



BROOKINGS
India Initiative

The Modi-Obama Summit

A Leadership Moment for India and the United States

SEPTEMBER 2014



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Introduction

Even before he came to office, Prime Minister Narendra Modi called India and the U.S. “natural allies,” stating: “It is in the interest of both the nations to develop further on our relationship.” President Barack Obama, in turn, has outlined the task ahead for both leaderships: to work together “to fulfill the extraordinary promise of the U.S.-India strategic partnership.” As the two leaders prepare to meet in Washington in September, the Brookings India Initiative, which consists of the Brookings India center in New Delhi and the India Project at Brookings in Washington, decided to highlight some areas of promise in the partnership and suggest ways to translate those opportunities into outcomes.

Taking advantage of the breadth of expertise available at Brookings and reflecting the interest in India among its scholars, this policy brief contains 28 memos by over two dozen Brookings scholars. We divided these memos into three sections. The overview section offers an overall perspective each from Washington and New Delhi on the India-U.S. relationship. The “scene-setter” memos offer glimpses

of how India and the U.S. view some crucial foreign policy issues, their inclusion reflecting the fact that each country’s perceptions and actions vis-à-vis third countries will have implications for the other, as well as for the India-U.S. relationship. The third section covers a range of issues on which India and the U.S. are or could be cooperating, including in the foreign, security, economic, energy, and social policy realms.

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OVERVIEW

India-U.S. Relations

The View from Washington

Tanvi Madan and Strobe Talbott

The first time an Indian prime minister met with an American president—Jawaharlal Nehru and Harry Truman in 1949—there were two items on the agenda: Kashmir and China. In the years that followed, India-U.S. relations waxed and waned, with more phases of the latter than the former. Fortunately, thanks to efforts by successive governments in New Delhi and Washington over the past two decades, the two democracies have left the days of estrangement behind and have moved to a phase of more consistent engagement. When Prime Minister Modi and President Obama meet in September, they will have a crowded and diverse agenda. The Table of Contents of this policy brief, with memos by our Brookings colleagues in New Delhi and Washington, makes clear why: the sheer breadth of the India-U.S. relationship. It involves more bilateral interaction than ever before—not just at the federal government level, but also at the state and local government levels, as well as between the two countries’ militaries, private sectors and civil societies, and their citizens. And it has taken on global significance with the emergence of India as a key member of the G-20 and the BRICS.

The Obama administration sees the recent election of the majority government in India led by Prime Minister Modi as an opportunity to take the relationship to the next level. The American president would like to see the “strong, developed, and inclusive India that actively engages with the global community” that Prime Minister Modi has promised. The administration has repeatedly asserted that even

though India and the U.S. will not always agree, India’s rise is unquestionably a net positive for the prospects for peace, progress, and prosperity in the 21st century.

This sentiment has support in many parts of the United States and across what are in other ways contentious party lines. In fact, the importance of strong ties with India is one of the few foreign policy issues about which one can make such an assertion. Many in the private sector also see India’s rise as an opportunity. There is hope that there will be a better business climate in India and that the new Indian government will tackle economic reforms that will, in turn, reinvigorate the Indian economy. Yet in government and business, there is also concern that some political and bureaucratic obstacles will prove insurmountable, and there are questions about whether Indian potential can be translated into performance. Nonetheless, in the United States, just as in India, there is hope that the Modi government can deliver.

There is also optimism in Washington that the overall India-U.S. relationship can be broadened, deepened, and re-energized. This is the reason for high-level U.S. engagement with and on India this summer, despite the number of other urgent foreign policy crises and issues that are demanding the Obama administration’s attention.

As the memos in this policy brief outline, there are opportunities for cooperation in fields ranging from economics to energy, climate change to

cyber-governance, counterterrorism to counterproliferation, defense to development, health to higher education, and immigration to the international order. The two countries can also work together in identifying commonalities of interest in South Asia, particularly with regard to Afghanistan and Pakistan.

In the Asia-Pacific, Europe, and West Asia, there is a growing need for India and the U.S. to increase their understanding of each other's interests and policies. As the Modi government assesses the foreign policy landscape and sets its own course, its perception of U.S. strategy will be a factor. Hence, the "scene-setters" offered in this policy brief, which outline how the U.S. sees the Asia-Pacific, particularly China and Japan, and West Asia, particularly Iran. It also includes a glimpse of how the European Union, a partner to both India and the U.S. views its partnership with India—one that will have an impact on India-U.S. relations.

The memos also acknowledge the obstacles that lie ahead for the relationship—while exploring ways of managing or mitigating them.

The overarching challenge that lies ahead is translating the opportunities in the relationship into outcomes, the potential into performance and progress. This will require action on both sides; as the Hindi saying goes, *taali ek haath se nahin bajti* (you can't applaud with one hand). It will also call for compromises, as well as patience with and understanding of the other side's constraints. Finally, it will require giving each other the benefit of the doubt when things get tough, managing differences, and seeing each other as part of the solution and not just part of the problem—at the bilateral, regional, multilateral, and global levels.

India-U.S. Relations

The View from New Delhi

W.P.S. Sidhu

There was a time when India-U.S. relations were summed up in platitudes like “world’s largest democracies,” while seasoned pundits lamented that they were in fact “estranged democracies” that had very little in common. Today, with nearly 30 separate dialogues, the India-U.S. agenda involves issues ranging from the TTP (Tehrik-i-Taliban Pakistan) to the TPP (Trans-Pacific Partnership) and a spate of acronyms in between.

For New Delhi, the principal driver behind the transformation of its relations with Washington lies in the Indian ambition to become the world’s third-largest economy by 2025 and, consequently, also emerge as one of the key global political and security actors. This fundamental objective requires two external conditions: first, at the very least, ensuring a no-war environment, particularly in India’s immediate neighborhood; and second, the ability to shape global rules in terms of existing and emerging norms and institutions that have a direct impact on India’s ambitious development goal and economic well-being—particularly multilateral norms and institutions related to climate, cyber, energy, food, outer space, trade, and water (rivers and oceans) policy.

New Delhi grudgingly recognized that a partnership with the United States was indispensable to attain these twin external conditions. Consequently, it was essential to cooperate not only at the bilateral level but also critical to reach common understanding (if not agreement) in various multilateral and plurilateral fora.

Such bilateral and multilateral interactions have the potential to take India-U.S. relations forward but also to stymie them. Thus, it is crucial to manage the ever widening and deepening India-U.S. relationship carefully if it is to make progress and contribute to India’s primary objectives.

At present three areas are particularly ripe for cooperation and should be prioritized by New Delhi and Washington: clean energy, defense, and infrastructure and investment.

Clean energy: In the lead-up to his election, Narendra Modi’s Bharatiya Janata Party (BJP) pledged to “give a thrust to renewable sources of energy,” and the Modi government’s first budget included significant investments for research and development of solar, wind, clean coal, and other renewable energy sources. The joint statement of the fifth strategic dialogue strengthens institutional structures to enhance cooperation in this area. Now India and the United States need to operationalize these mechanisms for additional cooperation.

Defense: In an effort to bolster domestic arms production and create jobs, the Modi government has raised the limit on foreign direct investment (FDI) in the defense sector from 26 percent to 49 percent. U.S. officials applauded the adjustment and the Indian government and American corporations have said they would like to move forward on a host of sales, and co-development and co-production projects. The parties should capitalize on this moment of mutual agreement.

Infrastructure and investment: Prime Minister Modi's budget allocated massive sums for urban renewal, transportation, and sanitation projects, and eased restrictions on FDI for construction. The establishment of two collaborative infrastructure efforts launched during a recent visit by top U.S. officials suggests this is another area ripe for movement.

While traction in each of the areas above can help to re-energize India-U.S. ties in the near term, a handful of other issues have the potential to derail them:

Free trade: India's blocking of the World Trade Organization (WTO) trade facilitation agreement (TFA)—while the fifth strategic dialogue was ongoing—disappointed U.S. officials. India's justification of its actions, on the grounds that it did not get assurances on food subsidies and stockpiling programs, was grudgingly acknowledged by the U.S. However, diplomats on both sides should find a compromise solution to ensure that the WTO fracas does not derail the revived dialogue.

Intellectual property rights: Western pharmaceutical companies have been at loggerheads with India for years over patent laws and regulations on generic drug production, and India is one of just 10 countries currently on the U.S. Trade Representative's intellectual property rights watch list. With the Indian government and electorate focused on growth and development, discussion of any measures that could significantly hinder Indian industry and deprive access to cheap medication could backfire.

Regional geopolitics: India is anxious about the upcoming U.S. withdrawal of troops from Afghanistan, suspicious of the American approach vis-à-vis a rising China, and disdainful of U.S. coziness with Pakistan. With hard national interests and a slew of historical grievances at stake, differences of opinion here will be immensely challenging to reconcile.

Diplomatic decorum: The bungled arrest of an Indian consular officer in New York in December 2013 and the lasting—if presently downplayed—effects of the denial of a U.S. visa to then-Chief Minister Modi over his alleged involvement in the 2002 Gujarat riots highlighted a considerable lack of understanding and coordination between the two sides. Rebuilding trust and comfort will take time and dexterity.

Finally, the two parties would do well to seek an early resolution of a couple of other vexing issues, which have the potential either to provide a fillip to or to wreck bilateral relations. If, however, an early resolution is not possible, then both sides should shelve the issues until the new Indian government has had the opportunity to flesh out its policies more clearly.

Civil nuclear deal: The landmark India-U.S. civil nuclear deal lies dormant, due to a dispute over India's Nuclear Liability Act and the United States backsliding on key elements of the nuclear agreement. Prime Minister Modi has expressed a desire to implement outstanding bilateral nuclear agreements, and American officials have registered hopes that progress will be possible. Still, if large gaps remain, then it might be more sensible to put off trying to find solutions to a later date.

FDI in retail: While India has taken steps to open up various sectors of its economy to FDI—defense, insurance, e-commerce—the multi-brand retail sector remains largely insulated due to sourcing requirements. Reports suggest the BJP-led government is considering a number of adjustments to its retail FDI policies; until their approach is ironed out, it is best to hold off on any related discussions.

Prime Minister Modi's election provides a unique opportunity to re-energize relations between India and the United States. The parties should recommit themselves to a dialogue of candor and mutual respect, and focus on those areas ripe for progress in order to build much-needed confidence. Only then can India-U.S. ties become what President Obama has called “one of the defining partnerships of the 21st century.”

SCENE-SETTERS

India's Foreign Policy Priorities and India-U.S. Relations

W.P.S. Sidhu

There is broad consensus in India that the country's single most important objective is to become the world's third largest economy by 2025 and, concurrently, also emerge as one of the key global political and security actors in the evolving multipolar world. As a corollary, there is growing appreciation that India's foreign relations and its external environment have the potential either to help achieve this objective or to block its attainment.

The latter prospect seems more likely given the slew of challenges faced in the foreign arena. Starting with its immediate neighborhood: bilateral relations that had drifted or derailed, especially with China and Pakistan, have to be put back on track. Beyond India's immediate neighborhood, relations with other regions, particularly the Asia-Pacific, Central Asia, the Indian Ocean, the Middle East, and increasingly Africa will have an impact on India's development agenda and well-being. In all of these areas the United States is a key actor and India-U.S. relations will be a crucial determinant.

The Modi government's priority to India's immediate neighborhood was apparent in the first presidential address to parliament on the new government's agenda. It underlined Prime Minister Modi's "determination to work towards building a peaceful, stable and economically inter-linked neighbourhood which is essential for the collective development and prosperity of the South Asian Region." This emphasis was also evident in the unprecedented invitation to leaders of the South Asian Association of Regional Cooperation

(SAARC) countries and Mauritius to attend the government's swearing-in ceremony. It was followed up with state visits to Bhutan and Nepal and separate visits by the foreign minister to Bangladesh, Nepal, and Myanmar.

However, challenges remain. Pakistani Prime Minister Nawaz Sharif's bold decision to attend Prime Minister Modi's swearing-in coincided with the attack on the Indian consulate in Herat, Afghanistan. This underlines the fact that major political initiatives for rapprochement will be threatened by those keen to perpetuate a constant state of hostility between the two countries, especially as the Herat attack was traced to terrorist organizations in Pakistan. Prime Minister Modi's political initiatives might also be stymied by the limited capacity of India's foreign and security policy establishment to sustain his efforts to build a no-war milieu, as well as the absence of effective bilateral or regional mechanisms to address cross-border terrorism.

The address to parliament mentioned above also listed China, Japan, and Russia as priorities for the new Indian government before the U.S. and Europe. Though multilateralism was not mentioned, Prime Minister Modi's participation in the BRICS summit in Brazil indicates that practice might precede the articulation of multilateral policy.

Prime Minister Modi's desire to improve relations with China, however, is tempered by two conditions: first, China's aggressive stance along the Line

of Actual Control as well as joint exercises between China and Pakistan; and second, the need to manage the growing trade deficit. Presently India's exports to China are at \$17.3 billion, while China is exporting nearly \$50 billion to India. While both countries have set a target of \$100 billion bilateral trade in 2015, New Delhi is unwilling to bear a larger trade deficit.

On the India-U.S. front, efforts are needed to revitalize the partnership from a merely transactional one to a strategic one, though the route to the latter might well be determined by the size of the former. While the spate of high-level visits is a good start, appointing a new U.S. ambassador to New Delhi soon would be vital to sustain progress.

Initial moves suggest that both New Delhi and Washington have pragmatically sought to reach out and set an ambitious agenda. The July India-U.S. strategic dialogue indicates that among the bilateral priorities will be counterterrorism, clean energy, energy efficiency, energy security—including full implementation of the India-U.S. nuclear deal—space, nuclear and cyber cooperation, climate change, and reform of the United Nations Security Council. Defense

cooperation, though not formally part of this strategic dialogue, is also providing positive traction to advance bilateral relations.

Beyond the bilateral, India and the U.S. also need to address or manage their differences over other countries and regions. While the U.S. will cheer India's efforts to engage its neighbors, particularly Pakistan, and to strengthen ties with Japan, Washington needs to exert its influence in Islamabad to ensure progress on various fronts. Similarly, while New Delhi's successful rapprochement with China beyond a point will cause U.S. unease, Washington now appears willing to accept greater Sino-Indian cooperation. The U.S. was also always uncomfortable with India-Soviet and India-Russia coziness; events in Syria and Ukraine will resurrect old fears even though India's partnership with Russia poses few direct challenges to Washington.

New Delhi and Washington are unlikely to agree on all of India's foreign policy priorities; reaching a common understanding on differences, however, would be crucial for India to achieve its foreign policy objectives.

U.S. Policy: Balancing in Asia, and Rebalancing to Asia

Jeffrey A. Bader

The Obama administration has characterized its policy toward the Asia-Pacific region as one of “rebalancing,” by which it means assigning higher priority and political, economic, and security resources to the region because of its dynamism and opportunities for the U.S. The fundamental elements of the rebalancing have included:

- Strengthening of relationships with allies and partners, including emerging powers such as India and Indonesia;
- Embedding the U.S. in the emerging political, security, and economic architecture, including the East Asia Summit, the Trans-Pacific Partnership (TPP), and a more extensive and structured relationship with the Association of Southeast Asian Nations (ASEAN); and
- Maintaining a positive and stable relationship with China, in which cooperation on global issues develops and competition on security and economic issues is contained and managed.

There are frictions among these objectives, notably the challenges posed by the rise of China. Those challenges have been most manifest in the maritime and territorial disputes in the East China Sea between China and Japan, and in the South China Sea among the six claimants (China, Taiwan, Vietnam, Malaysia, Philippines, and Brunei).

Impelled primarily by these maritime disputes and actions taken by various parties, China’s relations with a number of its neighbors have become more

problematic, as each sees a rising China as likely to seek to impose its will on territorial issues and as prepared to use its growing economic leverage to diminish their options. These countries, in turn, have sought American assistance and support for their claims and actions, which, in turn, has persuaded Beijing that the U.S. is orchestrating opposition to its territorial claims in order to isolate and contain China. The result has been a cycle that has damaged relations between the U.S. and China as the U.S. has sought to prevent coercion in the South and East China Seas. At the same time, many of China’s neighbors have sought to strengthen security ties with the U.S. and with each other even as they have expanded their trade and investment ties with China, already their number one economic partner.

This is not the whole story in U.S. relations with China. There are frictions, to be sure, but nothing like the tensions that marked the U.S.-China relationship during the Taiwan Strait crisis of 1996, or in the wake of the accidental U.S. bombing of the Chinese Embassy in Belgrade in 1999, or the EP-3 surveillance aircraft accident in 2001. The U.S. and China continue to expand trade and investment ties dramatically; to develop rudimentary military-to-military relations; to consult and cooperate to varying degrees on global issues such as the Iranian and North Korean nuclear programs, anti-piracy, and climate change; and to develop people-to-people, scientific, professional, and scholarly exchanges to the degree that there is substantial interdependence between the two countries.

Other developments in the region that preoccupy U.S. policymakers include:

- North Korea's nuclear program and the erratic and unpredictable behavior of its new leader, Kim Jong-un. These have led the U.S. to strengthen U.S.-South Korea alliance capabilities, and also interestingly to improved ties between Seoul and Beijing, which is increasingly distrustful of Pyongyang's leadership and intentions.
- The future of reform in Myanmar, and particularly the 2015 elections, which either will give a boost to reform or set it back depending on the electoral rules.
- The coup d'état in Thailand and the prospects for return to democratic civilian rule in that deeply divided society.
- The opportunities and challenges posed by a reinvigorated Japan under Prime Minister Shinzo Abe. The U.S. has welcomed Abe's stimulation of Japan's economy, its reformulation of its security policies including affirming the right of "collective security" with its American ally, and its regional diplomacy with India and other major partners. It has been uneasy over the deterioration of Japan's relationships with China and South Korea, in part stimulated by maladroit handling of so-called "historical" issues relating to World War II. While the Obama administration has strongly affirmed the alliance with Japan and U.S. commitments, it does not wish to see tensions between Tokyo and Beijing and hopes the two sides at a minimum will take confidence-building measures to reduce the risk of accidental clashes around the disputed East China Sea islands (Senkakus, or Diaoyus).

Prime Minister Abe's Campaign to Strengthen Japan

Richard C. Bush and Mireya Solís

Japan faces the same dilemma that all countries in Asia do: how to reap the benefits of the growing Chinese economy without becoming irreversibly vulnerable in the face of expanding Chinese military power and military clout. Tokyo has vacillated over the last two decades on whether to maximize economic benefits or ensuring security. The recent trend, however, has been to hedge against growing vulnerability.

On the one hand, the administration of Prime Minister Shinzo Abe has sought to strengthen itself externally. It has increased its defense budget; bolstered the defense of the Senkaku Islands, which China claims; passed a secrecy act to permit intelligence sharing with other countries; sought to increase cooperation with India, Australia, and the nations of Southeast Asia; relaxed restrictions on overseas arms sales; and reinterpreted the constitution to facilitate assisting the United States when the latter is attacked. In addition, the U.S. remains the principal guarantor of Japan's security. Some of these elements foster suspicion in China and South Korea, but Tokyo feels it is worth the risk.

On the other hand, the Abe administration has also sought to strengthen itself internally. Most visibly, this has taken the form of symbolic initiatives to enhance Japan's sense of itself as a normal country that has thrown off, as Prime Minister Abe sees them, the shackles imposed by the victorious United States after World War II. Emblematic here is the visit of Prime Minister Abe and other ministers to the Yasukuni Shrine, memorializing Japan's war dead.

But the most significant effort at internal strengthening is a bold attempt to overcome the long decades of economic deflation and to tackle the structural demographic headwinds of an ageing and contracting population. The precondition for economic success has been the arrival of political stability with the onset of the administration of Prime Minister Abe, who has put an end to legislative gridlock and has signaled a willingness to exercise top-down executive leadership. The government has launched a three-pronged strategy of quantitative easing, fiscal flexibility, and structural reform targeting low-productivity sectors. The Japanese government is attempting to use its participation in the ambitious Trans-Pacific Partnership (TPP) trade negotiations to leverage its own domestic reforms. The revitalization campaign reflects a savvy understanding that structural reform in a climate of austerity yields zero-sum politics. But it also represents a huge gamble. Given the severe debt overhang, the all-out stimulus policies in the absence of significant productivity-enhancing reforms will leave Japan worse off than before the launch of the Abenomics experiment.

By and large, the United States has a positive outlook on the steps Japan has taken to strengthen itself and the alliance. The absence in the past of some of the security steps that Prime Minister Abe has now taken (e.g. secrecy law, reinterpretation of the right of collective self-defense) had placed limits on the operation of the alliance. Washington believes that Japan has been more restrained in protecting the Senkaku Islands than China has in asserting its claim

to them. The one exception on the security side is some of Tokyo's symbolic steps, which complicate Washington's relations with Seoul and Beijing.

On the economic side, U.S. policymakers see significant payoffs from a Japan restored to economic health and contributing proactively to the success of

the TPP project—since this trade agreement is vital to the implementation of the administration's Asian rebalance policy. However, the protracted U.S.-Japan negotiations over market access cast a shadow on the resolve of Japan to deliver on structural reform, and cloud the prospects of a central priority in American foreign policy.

U.S. Policy in the Middle East

Martin Indyk

As much as the Obama administration would like to disengage from the Middle East and shift its focus and energies to Asia—above all to India and China—it finds itself constantly sucked back into the vortex as the region grows ever more volatile, chaotic, and dangerous. President Obama has been determined to end American involvement in the country's two longest-running wars—Iraq and Afghanistan—and to avoid involvement in any other regional conflicts, especially the Syrian civil war. And yet, the surprising success of the Islamic State of Iraq and the Levant (ISIL) in taking control of broad swathes of Syrian and Iraqi territory and the threat it poses to Baghdad in the south, Erbil in Iraqi Kurdistan, and potentially Jordan in the west, have forced the president's hand and led him now to order air strikes on northern Iraq. In so doing, he becomes the fourth consecutive American president to order the use of force in Iraq.

This tension between the desire to withdraw and the need to re-engage has generated ambivalence in U.S. policy at a time when the regional players are looking for strong U.S. leadership. But because strong leadership in the prevailing circumstances of widespread conflict requires the application of force, which is strongly opposed by a large majority of Americans weary of war in the greater Middle East, the Obama administration finds itself whip-sawed between these competing imperatives, dragged along by events that it no longer has the desire to shape.

These travails are compounded by a widening sectarian conflict that found its origins in the Sunni

challenge to the Alawite regime in Syria but has now spread viciously to Iraq and could well spread to the Gulf where a majority Shiite population in Bahrain is controlled by a Saudi-backed Sunni monarch, and in Yemen, where Shia Houthi tribesmen are challenging a Sunni regime in Sana'a. Saudi Arabia—the world's largest oil producer—now faces instability on almost all its borders.

In Egypt, the traditional leader of the Arab world, a military-backed regime has deposed and suppressed the Muslim Brotherhood party, generating an additional schism across the region between Islamist and moderate Sunnis. This tension recently spilled over into the Arab-Israeli arena where Hamas, the stepchild of the Egyptian Muslim Brotherhood, attempted to break out of the choke-hold the Egyptian regime was applying to them in Gaza by launching rocket attacks on Israel. This latest round of Israeli-Palestinian conflict has already claimed the lives of over 2,000 Palestinians and some 67 Israelis, and devastated several suburbs of Gaza. It came soon after the collapse of an intensive American-led effort to resolve the larger conflict, which raised questions about the credibility of American diplomacy.

All of these cross-currents of conflict are manifestations of the crumbling of the Middle Eastern order that had been established by Britain and France in the wake of the collapse of the Ottoman Empire and had been maintained by the United States for the past six decades. It is unclear what will replace it but there are several indicators of the new order that is

likely to emerge. The first is the growing alignment taking place between the three status quo regional powers (Saudi Arabia, Egypt, and Israel) and their smaller partners (Jordan, Morocco, and the Palestinian Authority). Each of these regional powers is an ally of the United States but all are to some extent at loggerheads with Washington as they no longer feel obliged to pay attention to U.S. preferences because they perceive it to be disengaging from the region. The second is the counter-alignment of Turkey and Qatar, which are supportive of the Muslim Brotherhood and tend to oppose the policies of the status quo powers. The third is Iran which, if it reaches an agreement with the United States to curb its nuclear program and foregoes nuclear weapons at least for the time being, could become a less threatening and more status quo-oriented regional power. However, if it fails to reach a nuclear agreement, Iran could revert to its policies of promoting instability across the region. In between are the increasingly ungoverned areas of Iraq, Yemen, Syria, Gaza, and Libya where radical Islamist extremists will have to be contained.

It remains to be seen whether the United States can adjust its policies to an off-shore balancing of the forces of chaos and a bolstering of the promoters of a new, regionally-based order. Certainly, the U.S. retains the power to do so through its formidable force deployments in the Gulf and its security relationships with its traditional regional allies. And it retains the will to protect its continuing interest

in the free flow of oil at reasonable prices and its allies that might be threatened by the growing anarchy (for example, the Kurds and Jordanians). In this way, while things seem to be falling apart, the center should still be able to hold.

For India, the nature and extent of U.S. involvement in stabilizing a Middle East in chaos could have serious implications. West Asia is a region of crucial significance to India as the source of employment for millions of Indians, remittances that help the Indian exchequer, defense equipment, intelligence information, terrorist security concerns, not to speak of the majority of Indian oil and natural gas imports. All of these interests could be adversely affected by a failure to contain the chaos. Second, the extent of American involvement might have direct implications for India-U.S. relations in terms of its possible impact on the time, energy, resources and attention that the senior-most U.S. policymakers can devote to nurturing the India-U.S. relationship. Third, India-U.S. differences on Middle East policy, for example on Iran, can affect the broader bilateral relationship. Fourth, given the potential impact on Indian interests and the growing desire of a war-weary United States to share the burden with like-minded countries, there may be a growing expectation in Washington that Delhi should do more to help out in the Middle East. Watch out for this item to feature on the bilateral agenda in the future.

U.S. Policy toward Iran and the Implications for India

Suzanne Maloney

American policy toward Iran today is caught in a state of historic uncertainty. A year after Iran's election of a more moderate president reinvigorated negotiations over its disputed nuclear program, Tehran and six world powers failed to reach an agreement by the July 2014 deadline. Although the negotiations have been extended for an additional four months, the inability of the two sides to achieve a basic understanding on the parameters for a final deal raises doubts about the viability of a diplomatic resolution to the protracted nuclear impasse. And with an array of conflicts metastasizing across the region, the prospects for renewed frictions between the two old adversaries have unfortunately increased.

The nuclear talks remain at the top of the American agenda on Iran. The negotiations appeared to gain momentum after the November 2013 interim accord that froze key aspects of Iran's nuclear program in exchange for modest sanctions relief. However, progress toward a more comprehensive accord has been stymied by the considerable differences between the two sides on the same issue that has confounded diplomacy for more than a decade—defining Iran's capacity to enrich uranium.

Like other seemingly intractable conflicts, the basic formula for resolving the Iranian nuclear deal is already understood: Tehran must undertake meaningful constraints on its nuclear activities, including enrichment, and the West must accept Iran's civil nuclear energy program and rescind the sanctions

that have slashed Iran's oil exports and severed its connections to the international financial system.

Washington and its international partners have endorsed these reciprocal tradeoffs, with President Obama putting his own credibility on the line with a very skeptical Congress and even more unsettled allies. However, Tehran's bargaining position to date and recent statements from Iranian leaders raise serious doubts about whether the Islamic Republic can relinquish its own maximalist ambitions and demonstrate the political will to make the necessary compromises. Amidst widening regional violence and instability, Tehran may view the risks of concessions to the West as too dangerous, and the opportunities to consolidate and extend its influence in the heart of the Middle East as too tempting.

Iran's alternatives to a deal remain profoundly unattractive. The six-month negotiating period has proven the resilience of the sanctions regime; even the modest openings permitted under the interim accord generated little new revenue for Tehran. In the absence of a resolution, Iran will continue to face constraints on repatriating hard currency receipts of any ongoing oil exports, leaving its economy reliant on barter trade and smuggling. In addition, without a comprehensive deal in November, intensified sanctions are an inevitability. Proposed legislation circulating in the U.S. Congress would intensify pressure on Iran's continuing crude exports, with the objective of imposing a nearly wholesale embargo.

Implications for India

In many respects, the future of India's relationship with Iran hinges on the outcome of the next four months: If a deal can be struck and the regional environment calmed, then the international sanctions regime will begin a slow, staged process of unwinding. This would advantage Iran's existing trade partners, including India, in mitigating current obstacles and points of friction, as European and other international firms will move carefully in a still-uncertain regulatory environment. Iranian crude output is likely to rebound quickly in such a scenario.

However, should a nuclear agreement continue to prove elusive, India is likely to find itself once again caught in an intensifying U.S.-Iranian conflict. New sanctions would put Delhi in the crosshairs of likely American efforts to further winnow Iran's oil revenues as a means of forcing concessions. This would not only create a serious supply disruption for India, but also provoke price escalation that would have negative consequences for the country's budget and growth prospects.

In addition, without some relief from the nuclear siege, it is unclear when or whether Tehran will have resources available for major capital projects of interest to India, such as the Chabahar port. Finally, although the Obama administration clearly prefers a

diplomatic resolution to military action, a protracted collapse of negotiations would raise the specter of a U.S. and/or Israeli strike against Iran's nuclear facilities, a move that could inflame an already tense and sectarian environment throughout the region and among Muslims elsewhere, including in India.

In either case, Indian policymakers should also remain attuned to Iran's domestic environment, where continuing efforts to reduce import dependency as a means of mitigating the impact of sanctions will create new complications for the trade relationship. Tehran has recently increased customs duties and raised minimum quality standards for a number of important trade products, including basmati rice. There are inherent limitations on Iran's ability to complicate trade with its remaining interlocutors, but populism has a strong constituency in the Islamic Republic.

India is well-positioned to help shape Iran's near-term options and approach. Quiet interventions may be able to dispel Tehran's remaining illusions that the country can somehow achieve its desired status as a stable, prosperous regional power without access to the international financial system. Given India's importance to Iran's energy exports and its standing as a regional superpower, Delhi can reinforce the direct relationship between Iran's nuclear rehabilitation and its diplomatic and economic opportunities.

The European Union and India

Javier Solana

India is one of the 10 countries that the European Union (EU) has chosen as strategic partners in the international community—a reasonable choice since India is the most populous democracy in the world. The importance, both economic and political, of this Asian giant for the EU is unquestionable. India is its 10th largest trading partner, with a total trade volume of 72.7 million euros in 2013. It is also a privileged partner on innovation issues, such as energy or scientific research. It is not a coincidence that all the 28 EU Member States have resident diplomatic missions in Delhi.

However, despite these high hopes, India's strategic partnership with the EU has been underperforming. As an example, negotiations on an India-EU Free Trade Agreement (FTA)—the most important issue on the bilateral agenda—have lasted for seven years and 12 rounds, yet conclusion of an agreement remains elusive. In other areas of cooperation, the partnership holds great potential, but has not yet delivered as expected.

India's foreign policy has been evolving gradually away from a philosophy of non-alignment, self-identification with the developing world, and mistrust towards the West. Since the fall of the Soviet Union, India's positions have moved closer to those of the U.S. and EU. Nevertheless, India's non-aligned past still seems to be a limiting factor in its international role. Moreover, India has been primarily focused on domestic affairs, with laudable attention to economic development.

However, the recent elections have opened a new phase in India's evolution. Prime Minister Modi is a pro-business, pragmatic leader who has promised to “create an India that none could talk down to in the international stage.” He is a leader who might depart from India's tendency to protectionism and open the Indian market to both national and foreign investors.

New EU leadership, which will take office next autumn, should give priority to strengthening and rebalancing the strategic partnership with India in light of that partnership's 10th anniversary. It is therefore of crucial importance that the new EU team engages with India at an early stage and reaches out to their Indian counterparts as soon as possible to foster a new atmosphere of trust and cooperation.

Concluding the FTA will not only increase India-EU trade and relations but would also result in a more balanced agenda and a stronger partnership in all areas of cooperation. The EU should also intensify bilateral dialogue and cooperation on issues such as energy, climate change, human rights, and peace and security. In addition, the EU must take into account that, given the enormous length of its coasts, India is a key natural partner in maritime security and counter piracy. India is also an important contributor to managing international crises broadly.

The EU should not miss this opportunity to persuade India to become more assertive and to play the role of a responsible, big, democratic power, acting to advance world peace and stability.

To summarize, the EU should:

- Deepen the political dimension of the relationship through enhanced cooperation on foreign policy, security and human rights;
- Continue efforts to finalize the negotiations for an ambitious FTA in order to address trade and investment irritants, as well as maximize business and economic opportunities;
- Enhance cooperation on issues of key mutual interest such as energy, science and technology, environment, mobility, skills development, urban development, and education and cultural

exchanges. These key priorities, as well as the other priorities of the EU-India Joint Action Plan, should be addressed in such a way that brings the strategic partnership closer to the citizens and promotes people-to-people contacts; and

- Continue to work toward building up the relationship and enhancing people-to-people contacts and mutual understanding through various high-level meetings (even if leadership transitions in the EU during 2014 could make it challenging to hold the 13th India-EU Summit before the end of the year).

THE INDIA-U.S. RELATIONSHIP: FROM POTENTIAL TO RESULTS

India-U.S. Counterterrorism Cooperation

Bruce Riedel

There has been considerable improvement in India-U.S. counterterrorism cooperation since the Lashkar-e-Tayyiba (LeT) attack on Mumbai in November 2008. Senior visits by security officials on both sides have become more frequent as has information sharing. India and the U.S. cooperated in the capture and interrogation of two of the planners of the 26/11 attack. The U.S. placed a bounty on LeT leader Hafiz Saeed for information leading to his arrest and this June the U.S. blamed LeT for the attack on India's consulate in Herat, Afghanistan—an operation intended to upstage Prime Minister Modi's swearing-in ceremony.

There are two areas where cooperation will need to be strengthened in the next few years. The first is Afghanistan. As NATO forces depart Afghanistan, it will be increasingly difficult to maintain intelligence capabilities there to collect information on Al Qaeda, LeT and other terror groups operating in Afghanistan and the border areas of Pakistan. India is already increasing its capabilities in Afghanistan and working closely with the Afghan government. The U.S. should support this cooperation and seek to work with India and Afghanistan.

The second is Pakistan. While Pakistan has taken a more robust stand against its own Taliban militancy this year, the army and the ISI remain closely linked to other terrorists groups, especially LeT. Counterterrorism cooperation with India should include robust intelligence exchange on Pakistan's terrorist connections, particularly the ISI-LeT connection.

Another LeT attack like Mumbai or Herat will provoke the most serious crisis in years between India and Pakistan—the more that can be done to prevent such a disaster, the better. Even if an attack cannot be foiled, the more information exchanged about Pakistani involvement with LeT, the more likely the U.S. will have credibility with New Delhi if a crisis occurs.

The United States should also consider a unilateral step: placing Pakistan on the State Department list of terrorist sponsor states. It certainly meets the criteria and has for decades. The first Bush administration seriously considered this step in 1992. Such a step would obviously have immense consequences for U.S.-Pakistan relations. A more limited step would be to target specific sanctions against individual Pakistani officials involved in supporting terrorism like members of ISI's "S" branch that handles liaison with LeT, the Haqqani network, and others. A targeted counterterrorism sanctions move against specific Pakistani government officials would send a strong deterrent message to the Pakistani army and could be a warning shot before putting Pakistan on the terror patron state list.

Finally, there should be contingency planning between Washington and New Delhi about managing a future India-Pakistan crisis like the Kargil war or the 2001-2002 crisis. This would be intended to create dialogue about crisis management, not coordination about ganging up on Pakistan. It would be a prudent investment in planning for the worst.

Delhi, Washington Should Build on Progress in Afghanistan

Michael E. O'Hanlon

How can the United States and India work together on a project of clear mutual interest and importance: the future of Afghanistan? Both nations have suffered enormously at the hands of terrorist groups with bases and support networks in this general part of the world. Therefore, neither would wish to see the country again descend into the anarchy and base for extremists, which typified the 1990s. Neither also wishes to see their respective relationships with Pakistan inflamed by the matter—yet neither should want to establish Islamabad hegemony over the former site of the Britain-Russia “great game” of the 19th century.

The Afghan cup can be seen as about 55 percent full. The Taliban is resilient and Afghanistan is still violent. But, by official statistics at least, it is less dangerous than many countries that are supposedly “at peace.” And, on balance, there is progress, and room for hope. The quality of life for citizens has improved dramatically over the last dozen years. Poppy production has not dropped very much, alas, but food production is up and GDP growth rates have usually reached 5 to 10 percent a year.

The progress in Afghanistan, imperfect and fragile as it is, has resulted in part from an important meeting of the minds in Delhi and Washington. India, knowing the views that are prevalent in Pakistan, has wisely restrained itself from doing as much as it might have liked to help Afghanistan develop its economy and improve its army. This is too bad in one sense; Afghanistan could use the help, and India could have

provided even more in theory. But it was wise of Delhi in another sense. Pakistan may finally be restraining, or at least reducing, its support for Pashtun-dominated Taliban forces that it has seen over the years as a counter to Delhi's influence with the Tajik-dominated Northern Alliance movement. Islamabad has been wrong to view things in such terms for most of the past decade, but such views are alas real and influential within government circles, and India took them into account in fashioning its broader Afghanistan policy in a way that helped Afghanistan, NATO forces there, and the United States.

The likely successful completion of an Afghan presidential election and transition process this summer, as tough as it has been, is also partly due to India's influence on Afghans. To be sure, that success is hardly foreordained at this point. But it is still likely. India, for all its troubles, has helped lead the way in establishing meaningful democracy in the developing world, in general and South Asia in particular, in the course of its modern history. Afghan leaders take notice and take inspiration from this model.

This assessment leads to a common agenda for India and the United States in the months and years ahead. With continued restraint, Delhi can shore up the new government in Kabul as it takes power, with development aid and some degree of diplomatic and security-assistance support, working through international coalitions to do so. It can also work with Kabul and, one hopes, Islamabad to foster the kind of greater regional economic integration that

can help all parties. For example, faster and more reliable transit of trucks carrying food from Afghanistan to the large populations of South Asia, perhaps employing some kind of E-Z Pass system with biometric validators to speed movement without compromising security, may be sensible—and in keeping with the pro-growth thinking of the Modi government.

Ideally, the United States would revisit the decision to pull all main combat forces out of the country by the end of 2016 and would keep a small residual force in Afghanistan, largely for counterterrorism purposes (to be used against possible extremist targets in Afghanistan and/or western Pakistan). Importantly, it will lead an international coalition, ideally with Indian support, to help fund an Afghan

government, including its army and police, that will not be able to fund itself anytime soon.

Admittedly, not everyone in the U.S. shares this view of Afghanistan or this prescription. Yet it is possible that the contenders for the presidency in America's 2016 election will propose such a course of action on the grounds that keeping a couple thousand U.S. troops in the region indefinitely will actually make the country safer—and also help avoid a meltdown in Afghanistan similar to what we have recently witnessed in Iraq this year, after the complete departure of U.S. combat forces there in 2011.

Much is still to be done in Afghanistan. But there is much to build on.

India, Pakistan, and the United States

Teresita C. Schaffer

By inviting the leaders of the other South Asian countries to attend his inauguration, Indian Prime Minister Narendra Modi sent a message of continuity and change. The continuity lies in India's strategic commitment to maintaining primacy in the region. Every government of independent India has shared this determination; so did India's imperial rulers. The change is primarily one of tone, but tone has a way of becoming substance. It adds up to a moment of opportunity for India, which the United States can encourage.

India has the biggest problems, and potentially the biggest opportunities, with Pakistan, the only country in the region with ambitions to be India's strategic equal and the one that most resents India's assertion of primacy. Historically, Pakistan has been India's most contentious neighbor, and the opponent in almost all its wars. The off-again, on-again U.S. relationship with Pakistan has also been the most contentious issue in India-U.S. ties.

The opening of trade between India and Pakistan, initially proposed by Prime Minister Modi's predecessors, presents his greatest opportunity. It plays to the strength of both Prime Minister Modi and Pakistan's Prime Minister Nawaz Sharif, two leaders with a strong pro-business orientation. Their initial encounter involved the kind of personal diplomacy—such as gifts of saris for each other's mothers—that can help create chances.

But Prime Ministers Modi and Sharif face spoilers hostile to improved relations. They will need to move

decisively and deftly to take advantage of this opportunity. Afghanistan's future also weighs heavily on the India-Pakistan relationship. Indian policymakers have a dark view of Pakistan's role in Afghanistan, and Prime Minister Modi's advisers have in the past called for putting painful pressure on Pakistan to abandon its efforts to control the future Afghan government. The attack in May on India's consulate in Herat, Afghanistan was a warning of what could go wrong; so were the border incidents between India and Pakistan in July.

A more fundamental problem is the internal turmoil currently facing Pakistan. India now has a strong government. For Pakistan, achieving a negotiating breakthrough, and especially implementing it, will be difficult while government-army relations are strained and dissident groups are mounting massive protests.

The United States does not have, and should not seek, a direct role in improving India-Pakistan relations. Strengthening U.S. business relations with both India and Pakistan, however, could open up possibilities for integrated trade expansion that could benefit all three countries and perhaps add some momentum to the proposed India-Pakistan trade opening.

The circumstances of the U.S. exit from Afghanistan and the magnitude of its role in Pakistan create another important vector for India-U.S. cooperation. Delhi and Washington, perhaps surprisingly, share

an interest in the peace and governability of Afghanistan and Pakistan. This would be a good time to develop a serious India-U.S. policy dialogue about Pakistan, including a candid discussion of some of the more difficult problems, like terrorism. This would

supplement the discussion on Afghanistan that is already taking place. Perhaps the successful India-U.S. dialogue on China can provide some inspiration on how to proceed.

Defense Ties between India and the U.S.

Stephen P. Cohen

Current India-U.S. defense ties are a cross between apathy and hope on the U.S. side, while on India's part they are a mixture of pride and wariness. Washington has paid sporadic attention to New Delhi when it was not distracted by the India-Pakistan conundrum, and India's policy towards the U.S. has had a strong element of "waiting and seeing," expecting Americans to make first-concessions because of past neglect. The bilateral defense dialogues that have stumbled have done so because of an absence of reflection and commitment on the American side and an absence of organizational leadership and coherence on the Indian side.

In the defense realm, in particular, Indian policy has also been bracketed by a long-held desire for defense autarky while avoiding entangling alliances, and a post-Cold War realization that closer defense ties with the U.S. could be beneficial.

The new Indian government will rethink the relationship, and may address its own bureaucratic paralysis, but both India and the U.S. are still unclear about what it means to have a meaningful defense and military relationship between friendly non-allies, especially when democratic politics compels transparency.

The recent and forthcoming visits by senior Indian and U.S. officials and fresh thinking in New Delhi potentially lend themselves to some new policies and a revisiting of old ones.

Four come to mind:

First, both countries should engage in a dialogue (first in a Track-II context) of what it means to be a friend, but not an ally. This will lead to questions regarding defense and military policies if there should be another regional crisis, e.g., one precipitated by the U.S. withdrawal from Afghanistan or possibly another terror attack against India or its facilities.

Second, India and the U.S. may be "natural allies" but what does this mean in an operational sense? The cliché makes it easy to evade hard thinking. The U.S. needs to examine the limits placed on the numbers and types of weapons and technology sold to India. Such limits are now mostly irrelevant, given the India-Pakistan nuclear standoff, but the Department of Energy, in particular, has problems with nuclear and dual-use technology. Similarly, the numerous India-U.S. military exercises could be used as a springboard for further discussions about long-term opportunities and threats, as well as to improve interoperability. The latter is very thin, largely because of Indian suspicions of a heavy U.S. hand.

Third, the Indian weapons acquisition system is badly fragmented—leading to arming without aiming. Prime Minister Modi needs to find a competent person to reform the baroque Ministry of Defence and the bloated service structure. The U.S. cannot fix the Indian system, but it can share more widely its expertise in defense planning and acquisition. This can increasingly be done through the private

sector—although it is important to keep in mind that this will not guarantee large defense sales to India, where the U.S. already has a crucial and growing share of the pie. For its part, India will want to maintain the façade of diversity. However, American experience with incorporating European and other technologies into its defense establishment provides a useful point of departure—this diversity is also a major feature of the Indian defense establishment.

Finally, the U.S. should bring Indian defense personnel into its system to experience it, and to share

India's best practices. These do exist: India does well in producing more rumble for rupee in space and missile technology, for example. Indian space and nuclear experts believe they can help the U.S. develop missile and even reactor technology, and such offers should be taken seriously, with the U.S. adjusting its own technology restraint regimes to benefit from the high quality and low cost of sourcing from India.

Counterproliferation: A Shared Objective for India and the U.S.

Robert J. Einhorn

With the U.S. decision nearly a decade ago to engage in civil nuclear cooperation with India and to regard it as a responsible nuclear-armed state—despite its unwillingness to join the Non-Proliferation Treaty—the two powers are now able to cooperate more effectively on goals they strongly share: curbing the spread of nuclear weapons to additional countries and preventing nuclear terrorism. In the period ahead, they should step up their cooperation in the following areas:

Interdicting illicit nuclear transfers: Although India has resisted joining the Proliferation Security Initiative, Washington and Delhi have cooperated on an *ad hoc* basis to stop illicit shipments of sensitive items to states of proliferation concern. To facilitate such cooperation, they should set up an informal bilateral mechanism to exchange intelligence, share expertise in identifying illicit shipments, conduct exercises, and engage in other activities that would better prepare them for cooperative interdiction operations.

Expediting India's membership in the multilateral suppliers groups: Since 2010, the United States has sought to facilitate India's entry into the Nuclear Suppliers Group (NSG), Missile Technology Control Regime (MTCR), Australia Group (AG), and Wassenaar Arrangement (WA). India has made much progress in harmonizing its export controls with the guidelines and control lists of the various groups, although more work is needed, especially in the case of the AG and WA. More active outreach by Delhi to individual regime members will also be required

to build the necessary consensus in each group. India could bolster its case by further strengthening the implementation and enforcement of its export controls, which would be facilitated by continued cooperative India-U.S. efforts in the area of export control capacity.

Promoting India-U.S. civil nuclear cooperation: Expectations that the India-U.S. civil nuclear agreement would lead to enhanced bilateral nuclear cooperation have not been fulfilled, largely because of the Indian law that, contrary to standard international practice, assigns liability for nuclear accidents to suppliers rather than operators, which has discouraged American (as well as French and Russian) reactor manufacturers from finalizing sales to India. It is time to explore a solution with the new Modi government, whether through modification of India's legislation or through some other means (e.g., creation of a special insurance fund).

Enhancing nuclear security: The two countries strongly share an interest in enhancing the physical protection of nuclear weapons and materials against theft or seizure by terrorist groups. The existing bilateral working group on nuclear security should meet more frequently and cooperate more intensively, carrying out joint exercises and training activities and sharing best practices in such areas as transportation security and personnel reliability programs.

Avoiding inadvertent nuclear use: At the highest levels, India has called for practical measures to

reduce the likelihood of the accidental or unauthorized use of nuclear weapons. Based on the unilateral steps it has taken in this area, as well as the cooperative arrangements it has concluded with the Soviet Union/Russia, the United States should engage bilaterally with India on avoiding accidental or unauthorized use. The two countries should also consider the value of holding multilateral discussions on the subject that might also include Pakistan and China.

Constraining nuclear testing: India maintains a unilateral and voluntary moratorium on nuclear weapons tests, but has resisted adherence to the Comprehensive Test Ban Treaty (CTBT). The Obama administration favors CTBT ratification, but sufficient opposition in the Senate to a permanent and legally

binding treaty blocks ratification. In these circumstances, Washington and Delhi should consider supporting a joint statement in which the leaders of seven nuclear powers (China, France, India, Pakistan, Russia, U.K., U.S.) would make a political commitment not to be the first of the seven countries to conduct another test of a nuclear weapon, perhaps for an initial five-year period. Such a multilateral political commitment—a “no first test” arrangement—would avoid the difficulties in both India and the U.S. of a permanent, legally-binding agreement, but would support shared nonproliferation goals, help pressure other states not to test, and not preclude eventual entry into force of the CTBT when and if circumstances permit.

Re-energizing India-U.S. Civil Nuclear Cooperation

W.P.S. Sidhu

India-U.S. civil nuclear cooperation, starting with the July 2005 nuclear agreement and culminating in the formal 123-agreement bill approved by the U.S. Congress and signed into law in the autumn of 2008, was the poster boy of bilateral relations; it was expected to mark an end to decades-old strategic mistrust between the two countries. Today, however, the agreement looks more like the terrifying portrait of Dorian Gray.

Although former Indian Prime Minister Manmohan Singh considered the signing of the India-U.S. nuclear deal in 2008 as the singular “best moment” of his two-term tenure in office, its tardy implementation—marred by mutual suspicion—has become symptomatic of the drift in India-U.S. relations.

The nuclear deal was never only about India buying a few reactors from the U.S.; it was an opportunity to alter the existing world order fundamentally and it was in line with President Obama’s own nuclear security initiative and the Prague agenda. However, the failure to successfully implement even the most basic elements of the deal—look at the nuclear power plant at Mithivirdi in Gujarat—reflects the bilateral strategic gap.

U.S. reservations about India’s Civil Liability for Nuclear Damage (CLND) Act of 2010, in terms of commercial and legal implications on liability of the supplier, are well articulated and publicized. However, India’s serious concerns about the lack of implementation of key elements of the deal by the U.S. are

less well appreciated. They include Washington’s delay in according Code of Federal Regulations Part 810 and other clearances for the nuclear power project at Mithivirdi, the insistence on end-use verification visits to Indian entities, and the perceived backsliding on issues related to administrative arrangements. In addition, the inability of the U.S. to convince the Nuclear Suppliers Group (NSG) to lift the Enrichment and Reprocessing Technologies transfer ban was also viewed with concern in New Delhi.

Clearly, high-level political attention, which initiated the deal in the first place, has been missing—yet this attention will be crucial to see this transformative project through to completion. The upcoming summit between President Obama and Prime Minister Modi offers an opportunity to re-energize efforts for the timely implementation of the deal and remove misgivings. The timing is particularly fortuitous for the Mithivirdi power plant: Westinghouse has to submit a techno-commercial offer by December 2014, which will have to meet India’s projections for unit energy cost by 2020-2021. Presently there is a wide gap between the two sides on the unit energy cost and if it remains unresolved, it could affect commercial negotiations, financing and localization. While this primarily involves private sector decisions, the Indian and U.S. governments could try to encourage timely resolution and perhaps even offer a subsidy package.

Simultaneously, to strengthen President Obama’s non-proliferation and nuclear security initiatives

and to build strategic convergence between India and the U.S. on these issues, the two sides should work to achieve the goal set out in the November 2010 commitment to facilitate India's entry into the various nuclear export control regimes. A good starting point could be the Missile Technology Control Regime where, unlike the NSG, China's veto is not likely to be an issue. At the same time, there should be a credible road map for entry into the NSG—politically the most important and logically the culmination point of the civil nuclear initiative.

As part of the summit process the two sides should:

- Build on the work done since 2011 to clarify the extent of supplier liability as per India's

2010 CNLD Act and generate a transparent risk management plan.

- Encourage Westinghouse and Nuclear Power Corporation of India Limited to conclude their commercial negotiations for setting up the nuclear power plants in Gujarat (which might include initially subsidizing power production); include localization of critical components to be built, just as Westinghouse has done for similar plants in China.
- Implement the commitments made in November 2010 on India's phased entry into the export control regimes through a jointly agreed road map.

India, the U.S., and Internet Governance

Ian Wallace

The world is at a crucial moment for the future of the internet. Unfortunately, India and the United States both have Internet governance “problems.” The good news is that each may also have the answer to the other’s woes. For each other, and for the greater good, that is an opportunity that Prime Minister Modi and President Obama should take.

The United States has long been a staunch advocate of the current multistakeholder governance model, which includes mechanisms for private-sector and civil-society participants alongside governments in Internet decisionmaking. Only such mechanisms, its supporters argue, have the flexibility and adaptability to ensure that the extraordinary growth of the Internet will continue along with the economic prosperity it has helped create.

By contrast, India has generally championed a multilateralist approach. That is the idea that only governments, working through international organizations like the United Nations, have the legitimacy to make decisions on such important transnational issues. There are actors in India, particularly in the highly successful technology industry that recognize the risk of imposing United Nations-style decisionmaking on a system as complicated and vital as the global internet. But Indian officials still tend to prefer their international cooperation to be state-based.

Just at the time when the multistakeholder model has needed U.S. leadership, the power of its advocacy has been (at least temporarily) undermined. Un-

fortunately for the U.S., while Edward Snowden’s revelations have actually had little to do with the practical issues at stake in Internet governance, they have undoubtedly exacerbated a widely-held concern about undue U.S. “control” over the internet. The facts hardly support the critics’ claims and, in fact, the Obama administration has recently announced its plans to give up its technical oversight of the management of internet addresses. But the taint of Snowden nevertheless continues to complicate the U.S. ability to talk internationally about Internet issues.

Meanwhile, India’s position also brings with it presentational challenges, not least the fact that despite being the world’s largest democracy, it finds itself in the same camp as authoritarian states such as China, Iran, and Russia, who are widely seen as favoring inter-governmental control as a vehicle for legitimizing national measures to control their citizens. More practically, it is not yet clear how Prime Minister Modi will reconcile his business-friendly electoral platform with an emphasis on internet-driven economic development, with the multilateralist preferences implied by India’s decision not to support the Statement of Principles agreed at the NETMundial Global Multistakeholder Meeting on the Future of Internet Governance in São Paulo in April. That meeting took place a month before the prime minister was elected, but now that those Principles form the basis of an ongoing process designed to agree to a way forward on Internet governance, how India positions itself will be crucial.

Prime Minister Modi is, however, a pragmatist. So while he may encounter resistance from within some in the Indian establishment, if the business/technology community is able to make its case, he may see the benefits of following in the footsteps of his BRICS colleague President Dilma Rousseff of Brazil. Despite initially arguing for multilateral governance in a speech to the U.N. General Assembly last September (in response to learning her own phone had been spied on), President Rousseff quickly and decisively revised her position. After discussions with global internet leaders and Brazil's own private sector and internet experts, she shrewdly recognized that, in fact, Snowden had created an opening for her to redefine Brazil not only as a proud supporter of the multistakeholder approach but also as a more reliable champion of the global Internet than the U.S. While Americans might challenge the analysis, the overall outcome is good for everyone. For his own reasons, Prime Minister Modi could do a lot

worse than aligning India with Brazil as a champion of a multistakeholder but not 'U.S.-centric' Internet.

Quietly, President Obama would have good cause to be happy with that outcome. And if Prime Minister Modi is able and willing to position India squarely within the multistakeholder camp, then he and President Obama should waste no time in agreeing how to secure their common internet goals.

Not only is the NETMundial process underway, but there are other important internet related meetings on the horizon, including the International Telecommunication Union Plenipotentiary meeting in Busan, South Korea in late October/early November. There is a lot at stake and many governments still to be won over. Working together, along with Brazil and other long-standing supporters of the multistakeholder model, Indian and U.S. diplomacy could, and hopefully will, prove decisive.

Growing the India-U.S. Trade and Investment Relationship

Joshua Meltzer

There are significant opportunities for India and the U.S. to deepen the bilateral trade and investment relationship. While the economic relationship has seen impressive growth over the last 10 years, this has been off a low base and there remains significant room for improvement. For instance, U.S. goods trade with China, a country with a comparable population, was over \$560 billion in 2013—almost nine times U.S. trade with India. Another instance: South Korea, a country whose GDP is 60 percent that of India's, in 2013 had a similar level of goods trade with the U.S. as did India.

Indian barriers to trade and investment, including lack of intellectual property protection and enforcement, continue to undermine the potential of the economic relationship. U.S. policy, such as limits on access to work visas, can also affect growth in economic ties.

Another complication: India is a WTO member but is not a party to the large regional trade negotiations involving the U.S., namely the Trans-Pacific Partnership (TPP) and the Trade in Services Agreement (TiSA). India, in turn, is negotiating the Regional Comprehensive Economic Partnership Agreement—the ASEAN+6 agreement—which does not include the U.S.

Overview of India-U.S. Trade and Investment

In 2013, India was the 18th largest goods market for the U.S. That year, total India-U.S. trade was \$96.7 billion, up over 400 percent from \$23.9 billion in

2003. Of this total, U.S. exports to India were \$35.7 billion and imports were \$61 billion, producing a bilateral trade deficit of \$25.4 billion in 2013, up from a deficit of \$6.3 billion in 2003.

A key feature of growth in bilateral trade has been in services, which grew 600 percent since 2003, from \$5.8 billion to \$32.5 billion in 2013. This includes an increase in India's services exports to the U.S. of over 900 percent since 2003—from \$2 billion to over \$19 billion in 2013—and growth in U.S. service exports to India of over 350 percent from \$3.7 billion in 2003 to almost \$13.5 billion in 2013. In fact, since 2006 the U.S. has had a growing services trade deficit with India, even though the U.S. runs a services trade surplus with the rest of the world.

This services deficit largely reflects the growth in India as a destination for outsourcing by U.S. companies. Outsourcing has given U.S. businesses access to lower cost services inputs that has allowed them to be more competitive in the U.S. and overseas. There have been concerns, however, that outsourcing can negatively affect U.S. jobs.

For the U.S., tourism and education are the largest services exports to India.

Total goods trade has also grown substantially—over 400 percent from \$18.1 billion in 2003 to \$64.2 billion in 2013. The U.S. has a growing trade in goods deficit with India, which was almost \$20 billion in 2013, up from \$8 billion in 2003.

The U.S. stock of foreign direct investment (FDI) in India has also increased—over 600 percent since 2003—from \$4.8 billion in to \$28.4 billion in 2012. And while Indian investment in the U.S. has experienced 1,400 percent growth, this was off a low base of \$350 million in 2012 and was only \$5.2 billion in 2012.

Key Recommendations for India and the U.S.

- Commit to a deadline to conclude a Bilateral Investment Treaty. This will signal Indian government support for growing U.S. investment and provide a rules-based framework within which this can occur. It will also support growth in services trade which can be provided through FDI.
- Develop a dialogue with Indian regulators to address how India’s “Decade of Innovation” can be supported by stronger protection and enforcement of intellectual property rights.
- Affirm the administration’s support for extending access to H-1B visas for students having completed postgraduate U.S. degrees.
- India’s new government has yet to develop its trade policy. This presents an opportunity to develop a dialogue with India as to what Indian economic reforms could facilitate it joining either the TPP or the TiSA should it wish to do so.

India-U.S. Economic Ties: Reframing a Mutually Beneficial Relationship

Eswar S. Prasad

India and the U.S. have a considerable array of shared interests that have been overshadowed by a variety of irritants in the bilateral economic relationship. The key question is how to reframe some of these issues in a manner that highlights how making progress on them would be in the mutual interests of the two countries.

An obvious dimension in which both countries would benefit is providing broader access to each other's markets for both trade and finance. India is a rapidly growing market for high-technology products (and the technology itself) that the U.S. can provide, while the U.S. remains the largest market in the world, including for high-end services that India is developing a comparative advantage in.

A key issue for the two countries is to work together to address India's concerns about food security that would revive the stalled WTO trade facilitation agreement. This would be a signal of the ability of the two sides to work together in dealing with important but complicated and contentious areas. The two countries could also work together to help India develop a property rights regime and a framework for dealing with patent issues in a way that makes progress on addressing the concerns of both sides. This could serve as a broader template for dealing with a key source of friction among other advanced and emerging market economies.

While India's trade regime has been liberalized considerably over the years, there are still some sectors

where domestic policies related to subsidies and direct government involvement create barriers to trade. Bilateral discussions might help prod the Indian government to undertake reforms that would be good for the domestic economy, both directly and by promoting external trade and financial flows.

A bilateral investment treaty would help provide a framework for U.S. investors to share in different aspects of the Indian growth story and for Indian corporations that are eager to spread their wings into the U.S. Investment barriers have been reduced on both sides, but there are still regulatory restrictions that could be brought down more quickly within such a framework to encourage rapid growth in bilateral investment flows.

India needs better financial markets, including a more vibrant corporate bond market. American investors who want to share in the India growth story would find this a suitable avenue for doing so and India would benefit from having a more stable source of long-term capital for its domestic financing needs, especially on items such as infrastructure that have a long gestation period.

The Reserve Bank of India has already signaled that financial development and inclusion, within the context of a strong regulatory regime, are important priorities for promoting stronger and more equitable growth in India. While the U.S. is hardly the paragon that it was once considered to be, there are still many aspects of financial market development and

regulation where India has some important lessons to learn from the U.S.

India and the U.S. are natural allies but need a better foundation of trust to work together to promote their common interests, including in international forums. For its part, the U.S. must help build this

trust by frontally addressing India's concerns in bilateral and multilateral discussions, and also by delivering on the Obama administration's commitment to governance reforms that would give India and other emerging markets their due voice in international organizations and forums.

Moving Beyond the Immigration Sticking Point in the India-U.S. Relationship

Neil G. Ruiz

Indian immigrants are the third-largest immigrant group in the United States. In 2012, they made up the largest proportion (64 percent) of temporary immigrants entering the U.S. on an H-1B visa for highly specialized workers. Indians also represent the second largest share (15 percent) of all foreign students studying in the U.S. on an F-1 visa. The large majority of Indian H-1B and F-1 visa holders either work in a science, technology, engineering, and mathematics (STEM) occupation or are pursuing a degree in the STEM fields (75 percent of all Indian students in U.S. higher education).

Over the last couple of years, U.S. immigration policy towards India has been both controversial and uncertain, motivated on two fronts.

First, protectionists in the U.S. claim that there is no shortage of STEM workers in U.S. labor markets, accusing Indian-headquartered information technology (IT) and outsourcing companies of using the H-1B and the L-1 intercompany transfer visa to import cheap labor into the United States. This led to the U.S. Senate passing a comprehensive immigration bill in 2013 that would essentially ban companies that employ between 50 to 75 percent of their U.S. workforce on H-1B or L-1 visas—which would include all Indian IT companies. Companies that are popular for providing services to U.S. firms, such as Infosys, Tata Consultancy Services, and Wipro, also have a large business of “insourcing” jobs into the United States. Their U.S. business model relies on hiring workers (who are mostly on H-1B

or L-1 visas) to provide technology-related services to American companies. India’s tech industry argues that their IT companies contribute enormously to the U.S. economy and have a hard time filling these jobs from the American talent pool.

American-based IT companies like Accenture, Deloitte, and IBM that are in the same business of providing professional services with a much smaller proportion of their U.S. workforce on an H-1B or L-1 visa stand to benefit from the Senate restrictions. An unintended consequence of the Senate bill could be stifled competition for these IT-staffing services. American-based IT companies could charge higher fees for these client services and Indian IT companies with visa restrictions would be less competitive. But with no movement by the U.S. House of Representatives to pass a similar immigration reform bill as the Senate, these potential restrictions no longer exist, at least in the short-term.

Second, with the 85,000 H-1B visa cap being reached within the first week that the U.S. government accepts applications, finding a visa for Indian workers in the U.S. has become problematic. Several high-profile legal cases exposed violations made by Indian IT companies for using non-employment visas for employment purposes. For example, there was a \$34 million settlement last year between Infosys and the U.S. government over allegations that Infosys misused business visitor (B-1) visas, for workers that require an H-1B visa—allegations that the company denies.

Key Recommendations

- The United States should develop a dialogue between U.S. immigration regulators/policy-makers and Indian IT companies to understand how the current immigration system can accommodate the business practices of the global IT industry. Client-based IT consulting work requires global mobility and regulators need to understand how immigration policy can accommodate this standard practice.
- The Obama administration should affirm its support for changing the immigration system to allow foreign students studying in the United States on an F-1 visa to work in the U.S. after they graduate. This would free up the number of available H-1B visas and allow U.S. companies to hire foreigners with U.S. degrees directly.

Intellectual Property Rights: An Eminent Domain Approach for India and the U.S.

Subir Gokarn

Intellectual property rights (IPR) are a significant point of contention between India and the United States. India is on the Office of the U.S. Trade Representative's (USTR) IPR priority watch list, indicated in the Special 301 Report for 2014, which signals heightened scrutiny and, from India's perspective, the threat of sanctions. The USTR has announced an Out-of-Cycle Review of India's IPR regime in the fall of 2014; this could be a prelude to specific actions.

The Special 301 Report lists a number of areas in which the U.S. is concerned about either the absence of explicit legal protections for IPR or inadequate enforcement of such provisions. Five domains are specified: copyright and piracy, patents and regulatory data protection, trademarks and counterfeit, trade secrets, and localization trends. Concerns are articulated in all of them, but efforts by India, either in the form of existing mechanisms or new initiatives, are recognized.

Consider two of these issues from India's perspective. In the first category, copyright and piracy, interests of domestic and foreign entities may well be closely aligned. The Indian entertainment industry has been vocal in its complaints about piracy, but effective countermeasures are evidently yet to be found if one is to go by the ease with which, for instance, new movies can be downloaded from the internet. The Report refers to the "camcorder" phenomenon, which may now be dated, given that digital recording devices are even easier to sneak into

movie theatres. Of course, the U.S. itself was not immune to the problem (recall *Seinfeld*, Season 8, Episode 4, October 1996, in which Jerry is persuaded to bootleg the film *Death Blow* with a camcorder and eventually begins to take pride in the quality of his work!). The essential point, however, is that tighter and more effectively enforced laws here are to everybody's benefit.

The issue of patents and regulatory data protection is undoubtedly the most contentious. India's objectives, particularly when it comes to pharmaceuticals, are clearly driven by an unexceptionable welfare motivation: if knowledge that might save people's lives exists, it must be brought to bear; to the extent that such knowledge is in the private domain, the power of the state to make it public, at least in a limited way, must be used. This situation seems to resemble the ones in which the "eminent domain" power is used in the U.S. That power is based on the premise that the public good sometimes outweighs the private interest. Using it in the context of IPR clearly brings a cross-border dimension to an otherwise largely domestic issue, but the principle is valid and could provide the basis for a middle-ground solution.

The other sector about which the U.S. is concerned is clean energy. Unquestionably, the incentives to develop these critical solutions are diluted by unremunerated use. Legal action across borders is complex and unreliable. On the other hand, though, the global responsibility for climate change mitigation

and adaptation does imply that at least some of the costs of implementing new technologies in countries like India should be supported by subsidies and/or transfers.

To sum up, both countries may benefit from seeking the kind of middle ground solution provided

by the principle of eminent domain. This means an agreement on the very specific conditions in which instruments like compulsory licensing will be used and what kind of subsidies and/or transfers might be used to offset the disincentives.

Global Economic Development

India and the United States

Homi Kharas

India and the United States share a common interest in global economic development. The U.S. is the largest provider of official development assistance, and the principal architect of the liberal order of global trade and investment flows that underpin global growth and development. It has provided the security umbrella protecting states from conflict, piracy and terrorism. Thanks to its logistical/military capabilities, the U.S. is the most effective international responder to natural disasters, especially when these affect isolated places and communities.

India has been a major beneficiary of this context for global development. Its reforms to open its economy in the 1990s are widely cited as the starting point for the escape from the “Hindu rate of growth” and the transformation of India from a \$333 billion economy in 1994 into today’s \$2 trillion economy. The number of people living in poverty in India has fallen by more than half in the last decade, to between 180 and 250 million people.

Yet India and the U.S. have repeatedly clashed in global forums on key development issues, mostly along familiar North-South lines. These same divides, however, provide opportunities for advancing the development agenda if India can influence the G77 while the U.S. leads the G7.

Global governance: India has championed the idea of a greater role for emerging economies in the major international financial institutions, notably the International Monetary Fund and the World Bank.

Governance reforms in these agencies, however, have stalled, most recently as a result of U.S. Congressional reluctance to provide the necessary authorizations. At the same time, India has joined forces with the rest of the BRICS to form a new Development Bank, widely interpreted as a competitor to the World Bank and a symbol of the willingness of BRICS countries to go it alone in efforts to reform global governance.

The U.S. and India could work together to make the BRICS bank a success (probably through asking the U.S.-backed Asian Development Bank or World Bank to participate as observers), helping to make it a complementary part of the global financial architecture rather than a competing organization. They could also discuss the potential for faster governance reforms in global bodies. (Although India ostensibly would champion this, it is also aware that any such reforms would tend to benefit China more than India, leaving the latter at a relative disadvantage to its main rival for G77 leadership.)

Trade: India has long protected its domestic farmers through above-market procurement prices, building large government stockpiles with the resulting surpluses. At Bali, an agreement was reached for a trade facilitation agreement that would cut customs red-tape and lead to a further opening to trade, especially in developing countries where such restrictions tend to be highest. There was also an agreement to discuss the issue of domestic subsidies and stockpiling, but work on this has not proceeded at a satisfactory pace,

so India has yet to agree on the broader framework. The failure to achieve a resolution of this dispute has once more underlined the difficulties in achieving success in multilateral negotiations. Creating greater mutual understanding between India and the U.S. on the benefits of multilateral cooperation would be useful.

Post-2015: India has been rather silent on the post-2015 agenda, designed to replace the Millennium Development Goals after their expiry in 2015. Indian officials have argued that a growth agenda should take precedence over either poverty reduction or climate change (two major priorities for the post-2015 agenda), that institutional reforms (like anti-corruption or freedom to access government data) should be excluded on the grounds that they are a matter for national sovereignty rather than international norms, and that the principle of “common but differentiated responsibilities” be applied to the development agenda. In all these examples, the Indian position is the

polar opposite of that of the U.S. The new Modi government position on these issues, however, is unclear, and there may be an opportunity for a political dialogue to overcome the bureaucratic responses to date.

Energy: India’s carbon emissions are still moderate (1.7 metric tons per capita), but it is the world’s fifth largest emitter. India is also the only major country that does not have plans to reduce its emissions between 2020 and 2040. Current projections indicate that these could increase by 60 percent instead. India has options to decrease its carbon footprint by participating in the UN’s REDD+ program (grants for sustaining forests) and by embracing clean energy. India and the U.S. have a Partnership to Advance Clean Energy (PACE) and a Promoting Energy Access through Clean Energy (PEACE) program, with useful results. Lessons from these programs could be valuable for other developing countries also seeking clean energy alternatives.

Energy: A Solid Pillar upon which to Build India-U.S. Relations

Vikram Singh Mehta

Energy should be a solid pillar upon which to build and consolidate India-U.S. relations. Both countries have a common interest in weakening the nexus between economic growth, energy demand, and environmental degradation. Both countries have concerns about energy supply and energy security. And both countries have to wrestle with the politics of walking the tightrope between enabling the market and regulating the sector. The governments should cement these commonalities through forums that facilitate exchange of information, technology, regulatory experience and policy implementation. These forums should bring together government officials, regulators, and domain experts.

The U.S. has a strategic interest in geopolitical stability and a stable global oil market. It has wrought a “shale revolution” through entrepreneurship and innovation. It has been at the cutting edge of clean energy technology. India, too, has an abiding interest in the freedom of movement of oil and gas, especially through the choke points in the Middle East. It needs to bridge the gap between surging energy demand and scarce supplies. And it must harness clean energy technology to manage the environment.

Three subjects should be on the agenda of an initial conversation on the specifics of an exchange.

First, the U.S. Energy Independence and Security Act of 2007: This act laid out the road map for the U.S. to achieve energy independence, energy

security, and energy sustainability. It also defined the metrics for measuring progress. India needs a similar road map. It should also consider legislation—the “Energy Responsibility and Security Act.” The context is markedly different in the two countries, but India could benefit by drawing on the U.S. experience to understand better the effectiveness of such legislation in coalescing public effort behind the objective of energy independence.

Second, the role of the government in developing new energy technology: The U.S. government has been a major contributor to energy innovation. The independent wildcatter George Mitchell has, for instance, been credited with the “shale revolution.” What is overlooked is the financial support he received from the U.S. government for nearly a decade. Another example is solar, which is fast becoming competitive against fossil fuels as an energy source. McKinsey & Co. has calculated that the cost of installed solar power in the U.S. has dropped from \$6 per watt in 2010 to \$2.60 per watt today and it estimates that it will come down to \$1.30 per watt by 2020. If these projections bear out, then solar will soon give natural gas a serious run for the energy market. This steep cost reduction has only been possible because of the fiscal credits and the research grants provided by the government to universities, laboratories and companies. The Indian government has not been comparably supportive. It did set up a “clean energy” fund in 2000 but the bulk of those funds have not been disbursed. Instead it was sequestered by the Finance Ministry to ease

the fiscal strain. Prime Minister Modi has talked of a “saffron revolution,” stressing the importance of solar energy and Finance Minister Jaitley in his budget speech has announced a doubling of the revenues going into the clean energy fund. This suggests that the government intends to move clean energy up on its policy agenda. It may therefore be an opportune moment to create an inter-government energy forum for joint research and development (R&D) and technology transfer.

Third, the contours of energy collaboration between the American and Indian defense establishments. The Pentagon is the single largest consumer of fuel in the U.S. Its agencies use about 90 million barrels of oil at a cost of approximately \$15 billion every year. Energy efficiency is a core focus area and it has allocated \$9 billion over the next five years

for R&D on fuel efficiency, new blends, storage systems, electricity distribution, materials, etc. The Indian defense establishment is huge and it, too, has a compelling reason for pushing fuel efficiency and conservation. This mutuality of interest offers a peg on which to define the nature and extent of possible collaboration between the two establishments.

There are, of course, other subjects that could be on the agenda. Three such subjects: the export of liquefied natural gas from the U.S. to non-free trade agreement countries like India; the geopolitical, geoeconomic, and financial dynamics of international gas pipelines (Iran-Pakistan-India; Turkmenistan-Afghanistan-Pakistan-India; Russia-China); and maritime security. But, if time were limited then the three subjects outlined in more detail above should be the focus.

Indian Energy Market Development

Opportunities for Collaboration with the U.S.

Charles K. Ebinger and Tim Boersma

As a number of Indian policymakers have noted, Indian energy policy has not been on a sustainable course. With imports of natural gas, coal and oil to fuel its economic growth soaring, the drain on the balance of payments and the impact on the government's ability to deal with other pressing economic issues (such as health, education, and infrastructure) are both critical problems. To deal with these issues, the central and state governments must embark on bold reforms.

First and foremost, the challenges that Indian policymakers face have to be addressed domestically. There are, however, also a number of opportunities to engage and collaborate with countries like the United States. Below are some tangible examples.

Technical expertise: The U.S. can provide significant technical expertise on addressing some of the most urgent reforms that have to take place at the domestic level in India, such as safeguarding payments for electricity in all layers of society, increasing transparency and reducing losses, and ensuring that, in particular, large governmental entities, including the military, start paying their electricity and natural gas bills.

Shale development: According to the U.S. Energy Information Administration, India has an estimated 100 trillion cubic feet of technically-recoverable shale gas under its soil. Experiences in the U.S. provide lessons on how to extract these resources responsibly. Though private-sector actors are most knowledgeable

in this respect, the U.S. State Department's Bureau of Energy Resources also engages with other governments to bring experts together and exchange best practices based on U.S. experiences.

Renewable energy development: India has very significant potential for domestic renewable energy development, yet difficulty realizing its ambitious goals. A part of the problem links back to domestic balance of payments issues and the resulting high cost of capital. Still, India has developed very strong expertise in both wind and solar technology, and is deploying this on a significant scale. This is all the more important for the poorer regions in India, where distributed generation is more likely to provide access to electricity that is so direly needed. Though the U.S. on the federal level does not have an image of being a frontrunner in climate and renewable policies, in fact, on the state level there are an increasing number of very ambitious policy frameworks and incentive schemes. It would be valuable for American and Indian policymakers—at both the central and state level—to share information, experiences and lessons in this regard.

Carbon capture and sequestration (CCS): India and the U.S. have a shared interest in further developing CCS technology to help address the air quality problems that come with abundant fossil fuel usage. Though in recent years natural gas has become more competitive for electricity generation in the U.S., it is worth noting that, until at least 2035, coal is expected to remain the dominant feed-

stock in the U.S. In India, coal usage will continue as it is considered cheaper, it is available domestically (though India imports coal as well), and much of India's power generating capacity is coal-based. Furthermore, it is seen as fueling economic growth. If both countries acknowledge the challenge of global warming, however, making CCS economically viable must be a key priority.

Civil nuclear cooperation: India and the U.S. should continue to try to implement their civil nuclear agreement. Under this initiative, Indian and U.S. companies can increase their collaboration and expand the share of this clean source of energy.

Energy efficiency: India and the U.S. can multiply existing initiatives on energy efficiency. One way could be in designing the megacities of tomorrow. If tomorrow's cities are to be more sustainable, it is essential to implement binding energy-efficiency

standards, distributed generation for electricity, and standards for housing. Both Indian and U.S. firms have technological expertise to realize this, and policy and regulations can be designed to incentivize the exchange of knowledge, especially on day-to-day implementation.

Liquefied natural gas (LNG) exports: These days an often quoted ambition is the desire from major energy importing countries to tap into U.S. shale gas by importing U.S. LNG. This is largely based on an inflated promise. It remains to be seen how much U.S. natural gas will eventually come to the market and be competitive (we believe between 6-8 bcf/day). Furthermore, whatever LNG makes it to the market will be sold to the highest bidder—and these are mainly business rather than government decisions. Indian firms could certainly be among those bidders, but it is important to have realistic expectations in this respect.

India-U.S. Energy Cooperation

Moving to Green, Clean and Smart

Rahul Tongia

The U.S. is the second largest energy consumer in the world, and India is soon to become the third. The U.S. already has a large consumption base; India has enormous growth ahead of it given the low per capita levels of energy consumption (an order of magnitude lower than the U.S.). This difference—high consumption today versus high consumption tomorrow—becomes secondary when we recognize the advantages of bilateral collaboration, in part based on commonalities. Of course, commercial concerns abound, but modern industries, especially high-tech ones, have shifted from the extremes of pure cooperation versus pure competition towards a middle ground, dubbed “coopetition”. The India-U.S. energy relationship will also need to strike this balance.

Both nations have large populations and a federal structure. They also have an abundance of coal, which is viewed as a dirty fuel, though cleaner coal usage, including through carbon capture and sequestration, can be one area for research and collaboration. Beyond carbon concerns, other challenges including land use, transportation bottlenecks, and local air pollution are strong drivers for diversification of supply away from coal in India, especially through renewable energy (which could become a multi-billion dollar market).

Climate change: agreement on the challenge, but no easy answers. Both India and the U.S. recognize climate change as an important challenge, but in the U.S. domestic resistance has often prevented dra-

matic steps being taken, the recent 30-percent-reduction plan by President Obama notwithstanding. In India, the pressures of increasing energy access and consumption—linked to economic development—limit commitments in the short run, especially any with binding targets and penalties. Even the voluntary improvement in carbon intensity by 2020 announced by the previous Indian government doesn’t appear so ambitious when compared with what is already being achieved (in part due to the rise of the services sector in a growing economy). Collaboration can span both mitigation and adaptation initiatives, especially at the sub-national level (e.g., city-to-city or state-to-state partnerships).

Business as Usual (BAU) won’t work. Business as Usual (BAU) is the extrapolation of today’s energy usage trajectory in terms of fuels, consumption, etc. Improving on BAU in the U.S. context means cleaner energy and de-carbonization faster than is happening otherwise. Improvements are taking place, but not evenly. Cheap natural gas has helped but it won’t necessarily solve the problem—it may even reduce any sense of urgency. In contrast, improving on BAU in India means providing modern energy services to the large section of the population that has either erratic or non-existent access to efficient fuels and electricity. It’s not clear how this can be done in a traditional manner, even if one had all the coal in the world available at one’s disposal. New solutions, in terms of technology, and energy services and management, become critical. This is where innovation and bilateral collaboration can help.

Smart Grids and smarter management. The advantages of green/clean energy for supply are well known, but it also has limitations beyond the usual challenges of price, location-sensitivity and variability, especially in the short term. In India, a weaker electrical grid makes managing renewable energy even harder, since most renewable sources cannot easily contribute to the evening peak demand.

While adding supply in India is important, it won't be enough. Instead of the traditional grid where supply has to increase to meet rising and fluctuating demand, a future grid can mitigate and even control demand to match fluctuating supply conditions, such as the variability of green power.

This is why a Smart Grid, which is both more robust and green power amenable, becomes essential. A Smart Grid is a broad transformation of the electricity system using digital communications and control, and encompasses various technologies at many levels of the grid. The U.S. has extensive experience with Smart Grids, and learning and collaboration will help India to avoid having to re-invent the wheel, even if India-centric changes in design are required.

Collaboration and New R&D. Innovation across the energy spectrum—supply, storage, conversion, consumption, etc.—will drive improved sustainability. Even something as mundane as storing energy via pumped hydropower (running a dam in reverse), which is commonplace in the U.S., is rare in India. Yet it cost-effective and highly efficient, more so

than today's batteries, and thus could be an area for cooperation.

There will and should be gradualism in the research and development (R&D) involved, but India and indeed the world needs sustainable energy breakthroughs as well. While somewhat of a stereotype, U.S. product innovation (most recently with batteries, solar cells, etc.) and Indian expertise in process innovation, which extends to frugal engineering, can complement each other for helping realize new solutions with a global impact. Areas of potential collaboration include new materials (spanning batteries, nanotechnology and insulation), hyper-energy-efficiency, and solid-state power electronics amongst others.

One channel for collaboration can be through the inclusion of additional existing or new players interested in innovation and commercialization. These include private research entities, non-governmental organizations, start-ups, spin-offs, etc., which are sometimes left out of "big collaboration" initiatives between India and the U.S., such as the Joint Clean Energy R&D Center.

As both nations take action based on the growing sense of urgency in clean/smart energy, this will also help displace historical mistrust if not blame (à la carbon and technology transfer). The market potential and access to energy human imperative are too large for business as usual to continue.

Climate Change

An Opportunity for India-U.S. Cooperation

William J. Antholis

With less than 18 months to the next major climate change negotiation in Paris in 2015, Prime Minister Modi has an opportunity to move India into the front-ranks of international leadership on the topic. He can do so in a way that is consistent with advancing India's economic development. Cooperation with the U.S. can help him in that effort.

India's energy needs and shifting consensus: Affordable and reliable energy remains a high priority for the Modi government, without which growth will continue to be sluggish. Simultaneously, the government recognizes that an exclusive focus on fossil fuels would exacerbate local air pollution and further threaten India's climate security.

As the world's fourth largest greenhouse gas emitter, India must be part of any solution to the climate crisis. But since global climate change has many causes—particularly the very large current and historic contributions of developed nations—Indian officials have been reluctant to take a leadership role, particularly in global climate diplomacy with advanced economies. India has followed a principle of Common But Differentiated Responsibilities (CBDR), by which India would only commit to emissions cuts when others reach India's low per capita emissions level.

Concerns about equity are indeed valid. Still, the consensus within India has begun to shift toward a more activist position in both addressing the causes

of climate change, and also preparing for a warmer climate. Thought leaders recognize that climate change affects India directly, through rising sea levels, declining monsoon rainfalls, unpredictable Himalayan melts, etc. Moreover, other large emitters have started to slash emissions. The United States and China have each taken promising steps recently. Given India's desire to play a leadership role in global bodies, India can benefit from taking a more forward-leaning position prior to the Paris talks.

Cooperating on domestic programs: Prime Minister Modi comes to New Delhi directly from having served as a chief minister. He also comes deeply aware of energy and climate change policy. That preparation will be valuable not only in governing India, but also in partnering with the United States.

Central to Prime Minister Modi's success in Gujarat was his reform of the state's energy system—eliminating subsidies and thereby increasing electricity production and distribution. He also became well versed in both the science of climate change, and efforts to slow greenhouse gas emissions. As a result, he prioritized solar power, and self-published a book on his "convenient actions." That said, there remain some questions about how much Gujarat followed through on ambitious goals, and Prime Minister Modi should try to address those questions in his first months in office.

One opportunity for Prime Minister Modi may be to use his experience as a state-level leader and to

apply internally to India the principle of Common But Differentiated Responsibilities. What should be “common” is the obligation for each state to act. What should be different is the level of responsibility. The U.S. Environmental Protection Agency has adopted this approach in designing carbon reduction targets for states, as has the European Union when allocating reduction targets across its member states, and as has China when designing its regional pilot programs. India can share best practices with the United States and the other major, complex, federal and provincial governments.

India and the U.S.: similar views on sovereignty:

Once Prime Minister Modi has established a domestic plan of action, he will be empowered to shine globally. This fits with his vision of India as a world power—not looking to others to define India’s greatness, but open to pragmatic cooperation.

Starting with domestic actions will allow the Indian government to avoid concerns that it has sacrificed Indian sovereignty. Just as in the United States, many in India fear that the U.N. process will lead to a global body that will set emissions targets. Instead, India and the U.S. share an interest in ensuring that targets develop from the bottom up—as they should. The U.S. guards its sovereignty as vigilantly as India does. The U.N. process should not dictate obligations.

U.S. must demonstrate that it can act: As the U.S. and India work together, U.S. officials must demonstrate that they feel an obligation to act ambitiously to cut greenhouse gas emissions, given America’s level of economic development and the current size and historic volume of U.S. emissions. In advance of the 2015 climate talks in Paris, the U.S. must keep India abreast about progress on America’s climate program—both building confidence and sharing best practices. The U.S. must also demonstrate that it understands the needs of developing countries—in growing their economies, in improving their resilience to a changing environment, and in slowing their own emissions.

Other areas for cooperation: The U.S. and India can also scope out areas of cooperation, including concrete initiatives: advancing the Green Climate Fund; providing technical help on shale gas exploration; cooperating on solar, wind, and hydro-power technologies; cooperating on forests policy, especially conservation and accounting; cooperating on climate resilience (drought, flood and coastal issues); and developing state-to-state and city-to-city cooperation on resilience, mitigation, monitoring and assessment (e.g. Gujarat-to-California; Mumbai-to-New York).

Strategic Opportunities for Advancing Healthcare Reform in India and the U.S.

Kavita Patel

Both India and the United States have undergone major recent changes to enhance access to affordable health insurance. Prior to the passage of the Patient Protection and Affordable Care Act (known as “Obamacare”) in 2010, the United States had an estimated 51 million uninsured (approximately 16 percent of the total population); this number is expected to drop to approximately 11 million by 2020, largely through an expansion of public insurance programs and the offering of subsidized private insurance through health insurance exchanges. The goal of the expansion was both to increase access for all Americans and also to decrease cost and improve the quality of healthcare.

India, in turn, has undergone significant economic growth over the last decade, yet that growth has not improved the health of all Indians. In 2008, an estimated 53 percent of deaths in India were caused by noncommunicable diseases, which are defined as diseases of long duration and are generally slow in progression, such as cardiovascular disease, chronic respiratory diseases, cancer, and diabetes. Medical expenses push an estimated 63.2 million Indians into poverty every year largely fueled by the fact that over 75 percent of health expenditures are out of pocket. As healthcare demand has outstripped public supply, India has turned to demand-side subsidies through:

- State-specific schemes such as Yeshasvini and Vajpayee Arogyasri Yojana;
- Janani Suraksha Yojana, an effort to promote hospital deliveries among poor pregnant women;

- Rashtriya Swasthya Bima Yojana, the most recent large-scale effort.

The Rashtriya Swasthya Bima Yojana (RSBY) or National Health Insurance Program currently provides hospital insurance to individuals roughly in the bottom quartile of the asset distribution. Approximately 30 million households were enrolled by 2012 and insurance coverage is worth 30,000 rupees per household at empanelled hospitals. The value of the insurance is transmitted through a biometric smart card, thus ensuring that only the intended beneficiary is the recipient of services. In contrast to Obamacare, the RSBY has not been deployed across the entire country and uptake has been low in some parts of the country, but efforts are underway to promote uptake and overcome enrollment barriers.

Both countries are exploring evaluations of their respective insurance programs and there are several key areas which offer tremendous opportunities for collaboration, shared learning, and further activity.

Key Recommendations and Opportunities for Collaboration:

Understand and establish parameters for expansion of the RSBY program. The United States has recently undergone expansions with income-related subsidies for citizens above a certain income level; the RSBY program is for Indians below the poverty level; expansion with premiums for those above the poverty level could be a critical path for sustainability and

potentially attract additional private sector interest. India and the U.S. could work together to explore options for expansion including modeling potential subsidy targets as well as gauging interest from private-sector companies.

Develop a critical clinical data infrastructure for India. The use of a novel biometric process and the associated use of a RSBY card has yielded an unprecedented amount of data; the U.S. has also entered into the era of big data through the expansion of electronic health records. Common privacy concerns as well as high priority data standardization efforts offer great cross-country collaboration and learning. The U.S. has struggled with any biometric-type approach to public health insurance and could learn a great deal from RSBY's deployment.

Establish goal of reduction of noncommunicable diseases (NCD) by 2025. It has been long understood that chronic diseases can ultimately stifle economic security through insurmountable health-care costs as well as lost productivity. For India to continue to gain global economic power, it should implement an aggressive NCD reduction strategy. By targeting diseases such as cardiovascular disease and diabetes, India can rely on successful delivery system reform strategies such as those developed by emphasizing the roles of general practitioners and community health workers in the United States and other nations.

Strengthening India-U.S. Relations through Higher Education

Shamika Ravi

Over the last 20 years, we have witnessed an explosion of aspiration among the Indian youth, who are also among the biggest supporters of Prime Minister Modi. Access to quality higher education is the launch pad for the realization of those aspirations and dreams of young India. College and university education, however, remain off-limits for many talented Indian students. Increased numbers of school graduates are opting for college education but the shortage of quality higher education institutions has led to sky-high cut-off marks for admission and the proliferation of dubious illegal institutions. Compared to China, access to higher education in India looks dismal. In 2000, the gross enrolment ratio in higher education—the number of individuals going to college as a percentage of the college-age population—was 8 percent in China and 10 percent in India. In less than a decade, this rose to 23 percent in China but in India, this rose only marginally to 13 percent, reflecting the extreme shortage of higher education institutions.

It is now well accepted that the U.S. is the undisputed superpower when it comes to university rankings where it dominates almost every such list, significantly ahead of other countries including Germany and the United Kingdom. At the same time, not a single Indian university has featured in the top 200 either in the QS World University Ranking or in the Times Higher Education rankings. India's best universities are Delhi, Hyderabad, Mumbai, Calcutta, and Madras but none of them make it into the global rankings. The Indian Institutes of

Technology and Indian Institutes of Management are centres of excellence in teaching but have low research productivity and are not universities. It is estimated that nearly 100,000 Indian students today study in American universities. While this reflects the superior quality of higher education institutions in the U.S., it is also a strong indicator of the low capacity of the Indian higher education system. A natural area to strengthen India-U.S. ties, therefore, would be in the higher education sector. India can start by exploring ways to increase investment in the higher education sector and by ensuring that the quality of teaching is world class, with an overriding objective of making higher education accessible to anyone with the talent for it.

Areas in which bilateral cooperation should be explored:

Financing: This is a major bottleneck in the Indian higher education system. With pressures to cut fiscal deficits, and tight central and state government budgets, there is an extreme shortage of resources that are necessary for expansion of access to higher education to all those who deserve it. While the Indian government has allowed foreign universities to open campuses in India, several regulatory constraints and manoeuvring a cumbersome bureaucracy remain serious impediments. As a result, not a single foreign university has made an independent entry into India.

Teaching quality: The quality of a higher education degree is only as good as its curriculum and the

quality of the teachers. Indian universities are unable to compete with rising private sector salaries and find it difficult to recruit and retain top quality teachers. This is an area where India can learn from the vast positive experience of the U.S.

Research: Good quality independent research is a hallmark of any global university. It actively feeds into pedagogy through cutting-edge curriculum, forms the basis for business development in the corporate sector, and can also be the anchor for government policy making. Except for a handful of stand-alone research institutes, India lacks the culture of independent academic research and, here again, India could learn from the superior experience of the U.S. higher education system.

Governance: For higher education institutions to thrive and compete globally in the above three areas, India must develop a robust governance structure for this sector. Considering what aspects of the regulatory framework and accreditation system of the U.S. higher education sector make it flexible and innovative can be the most critical area where India can learn from the successes of the U.S. university system.

The creation of world-class universities and a culture of academic excellence will benefit millions of Indian students. This makes economic and strategic sense for both India and the U.S., which share common values of liberal plural democracy.

India and the International Order

Bruce Jones

India faces a defining period. Its status as an emerging global power is not just being recognized but also increasingly institutionalized, with a seat on the G20, the initial presidency of the BRICS Development Bank, and more. As the country continues to assert itself economically on the world stage, India will inevitably wield greater international political and, possibly, military influence.

As its influence rises, though, India will have to decide how to navigate a changing world. Security challenges in its immediate region will continue to be a priority for Indian foreign policy. The moment it steps beyond its subregion, however, India will confront a world defined by increasingly turbulent geopolitics, changing patterns of globalization, and ongoing debates about reforms to global governance. The frank fact is that India's posture on the multilateral order has not changed as quickly or as dramatically as the order itself. The next few years will shape the options India has in shaping the international order over the long term.

In the past, India had little choice but to be a 'rule taker' in places like the World Trade Organization (WTO) and the International Monetary Fund. Some argue that India should adopt a 'rule breaker' posture, but this is likely to be self-defeating if sustained over time—India has too much at stake in stable globalization not to add its growing weight to effective problem-solving. A more credible option for India is to be a 'rule shaper'—one of a small number of powers with the ability to play a major

role in shaping the evolution of the rules of the road. India is already, tentatively, doing this in the maritime security realm, and should be able to in others as well—like climate and energy and cyber. To do so, India will have to invest in its intellectual infrastructure, but also adapt its diplomatic tools and posture.

The India-U.S. relationship will matter here. For all the rhetoric of 'relative decline,' the reality is that the U.S. remains the most influential actor by far in shaping the international system; so India-U.S. relations will be an important determinant of India's policy options. The good news is that there are strong overlapping interests here. The bad news is that neither side has invested in the diplomatic or multilateral strategies to realize those shared interests.

The U.S. is also going to have to think afresh. Against a backdrop of a shifting geopolitics, the U.S. has an interest in seeing India successfully move through the next phase of development. A major stumbling block for India will be resources policy, that relating to energy, climate, and food. Witness the recent WTO decision where India and the U.S. were on different pages, to deleterious effect for both and for global trade. If and where India and the U.S. can align their policies—in part by the U.S. understanding India's unique vulnerabilities on these issues—both sides can profit and so can the multilateral system. For example, if India is moving towards effective policy on distributed and cleaner energy, the U.S. should be prepared to shift sizeable resources towards helping India succeed in that effort. Rather than

looking at India as a problem in climate negotiations and a competitor in clean energy markets, the U.S. should see the strategic opportunity in deepening ties with a dynamic India whose influence will soon be felt far beyond its immediate neighborhood.

India-U.S. Relations:

Getting a Clearer Signal with Less Noise

Tanvi Madan

If you hear the loudest voices, you'd think the India-U.S. relationship was full of crises—not one that has arguably come further and faster than any other relationship for either country. And yet, since the two countries are democracies, these voices cannot be ignored because they affect the narrative and tone of the relationship that, in turn, can shape its substance. Thus, much as getting that substance right is a necessary and crucial condition for taking the India-U.S. relationship to the next level, it is not a sufficient one.

There have been substantive reasons for sentiment and signal suffering over the last few years, including differences, and drift because of other priorities. Yet, there have also been some reasons related to style: First, the political leaderships don't sufficiently explain the value of the relationship. Second, some advocates of the relationship inadvertently set unrealistic expectations that, when unmet, lead to disappointment. Third, while historical baggage, stereotypes and assumptions abound, there is not enough knowledge about the other country—including the constraints, complexities, constituencies, and the actors and processes involved. For example, there are few real experts focusing on the U.S. in India. Fourth, each country has a vibrant free press, which often focuses on the relationship only in tense times. Fifth, the constituencies that benefit from the relationship rarely speak up either because of lack of incentive or because of the behind-the-scenes nature of some initiatives.

So how can one get a clearer signal, with less noise? What's needed is not just a whole-of-government approach, but a whole-of-country one, involving federal and state governments, politicians, business, think tanks, the media, and the public. Some recommendations:

Explain. The India-U.S. relationship will be more sustainable and smoother if each government explains to its own bureaucracy and public, as well as the other's, where the other country fits into its strategy. There has been a reluctance to talk about the utility of the relationship, lest this be seen as "transactional," but it needs to be elaborated. The two governments have taken some steps to engage the media and opinion makers—this should continue. In the near term, other specific steps could include, for example, a public message from Prime Minister Modi timed with his visit, explaining his government's perspective on, as well as its ambitions and plan of action for the relationship with the U.S.

Learn. Government and business in each country can encourage learning about the other country. High net-worth individuals can create a significant scholarship fund for Americans and Indians designed to increase understanding of contemporary India and the United States. In addition, government and business can facilitate study tours for influential Americans and Indians. There can be study tours or short-term fellowships in the other country specifically for journalists, who are not just observers, but actors in the relationship. There can

also be fellowships for bureaucrats to learn about the political system in the other country. The Indian government, in particular, can also do more to ease the ability of a greater number of Americans to work and study in India. Those who cover bilateral relations can also learn about more the other country and the relationship—today technology has made it much easier to do so, not least by making primary sources of information more accessible.

Deal with differences. Differences are unavoidable, but American and Indian officials can continue to work together to minimize the negative impact of differences, for example, through advance consultation and notification. To the extent possible, the governments and private sectors should also deal with differences privately—when they play out publicly, they tend to elicit a counterproductive reaction. Furthermore, both sides should have a plan for cooling tempers when differences become public, including by making it easier for the other side to deal with domestic constituencies. Finally, constituencies that benefit, including businesses and states, should highlight these benefits because the tone of the relationship will shape their operating environment. For example, business groups like the Confederation of Indian Industry, the Federation of Indian Chambers of Commerce & Industry, and the U.S.-India

Business Council can issue a joint statement highlighting areas of shared interest and agreement.

Manage expectations. There are reasons for supporters of the relationship to “sell” its benefits: It helps attract attention, resources, and more supporters. However, a balance needs to be struck between underselling the relationship to the point it is ignored and overselling it to the point that unrealistic expectations are unintentionally set. Expectations don’t have to be moderated, but need to be managed. Setting a multi-year plan for the relationship would help, with realistic implementation timelines laid out. Visits and dialogues might need to be restructured to focus on particular initiatives, perhaps modeled on the joint-task-force-style State-Commerce-Defense meeting that Defense Secretary Hagel proposed to his Indian counterpart. But big deals—of the civil nuclear deal kind—should not be expected from every high-level visit and should not be the sole measure of the state of relationship. Finally, expectations from such visits can be managed somewhat if such contact is regularized. Summits between American and India leaders, for example, should not be a once-in-an-administration deal, but annual or biennial. President Obama can take a step in this direction by becoming the first American president to visit India twice while in office.

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