian Federation did in Crimea.

I would think that India would have acute interest in reinforcing rules against unilateral secessionism and unilateral annexation of territory. That should be a global norm, and I hope that in the future India will find ways of reconciling that with its foreign policy.

MR. ZAINULBHAI: Can I recognize Dr. Rakesh Mohan, who is at the IMF, and was Deputy Governor of the Rizzo Bank.

DR. Mohan: Thank you. Thank you, Adil. I have two questions, actually, very quick ones. One, you talked about the section women in the BGB manifesto, one of the NDTV country-wide polls, state-by-state showed a huge difference of women not wanting to vote for the (inaudible). It is a very unusual different, actually, I've never seen such a different in any poll in terms of preference or against one BGB to --

MR. ZAINULBHAI: Between genders, yeah.

DR. MOHAN: -- others. So that's a question, you know, I don't know if any of you have observed that and what do you describe that to, and what will that mean if a BGB govern comes in?

MR. ZAINULBHAI: Why don't you answer?

MR. GRAVES: I'm only going to speculate, and therefore please don't take this as an intelligent response. I'm going to give you that caveat. I would speculate that if you, on the one hand, are seen as quite business-friendly you may not be seen as

an, and I don't want to fall prey to gender stereotypes, but you may not be seen as family-friendly or as human-friendly if you're business-friendly.

So I don't know if that's part of the issue, but what I would ask, the question I would ask in follow-up research to get at the why is what perception do they have either out of understanding or lack of understanding of their platform puts them off?

My guess would be, and what I would probe would be is that notion high ground a business-friendly somehow not resonating with women in India.

MR. TALBOTT: Rakesh, I'd be very interested if you had your own answer to that question.

DR. MOHAN: I don't know.

MR. TALBOTT: Seriously.

DR. MOHAN: I mean, there's not an area in which I would express any expertise, I was just so struck by it. But my guess is only that the huge macho image that has been provided by the leader would presumably put women off. But not (inaudible) manifesto because only one reads manifesto except for all of you.

Second, very different question. To do with really the normalization of relations in the neighborhood. Since I just recently completed a national transport policy for the long-term one big element of that is normalizing transport between all of South Asia.

Because what we found is that the South Asia region is among the least interconnected regions in terms of trade. The question is, we're reported, you must open up all the borders as far as transport is concerned. Do you think that's a possibility in the next 20 years?

Because that would really -- if you connect up the whole South Asia region through roads, railways, (inaudible), everything that would make a lot of difference

in non-government contact. But do you think it will be possible in the next 20 years?

MR. ZAINULBHAI: So you mean Bangladesh, Burma, Nepal --

DR. MOHAN: Bangladesh, Burma --

MR. ZAINULBHAI: -- Bhutan --

DR. MOHAN: -- Nepal --

MR. ZAINULBHAI: -- and Pakistan?

DR. MOHAN: -- and Pakistan.

MR. ZAINULBHAI: And Afghanistan through that.

DR. MOHAN: Yes.

MR. COHEN: Yeah. The movement of trade, water, and people, and ideas through the sub-continent could recreate South Asia. Essentially it's fragmented into parts. I wrote a book about this, Shooting for a Century. I'm very pessimistic this is going to happen, but it's in their logic to do it. I think that's where American policy should be, encouraging regional integration cooperation. In a sense revive the notion of a sub-continent.

Ironically the term South Asia was only created in the 1960s. It's a fairly new term. The first foreign government to use the term was Germany. Created a title, but created a South Asia center. So it's not -- in America we still see -- but it this way, we divide South Asia into responsibility for it in Pacific Command, India, Bangladesh, and CENTCOM, in charge of Pakistan. So we have it bifurcated in our military commands as well as elsewhere in our government.

MR. ZAINULBHAI: I'll come to you at the back in a minute, please.

MR. COHEN: But cricket and Bollywood really do unite the sub-continent.

MR. PUNAWALLA: This has been a fascinating discussion and --

MR. ZAINULBHAI: Just introduce yourself.

MR. PUNAWALLA: Yeah, my name is Shabbier Punawalla. I'm a retired real estate developer. Isn't' it true that the greatest impediment to growth in India is infrastructure or lack of it? The second part of the question is does India have an eminent domain law that we have in this country which probably prevents the infrastructure development?

MR. ZAINULBHAI: I will take it, and ask for help from my friend, Dr. Rakesh Mohan, who looked at infrastructure for 25 years, right? In different areas. So I'll just answer the second part of it, right? Which is India has an eminent domain law that applies in certain cases, but the issue -- anything to do with land in India, the acquisition of land by the government, the compensation for the land by the government, and the clearance of titles, et cetera by the government has been actually quite a complicated things and created huge numbers of problems.

So it's not that the government can't say we need this land, but the basis on which it does it, and the compensation that is paid for it has been subject of incredible debate problems, and led to a new law on land acquisition by governments, even for infrastructure projects.

You know, by the way, that's one of the things that slowing down 183 major infrastructure projects in India that are worth, you know, $100 billion or something like that. So it's a big issue.

I'll just make one comment and perhaps, Dr. Mohan, you can also comment on it. Why don't you stand and comment on is infrastructure adequate, not adequate, and is it slowing down growth?

DR. MOHAN: Infrastructure's clearly inadequate, there isn't any question of that. The only footnote I'll do to that is it has had a tremendous improvement in the

last 20 years. It's just aspirations are far ahead of the kind of improvement that's taken place.

The one area where it is not improved as much is the railways. In part of our work what we found was, and I didn't know before I did the work is, until the late, say through the 1990s, there was a roughly equal investment in roads and it was 1.4 percent of GDP a year.

In the 2000s after the national highway open project was announced by --

MR. ZAINULBHAI: The roads went up like that.

DR. MOHAN: -- the Indian government in 2000, and the Prime Minister's rural road program that that went around 1 percent of GDP over the next 10 years, if not 1.1 thereabout. Railways have remained the same.

So the point is that among the key issues in infrastructure, which is really lacking, despite the fact that it's the oldest part of infrastructure, is investment in the railways. Without adequate railways you have problems in energy production because you've got to transport coal, which is totally clogged now.

There's no way that we can have economic growth in the next 20 years without huge investment of railways. That is in some sense not actually even realized adequately.

MR. GRAVES: There's also, I might submit as an individual experiencing infrastructure in India, so I've been back twice in the last six weeks. A couple of experiences.

One, I lived in Asia for 12 years, travelled everywhere, worked everywhere, and we used to have amongst business people and media what we'd call the airport index. You could go to a third tier city in China, and they'd have a brand-new

airport. Not so until very recently in both Delhi and Mumbai.

In fact, I just flew out one week after they opened the new terminal in Mumbai.

MR. TALBOTT: I missed it by a week before.

MR. GRAVES: Here's the problem though, two experiences in the last six weeks for me in India, I would say. One, I was on that beautiful, it felt like a 10-lane highway in Rajasthan coming back to Delhi. We were the only car on the highway. I asked why. They said, well, it's a toll road and it's too expensive.

So one is policy matching up with infrastructure because here was a brand-new ghost 10-lane highway. You could almost smell the cement curing, you know, was so new, so beautiful. Nobody on the highway.

Second, the Delhi airport, the new terminal for international, beautiful. I show up. I show them my smartphone. They say ticket, please. There's actually still a military guard out front and they say ticket, and I showed them my smartphone and he looked and me and he said, 'Ticket,' as though I couldn't understand him. I said, 'No, no. It's an E ticket.' He said, 'Ticket.'

MR. ZAINULBHAI: He said ticket. Right.

MR. GRAVES: I couldn't get into the airport without a printout of the ticket. So it's not just the infrastructure.

MR. TALBOTT: What did you do?

MR. GRAVES: I asked him well, we broke all the rules. I said, 'Please take me to security. I'm sure they'll understand.' He brought back the manifest of every passenger on the plane and asked me to circle my name on the manifest. Completely breach of all security.

MR. ZAINULBHAI: That's Plan B, right.

MR. GRAVES: That's Plan B. They improvised. But, so my point is, it's not just the infrastructure. It is the mindset to use the infrastructure in a 21st century way.

MR. ZAINULBHAI: Go ahead.

MR. COHEN: I went to a place called Pudong years ago. It was a ghost town. They said to me, Chinese said to me there will be a city here. I went back a couple of years later. There was a city there.

I think India's 20 years behind China in terms of infrastructure. That's what Boeing told me when I wrote my book on India, Emerging Power. I think that's about where it's at, so go back 20 years from now. You'll be able to read your smartphone.

MR. GRAVES: China's probably a bit more brutal in terms of eminent domain, I would suggest.

MR. ZAINULBHAI: It's a bit of a problem.

MR. GRAVES: There is none.

MR. COHEN: I'm sorry, you will have to move this entire city.

MR. ZAINULBHAI: Now, I do want to, this comment on infrastructure while there's been a huge amount of improvement and, you know, there are lots of interesting examples even within the current system of everything, right? The government, the courts, you know, all sorts of things.

There are some incredible successes. So if you could just replicate those it would work.

One success that people actually are not aware of is the rural roads program. The rural roads program basically builds a one and a half lane road to a village that is tarred as opposed to just mud. A fair amount of money has gone into it in the (inaudible) over the last 10 years.

It has made a huge difference. It's on schedule. There are 10s of

1,000s of kilometers of roads that have been built. If you have a village that didn't have a road and you put a road into the village the GDP of the village was up by 25 percent in one year. Right? Because now you can send good much further.

So this is completely implemented by the states, to your point, it's not -- it's only central government funding, I think, right? Central government funding. But all execution is at the state level, and it's actually been a huge success. It has changed more people's lives than the four-lane highways everywhere.

So even within all of these problems actually, there are some great success.

Let me go to the back because I've only been looking in the front. Let's go all the way to the back, last row.

MR. ABESTER: Hi. My name is Abester. I'm from Houston. This question is what's (inaudible) from India? My brother-in-law was driving around (inaudible) and he says, how (inaudible) business with the (inaudible) development if there's a (inaudible)?

MR. ZAINULBHAI: Just repeat the question, sorry?

MR. GRAVES: Yeah, I don't think the microphone was working.

MR. ABESTER: Hi. My name is Abester. I'm a businessman from Houston. My brother-in-law is what's stopping us from church gate in Mumbai right now as we speak. I told him don't ask silly questions, this is Brookings, but he said ask them anyways.

By the way, he says that people on the street are thinking this. He's saying how will U.S. do healthy business with the Modi government if there's a visa embargo on him?

MR. GRAVES: If he's PM there won't be a visa on him.

MR. TALBOTT: There won't be an embargo. Forget it.

MR. ZAINULBHAI: It's a good question because we have a definitive answer. Okay. Last question, in the back, please. Sir, you've been raising your hands many times, with the green.

MR. JOHN: Thank you. Rock John from ECC of China. I have a question about what do you think the panelists do think China should learn from India? Because there are many kind of research to say that China's development model now has run out of gas because, you know, it's heavily rely on investment, infrastructure and trade export, and its lack of democracy, to some extent, when compared with India?

Also, the two countries all have about more than 1 billion population. So what in your view China should learn from India and vice versa?

MR. TALBOTT: You used the word, democracy. But in order for China to be convince that that's something to learn it's got to be a democracy that functions even better than it does now with less corruption, and with more efficiency. But I think that that is the one word answer.

One of the interesting pieces of the global context here is that every single system of government in the world, whether it's authoritarianism, monarchy, constitutional monarchy, traditional western democracy, democracy as it is in other parts of the world, or state capitalism, none of them are working very well right now.

We have a global crisis in governance of all kinds, and I think as the largest democracy, India, and as the oldest democracy, the United States, need to put their heads together on making both of our versions of that system work. Not least because it'll be an example to others. A more compelling one then it is now.

MR. GRAVES: China's got to rebalance, as everybody's knows, its economy from export to a domestic consumption economy. I'm not sure if India is the

best example, but India is one of the world's best examples of improvisation, as the Ambassador said, probably better improvisers than China is.

One last thing, China is huge on basketball and badminton. It needs to learn cricket.

MR. ZAINULBHAI: There's a very interesting question if China learns cricket, the one sport in which India's pretty good at, might not be that good anymore.

I guess I do want to comment on this as an India, which is, you know, to be honest I don't think a lot of people in India spend any time thinking about what China can learn from India. We spend a lot of time thinking about what can we learn from China, to be honest, in terms of infrastructure, in terms of what all has happened.

So I don't think this is something that has had a lot of debate, right? So we had to make it up a little bit. Perhaps the Ambassador, who also served in China for a long time could comment on it.

DR. JAISHANKAR: The only thing that I could think about, you know, India's learned to live with chaos, probably better than almost any other country, and maybe you have to learn how to live with a little bit of chaos.

MR. TALBOTT: Just a little bit though.

MR. ZAINULBHAI: Just a little bit, not too much. Anyway, I know there are a lot of questions, but we have a tight deadline for the panelists. I'd like to thank the panelists for being pretty open and debating. I hope it's been useful for the group. Thank you for coming, and thanks to Asia Society and Brookings, and the Ambassador.

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Expires: November 30, 2016