GETTING INDIA-US TIES BACK ON TRACK

It is now an open secret that India-US relations are in trouble. In sharp contrast to the euphoria on both sides when the nuclear deal was concluded, bilateral ties between the world’s largest and oldest democracies are today brittle and frayed. Although casual observers woke up to this reality with the debacle surrounding the Indian consular official’s arrest in New York, the truth is that ties began to lose momentum long before this unfortunate incident.

The plateauing probably began with the nuclear liability law enacted in India early during the Manmohan Singh government’s second term. This legislation chagrined India’s international champions, especially the US, leaving them disappointed because of the adverse impact on all private suppliers to India’s nuclear energy programme. The economic downturn in India, which had begun even earlier, only made things worse: It took the bloom off the Indian success story—a hit that was only amplified later by counterproductive policies vis-a-vis taxation of foreign companies and preferential market access. Although some of these retrograde initiatives were subsequently reversed, these corrections failed to capture the headlines the way that the damning original initiatives did.

Great harm was thus done not merely to India, but also to the US. In Washington, dismayed policymakers watched an Indian government that had gone off the reformist rails, substituting the sensible pro-growth policies of yesteryear with new populist schemes that threatened the exchequer and unnerved the investors. Even activities that previously heralded the strength of the bilateral ties began to flag. In an ominous sign of how much Singh had lost control over his own vision, defence cooperation began to run into strong headwinds. Also, past diplomatic engagements rooted in common concerns about China began to lose steam as India seemed intent on distancing itself from Washington in an effort to chalk gains in Beijing that never came.

With such trends, India no longer looked like a winning proposition to politicians in Washington. Their attentions quickly shifted elsewhere, creating a vacuum that would be filled by those who cared little about the ties. The unkindest cut was levied by American business which, dismayed by both the diminishing opportunities in India and the UPA 2’s unfriendly policies, propelled the clamour of opposition to India in the press and on the Capitol Hill. In such poisoned atmosphere, special interests—not strategic vision came to rule the day and the “defining partnership” that US President Barack Obama and Manmohan Singh had expected to seal ceased to be so.

Thankfully, not all is lost. If the relationship lost momentum mainly because of India straying off its high-growth path, recovering its economic promise will do much to repair ties. The coming elections in India will herald a new leadership. On current trends, it looks like Narendra Modi will be the new prime minister. Modi, undoubtedly, feels personally bruised by the past US decision to revoke his visa. Consequently, he is unlikely to be accused of harbouring fuzzy feelings towards Washington. Yet, Modi, is above all, a nationalist who will do whatever is necessary to advance India’s interests. If the relationship is to be jumpstarted under such circumstances, Washington will have to extend an outstretched hand of partnership to the man—and fast.

Nothing that has happened in the past few years has erased the need for a strong India-US partnership. If anything, the world around India and beyond has become more complicated. In the subcontinent, the dangers confronting New Delhi are increasing—a weakening Pakistan, a strengthening China, and a variety of unstable neighbouring states. In the wider world, the threats to territorial sovereignty are still alive—both those mounted by India’s friends, such as Russia, and those levied by its rivals, such as China. The multilateral trading system on which India’s prosperity depends is changing in ways that could hurt its long-term interests. Also, the dangers of terrorism, nuclear weapons and threats to the global commons have not abated.

All these will require renewed India-US cooperation. And achieving that will require, for starters, a new consensus on how the problems on India’s immediate periphery are to be managed. A Modi government will insist on New Delhi’s interests being taken more clearly into account in US decisions affecting the region. Washington, in turn, will be looking for ways in which India can be an effective partner on a range of global issues. Although it is commonplace to complain about the recent deficits in the White House, South Block has not distinguished itself in contrast either. If this gap can be filled, and India’s return to economic success assured, there is enough to sustain a fruitful engagement that serves mutual interests for a long time to come.

To renew ties with the US, a new consensus will be required on how the problems on India’s periphery are to be managed.

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