



Session on
“The Future of the US India Relationship”
4:30 pm – 6:00 pm: May 10, 2011
Aftab Mehtab, Hotel Taj Mahal, Mansingh Road, New Delhi

The India-US relationship is at a defining moment against the backdrop of a rising China, new developments in Afghanistan, global warming and India’s re-entry into the UN Security Council after two decades.



Reflecting on the likely impact of the targeting of Osama Bin Laden deep in Pakistan on the US-Pakistan relations itself and the likely American approach to Afghanistan in the wake of this development, Mr Richard Haass said the world would perhaps be safer now though not entirely safe as terrorism will continue. For the US, Pakistan is a limited partner. There is no definite conclusion that can be drawn as regards the bilateral relations although this is a difficult moment, he said.

The Osama targeting is not an isolated event but part of the American move to reduce troops in Afghanistan. American presence in Afghanistan has come at a high cost of \$2 billion a week, a huge burden on the American taxpayer.

The majority of Americans believe that Osama could not have been hiding deep in Pakistan without the knowledge of the Pakistan army. In the longer run, the US will reduce the strategic dependence on Pakistan, said Mr Robert Blackwill, Henry A. Kissinger Senior Fellow for U.S. Foreign Policy Council on Foreign Relations.

The US dependence on Pakistan was primarily to ensure supplies to Afghanistan. It is now clear that it had come at a high price. This dependence will come down with the US reducing its troops in Afghanistan. Also, the US aid to Pakistan will have far more conditionalities attached to it, he said.

Since the 1950s Pakistan has queered India-US relations. By the early 1990s, the bilateral relations began to change. During the Kargil War, the US took a fair stance, said Mr Naresh Chandra, Chairman, National Security Advisory Board and Former Ambassador of India to the US.

He said that careful attention will be required on which country will attempt to fill the vacuum that an American withdrawal could potentially create. India will play a pro-active role in strengthening the Afghan state institutions.

Mr Jamshyd Godrej said that while both India and the US share common values, the dissonance crops up in respect of trade and high tech denial. He said that R&D cooperation is important in the context of the increasing bilateral business engagements.

The benefits of cooperation in the development and promotion of super efficient appliances are enormous, he pointed out.

Regarding the rise of China, Mr Blackwill said it was hard to guess where the country would be 20 years hence. He felt that a containment policy may not work well, neither would a confrontationalist approach.

China has not been a responsible stakeholder nation. Its behaviour in terms of trade, currency and geopolitics, especially with regard to South China Sea, raise key questions. Besides, it has kept India entangled in South Asia by providing key support to Pakistan.

Mr Godrej said that while India's economic engagement with China has increased exponentially, Indian industry has been at the receiving end of Chinese imports. Indian manufacturing companies are unable to match the Chinese scale of operations and Indian physical infrastructure bottlenecks add to the problems.

He said that competing with an opaque China is a tall order. Even the Indian SMEs have been deeply affected by the Chinese market dominance.

However, part of the solution lies in making Indian industry much more competitive. The introduction of Good & Services Tax (GST) and structural economic reforms will provide additional strengths to the industry.

Mr Haass said that aid to Pakistan has to be made more conditional and tied to performance. He said that there is greater interest in testing the interest of Taliban, meaning there is place for diplomacy.

Mr Blackwill observed that Afghanistan can be stable only through a regional framework involving India, Pakistan, China, Russia, Iran and others. He said that US is obligated to work out a negotiated outcome in Afghanistan.

Session: The Future of the US-India Relationship

Moderator: Dr. C Raja Mohan, Strategic Affairs Editor, Indian Express

Panel: Mr Robert D. Blackwill, Henry A. Kissinger Senior Fellow for U.S. Foreign Policy Council on Foreign Relations

Mr Richard N. Haass, President, Council on Foreign Relations

Mr Naresh Chandra, Chairman, National Security Advisory Board & Former Ambassador of India to the US

Mr Jamshyd N Godrej, Chairman & Managing Director, Godrej & Boyce Manufacturing Company Ltd

Proceedings

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