



# India-US Relations: Challenges and Way Forward

**Foreign Policy Research Centre**  
in collaboration with  
**Rajiv Gandhi Institute for Contemporary Studies**



RAJIV GANDHI  
INSTITUTE FOR CONTEMPORARY STUDIES

### **Distinguished panelists:**

Dr. Chintamani Mahapatra, Rector and Professor,  
Centre for American Studies, JNU

Maj-Gen Dhruv Katoch, Director, India Foundation

Ms Smita Sharma, Foreign Policy Writer  
Bylines ETV Bharat/Huff Post/ Ex-Tribune /India Today/IBN

Mr Dipanjan Roy Chaudhury, Sr. Assistant Editor (Foreign Affairs)  
The Economic Times, New Delhi

### **Concept and Review**

Mr Vijay Mahajan, Director  
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Published by:  
Rajiv Gandhi Institute for Contemporary Studies, New Delhi

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## Donald Trump's visit to India – Feb 2020

On 5th March 2020, a Consultation on India-US Relations: Challenges and Way Forward was organised by Foreign Policy Research Centre in collaboration with Rajiv Gandhi Institute for Contemporary Studies at the latter's premises. The distinguished panellists included Dr. Chintamani Mahapatra, Rector and Prof. Centre for American Studies, JNU; Major General Dhruv Katoch, Director, India Foundation; Smita Sharma, Foreign Policy Bylines ETV Bharat/Huff Post/Ex-Tribune /India Today/IBN; and Dipanjan Roy Chaudhury, Sr. Assistant Editor (Foreign Affairs) The Economic Times, New Delhi

At the outset, Prof. Mahendra Gaur, Director of Foreign Policy Research Centre, welcomed the panellists and introduced them to the audience. He then highlighted the significance of the consultation given the historic ties between India and US, and hoped the distinguished panellists would shed

insights into this long and complex relationship. Then, on behalf of RGICS, Professor Somnath Ghosh thanked the panellists for taking time off their busy schedule to share their thoughts on this important topic. He also informed that Shri Vijay Mahajan, Director of RGICS would be joining the Consultation soon as he was about to reach the venue as his flight from Chennai was somewhat delayed. (Shri Mahajan joined a few minutes after the Consultation began.)

We present below excerpts from the presentations of the various speakers of consultative process:

### **Maj Gen. Dhruv Katoch**

There are just a few points I would like to give us a starter. The United States is the only superpower today. It is the only country which can impose sanctions on anybody because (it has) the financial controls - where financial dealings are done with the US dollar and the control of the US dollar is with the United States. They control everything that is in a very, very broad perspective.

Now with regard to Indo-US partnership, I look into four basic pillars. The first thing is the human relationship - the people to people dimensions, leadership to leadership dimensions, (including) the Diaspora.

The second dimension is the political imperatives of whichever country.

Third (dimension) is the economic side of it. We're getting into very stronger defence cooperative with the United States. But then the economic side of any relationship is very important.

(Lastly) the most important of all is the strategic convergence and divergence which really make the relationship. While people to people relationships may be good or bad or indifferent, ultimately it is the strategic convergence which make the relationship. If you take away the strategic convergence nothing else will matter right. You may have very good people to people relationships (but) they only carry that far. President John F Kennedy and Prime Minister Nehru (had) great friendship, but it didn't really translate into anything on the ground. The people to people relationship has always been very friendly. Basically we are democracies and we see each other in a very positive light.

So what we are witnessing today is a very strong people to people relationship, a very strong diaspora connect, a very strong summit level connect between the leaders of the two countries. And I think the most important is very strong strategic convergence.



I will speak about my aspect of it; what I feel about it towards the end. But I will first make a start with Mr Dipanjan Roy Chaudhury. He is a senior assistant editor of Foreign Affairs for the economic times and anybody who reads the economic times and know what it means you know it's very difficult to get in there.

### **Mr Dipanjan Roy Chaudhury**

When we're talking about India-US Relations: Challenges and Way Forward, I guess in everybody's mind will be the recent visit of President Trump to India and people who definitely compare his visit with the last three visits, which is President Bush, which really transform this relationship and followed by President Obama's 2010 visit and in 2015 visit.

I don't need to tell this audience that President Trump is different from everybody. He has never been a politician; never been a senator unlike President Obama or even President Bill Clinton. He's never been a lawyer. He is a businessman (and) he negotiates from that viewpoint.

So, in my understanding, when you negotiate a trade deal with a country like US and that (too) with President Donald Trump, and when India was giving concession before to make the deal happen, he was asking for two more things. He went a step backward to have the maximum. That's his style. (But) he knew he is not getting the big deal, but he still came here. To get that Diaspora connect. As General Katoch has pointed out, the Indian diaspora in US is slowly making the difference. You know it's a second biggest diaspora after the Chinese and for US it's slowly making certain differences in certain states beyond the western and the eastern coast and he probably needs your support in long term. Indians are getting into the Congress, the state Congress as well as in the Federal Congress and he probably has realized that the Indian diaspora in the coming years. He may not be there; he'll probably get it or may not get a term (but) looks like that he will get a term. But he knows the value of this Diaspora which is making the relationship beyond the leadership.

Secondly, he has a personal connect with Prime Minister Modi. Prime Minister Modi himself believes in, I guess, personal chemistry and this man also believes in personal chemistry.

I would focus on one only one aspect of this visit - which we didn't give due attention - which is about the Indo-Pacific partnership, because this is largely remains in the intellectual domain; so, most media doesn't focus on it per se. Page 1 articles are dominated by the trade deal things which are, quote unquote,

more sexy. What India has been successful, I guess in this time is to make US align with an Indo-Pacific. It's our Indo Pacific vision in my opinion. The US is inviting India to join something called Blue Dot initiative. Well, Australia, Japan, are already partners. How will this shape up? My understanding is, India is cautious on this and probably will take time, if at all. But beyond that, there is a convergence of views on the Indo-Pacific region. If US is looking at containing China, we are probably looking to balance and rebalance China in this region.

We need to notice that the word inclusive has been mentioned in the joint statement which to my understanding was significant. Whether the US accepts it not is a different issue because US has the habit of not accepting what has been agreed to in their own scheme of things because it is the world's most powerful country, it's the world's only superpower. It will conduct his foreign policy on its own interests.

Just the last word on the trade deal. I guess trade deal or not, Indo-US trade is on an upswing. We are buying more oil from US; there is US investments in India. And these are happening beyond the trade deal. So whether we clinch a deal, whether we clinch an investment treaty, whether we clinch an FT or not, to my mind it shouldn't be seen as the be all and end of a deal at all, because the trade is increasing, our purchases will increase, the US investments in India is going to increase. Thanks.

### **Ms Smita Sharma**

I'll talk first about the India-US relationship and then look at it from the perspective of the Trump visit, and then talk about the challenges.

As far as the India-US relationship is concerned, without a doubt it is one of the most important relationships for India today. And nobody should have any qualms about accepting it whatever may have been the Cold War history when you saw India aligned with the Russians. In the past two decades (Indo-US) relationship may have seen our fair share of ups and downs, but this relationship has evolved in a way. I think there is no zero sum game here anymore, and which is what works to the advantage of both these countries. When you talk about two democracies - one being the largest, and the other being the oldest - because there are so many pillars in this relationship today which integrate these two countries. People to people relationship as General Katoch talked about, and I will expand on those a bit more. There was also a question about the diaspora and their seeming intervention in American politics. But you have the other core areas.

I think one of the areas that has taken up massively in this relationship has been defence. What has happened is India acquiring at least \$18 billion of arms and ammunition from US in the past twelve years alone. Now this is a significant. Until some time back, we were looking at an Indian arms system, Indian military software, hardware system where you were acquiring at least 72% to 75% of items from Russia. Now this has come down to almost 60%. A lot of it is also because India still continues to acquire a lot of spare parts for the Russian equipment that it already has.

But the shift has been in the aviation sector. If you look at India's critical war platforms today, a lot of the ones that were being used. You know the ones that the helicopter has been used for heavyweight lifts or your critical attack helicopters. Today, you have the Apaches, the Chinooks actually replacing the Russian helicopters. The Indian Navy signed a \$3 billion agreement for purchase of twenty four helicopters. Why? Because the Russians somehow have been lagging behind as far as the cutting-edge technology in aviation is concerned. India is still a lot dependent on them as far as the submarines and the tanks are concerned and the ground equipment are concerned. But

### **IAF receives final delivery of Apache and Chinook from Boeing**

*Amid ongoing tensions at the LAC with China the Indian Air Force receive final delivery of Apache and Chinook military helicopters from Boeing*

VIVEK SHUKLA- JULY 10, 2020





in aviation today the doors have opened to acquire equipment and aircraft from the Americans, which was earlier closed because of that entire phase of sanctions. That has now opened up and a lot of India's critical platforms are actually now of American make. And as you go forward, you also have India expanding its weapons basket acquisition from. The Europeans, from France, from UK, from Israel. The dependence on Russia in a way has seen a significant transformation. So I think this is one of the key areas for India US relations.

Today we talk about Indo-Pacific, which was the Asia Pacific, but US realigned, recalibrated and then gave it the name of Indo-Pacific so the US Pacific Command is now called the Indo-Pacific command. If you see the American presence of the bases is far more from Indonesia to Australia. Russians don't match up to it. The number of exercises - bilateral, multilateral - that the US and India are engaged in today. They can be anywhere between twenty and twenty four, and with Russians you have one or two. So that's significant transformation of opening up and which is why you've had two crucial foundation agreements signed. LEMOA which is about logistics exchange agreement, so that you know you can use each other's bases for refuelling purposes, for logistic sharing. The other is COMCASA to improve interoperability between the forces as they go in for the exercises. We are all hoping it will be signed somewhere this month itself. So I think defence is the one area where we have seen the two countries pick up a lot of steam and a lot of energy.

Talking about the third area, it would be energy. We are living in a time now where we have moved from non-alignment movement to what we call today our strategic autonomy. India wants to align with countries based on each other's needs and interests. India's energy needs have of course added. But from the times when India was importing largest crude oil source from Iran, now it has gone down to zero. Today you have Iranian Foreign Minister Javad Zarif who actually tweets scathing criticism. Talking about the killing of Muslims in India and the Iranian ambassador was summoned by the Ministry of External Affairs. India's tranche has now shifted a lot of buying LNG gas supply from the US. So as the US lands up and discovers more and more oil and gas supplies, the US will also play a crucial role in trying to keep the oil prices globally stable along with other countries including Saudi. The Canadians have been discovering a lot of gas. In fact they are keen that India should sign up. For our interests and, for a country of 1.3 billion, the energy needs are something where again US will play a key role.

The Nuclear Energy pact was in my opinion one of the most significant transformations in the India-US relationship that also changed the way the world sees India. All credit to George Bush who did a lot of heavy lifting for India to sail through but the agreement but then India came up with its domestic liability law which became a huge friction point between India and the US because the American makers of nuclear reactors were not comfortable with the idea that if tomorrow unfortunately that does happen, the liability for that they said should be fixed upon the operators of the reactors and not the makers of the reactors. So during this visit in fact we were expecting movement forward in terms of the nuclear commerce that hasn't happened. Will touch upon it in a bit, but I think the essential part is that the bipartisan support that India enjoys, and let's talk about it today.

The bipartisan support that India enjoys in the US in the American Congress regardless of whether it's the Democrats or Republicans in power. That is a very very crucial component of this relationship and that is a component that the lawmakers and the leadership need to keep in mind as we continue to engage with each other.

Now coming to the Trump visit. I would say, every time you have a high level summit visit, it's not possible to expect an absolutely big ticket item like a civilian nuclear deal being announced or the next steps in strategic partnership. But at the same time you do expect the visit to look concrete in terms of substance. In my opinion, substance in this visit is something that I found a little lacking at this point in time. Of course we did sign up for the \$3 billion of acquisition of helicopters. But if you're a member, the Ministry of External Affairs before the visit in fact announced that there would be broad discussions happening and we're expecting at least five (agreements) to be signed. Eventually what was signed were actually three MOUs. One was in the mental health sector. Second one was in the safety of medical devices and third one was between Exxon Mobil and Indian oil, but even that Indian Oil and Exxon Mobil agreement was about LNG infrastructure plant in terms of parties of LNG. There has been a lot of friction. That's been happening between the two sides because India somehow was not comfortable buying LNG at a fixed price from the Americans because they think that they're going to run into losses. They've already been facing some losses they would like it to be market-driven. So, you had only thirty percent of what you were expecting in terms of MoUs.

The Blue Dot concept right now it looks good on paper but trust me, it's only a dot at the moment. So there are too many dots that need to be connected.

Before you can go anywhere close to it, so it's more like it's a carrot being dangled in the joint statement, but it's not really there also.

If you look at the trade deal again, you've had so many differences. It's amusing because if you look back to the trade negotiations in the '90s between India and the US and if you look at them now, somehow, it gives you a sense of déjà vu. It's like through the '90s and till now, the two sides still seem to be talking about a lot of similar issues and a lot of friction and concerns still remain. You have not been able to iron them out. India, of course, is not too keen to give away to a one-sided trade deal because it wants it to be win-win. It's unfair that you're expecting India to lower tariffs on all and give you a market access without getting anything in return. And also expecting India to lower tariffs whereas even developed countries like Japan and Korea actually have higher tariffs on certain products. India has been upset about being unilaterally withdrawn from that generalized system of preferences. India wants a restoration. India also wants to ensure that the US does not classify it into a "developed nations" category because it takes away from certain preferential trade benefits that India may have been achieving. These areas will remain the friction points and the fact that Robert Lighthizer is a formidable opponent and the fact that Lighthizer is very conservative, and you also have an inward looking president who is fighting on a protectionist plank; how to reconcile "Make America Great Again" with the "Make in India" is going to be a question that will remain till you find answers to this for India and the US.

For India and US (relationship), Afghanistan and Pakistan is another area where India is a lot worried about what's happening. What Af-Pak has really done is that no matter what the Indian government tom-toms that we have isolated Pakistan, but that is not the reality. And it cannot be achieved on the international stage. You can put pressure on Pakistan, but you need to get realistic about what your goals are because the Americans are not going to lean too hard on Pakistan till the time they need Pakistan for the troops pull-out from Afghanistan, and India has several worries at this point in time. India was very hesitant to be in the same room with the Taliban. Only last year, did we sent two retired ambassadors and that too in a very sheepishly, calling them as non-official officials, whatever that means. And these gentlemen went into the room. This time, of course, when the agreement was being inked by Zogby Khalilzad and Secretary Pompeo or with the Taliban in Doha. The Indian ambassador to Qatar was in the room and before even the ink dried, you've seen the agreement literally being ripped off. Today of course Khalilzad has just tweeted to say that he has had a word with moolah brother and they're

trying to get back again to some sort of a semblance of deal but what India's buddies are going to be eventually in the scenario of the troop pullout, which will happen and it is one of the big promises that Donald Trump wants to meet before his re-election bid. What is going to be the role of Pakistan in the region? A lot of the military camps that are right now operating from and the India-centric camps will this shift to these bordering areas in Afghanistan. What will be the spill-over effect, especially in terms of the Kashmir context? These are all questions that are important to India which has made an investment so far of around \$3 billion in Afghanistan. So far, close to 400 social infrastructure projects have been completed and 150 projects are under various stages of progress covering all 34 provinces of Afghanistan. There was a phase when India actually had to pull out and stay away from Afghanistan, but that's something India can't afford to do anymore so India will have to engage with the US to find out what is it next that India can do without putting troops on the ground. And Donald Trump has made it very clear that he would like India to loosen up its pockets and spend a bit more.

On Indo Pacific my only worry, of course, is China. China as you know is the big competition, the big threat for India today. And if you look at the speech of Vijay Gokhale who has just retired as Foreign Secretary - he has given a speech in Pune - in which he talks about the India-China relationship. In Indo Pacific, I think, the US needs India more. And that's something that India needs to leverage whatever might have been their political campaign rhetoric. No government has come and overturned agreements that it entered into with China overnight with the previous government. Because they can't do that. You know if you can't be a kid who whines and tells "Miss, Miss, you know what is China doing?" If you have a problem with China then also do your bit, give them an option. If Sri Lanka wants to come to you, you will have to give them an option. India and Japan are collaborating on projects in Sri Lanka and Bangladesh. If you think that BRI is bad, then justify it. There are severe arguments against BRI. What are the infrastructure options that Australia, Japan, India US are being able to provide? What are the alternate financial capabilities? And that you can provide to these smaller countries so that they have a choice between China and between these countries. So I think these are going to be the big areas where you'll see collaboration as well as challenges coming in for India and the US.

On the issue of the domestic diaspora and politics, I think look whatever has happened with the Trump visit today, there were two factors to it. One was on the personal chemistry and optics. Of course it worked very well for

Prime Minister Modi. It's a shot in the arm when at a time, you are facing a lot of international criticism about your domestic developments. You have the American president come in on a stand-alone visit for almost 36 hours and who does not actually sort of change that visit schedule because a trade deal does not happen. He could have done that; he is temperamental you know. He could have said: I'm not coming because it but he still came, because he realizes the political premium attached to India and the Indian diaspora. For Prime Minister Narendra Modi who has an eye for optics. I mean he goes the extra mile to be and for somebody like Trump who's been a former reality TV star, whose foreign policy is like a reality TV show. I mean he's like the Salman Khan of the diplomatic global community you know he likes giving commands he likes doing the big boss kind of attitude but. While it may have worked for the two gentlemen, my worry is that India must not get on a slippery slope.

So when you say should India interfere or be seen as interfering because the Republicans have this time actually come out with ads targeting the Indian American community in a more specific way than it has ever been in American presidential elections. We saw something similar in the UK elections recently. In a Howdy Modi when Donald Trump comes in joins hands with Narendra Modi, he goes back and there is a spin given saying that India is endorsing Donald Trump's re-election bid in November of 2020 and you have to put in a clarification. Why? Because, look, you are not going to brush away the criticism that is coming your way on developments related to the Citizenship Amendment Act, NRC, the kind of violence that has happened, the Delhi violence that has claimed at least 47 lives. Just on my way, I was reading a report on Bloomberg, it has spoken to a lot of top, in fact CEOs of companies and they are not bullish on India at the moment because they are worried about the law and order scenario. They are worried about your governance issues; they are worried about the polarizing shrill rhetoric that you're hearing in the country. So while one may point out to the Americans and say, oh, why are you sitting on a high ground, you know you also do these things. We have to remember in America, the wheels the democratic institutions are really strong. So, sooner than later if Trump may choose to do something. I mean they do have their courts that act fast. Every time a black man gets killed. Yes. Black men do get killed there. But the courts also act fast, they hand out swift punishments. The press is still strong. I mean, Jim Acosta, who knows that he has to be on the same plane with Donald Trump on his way back home to the DC can actually look at Donald Trump in his eyes and say that on most days, what you are blaming us off talking of putting out lies but on most days, we actually more truthful than you are. He does, knowing very well that he'll still be on board on Air Force One with Donald Trump.



Unfortunately I think we have seen a weakening of our own institutional mechanisms and that is something to be kept in mind that when you go forward with this relationship. You had an Eisenhower also who came in, in 1959 and Nehru gave him a grand welcome. You had half a million people turning up which was way more than the people who came in Motera. But those were different times; people could do rallies in the open, now you cannot. This relationship has achieved a very big importance today. You must not reduce it to one where it becomes basically between two men because Donald Trump may still win the election. Come back for four years. But this relationship is going to last beyond four years.

So that's where you have to ensure that when the US Congress starts to debate CAA. I am not jealous of Ravish Kumar – he has to defend the government's foreign policy decisions – last week, just on in one day had to (fend) criticisms that had come in from OIC, USCIRF which is the religious freedom institute under the US Congress; there were Senators, there was US House Affairs Committee on Foreign Policy; there were some six international organizations that had spoken out on the Delhi violence on the same day. So yes, you do have a global image issue today. You will have to assure not just your countrymen internally you will also have to assure externally that you ready not only to get over these divides, these schisms, but also be able because only then you can focus on the next step in manufacturing. You will have to prioritize or domestic goals, work on them, to ensure that this relationship remains on a solid ground because I think amongst all these strategic partnerships that India has today, definitely US happens to be a very, very important relationship that you cannot lose sight. I'll leave it there.

### **Dr. Chintamani Mahapatra**

When an American president comes to India, this in itself is significant. And wherever he goes, whoever may be the President of the United States, if it was just a particular country, and moreover, if it is a stand-alone visit; that itself is very, very important. Soon after he (President Trump) made the visit and returned, he tweeted, "Great India, great successful visit". Around the same time Prime Minister Narendra Modi made a statement here that it was a path-breaking visit by the American president. Now the question is if Trump said it was a successful visit, was it successful for India? We have to think if Prime Minister Modi says that this was path breaking. One can debate it in very many ways.

Let me begin by saying something about what the critics would say. They said, Donald Trump condemned India, criticized India in very many ways and then he hit India. Before he comes, he says he will engage with the tariff King; he comes to India and says the same thing. In Washington, DC, sitting next to the Pakistani prime minister he would say, I would like to mediate in your Kashmir dispute with India. As the report says, he comes to India and says the same thing. Then in India he praises the Pakistani prime minister: “He’s a good friend and together we are combating terrorism”. He says hardly anything about Pakistan and China, the countries of concern for India. So what really good did the visit do? He came all the way; people waited for last two years. Indians and Americans are negotiating a trade deal. He imposed high tariff on India, retaliated on 28 items of imports from the United States. He comes here, no deal was signed. And when no deal was signed, he said some big deal was in the making. And the government of India also says not to worry, wait, things will improve. We need not be in a hurry to sign a trade deal. Then he comes and signs a deal, a defence deal. Did he really have to travel 8,000 kilometres to sign a deal of \$3 billion on defense issues? There are so many defence deals have been made without an American presidential visit to Delhi; so why is he coming? And then did he really commit that he would do something about constraining the spreading Chinese influence and muscle flexing in South China Sea, Indian Ocean and elsewhere? No, he did not. Then how can we say this trip was at all successful? What is so path-breaking about it? And when you say it was successful, does it mean that Donald Trump came and he said, “trade deal is not fair; you guys are not opening up the market and you really impose very high tariff, one of the highest among all the countries”. But this is what the critics said, and would continue to say.

Now, how would I look at it? Number one. Initially, I said an American president, making a stand-alone visit is significant. Not going to Pakistan or go to China and not going anywhere, particularly when an American president is facing an election in November in a few months’ time; taking time out and travelling 8,000 kilometres. A person like Donald Trump who is a businessman who values time, who values money, would not be wasting his time to come to India to have a darshan of the Taj Mahal, and feel very happy that 100,000 people greeted him and he will go back with that kind of satisfaction. No. It wasn’t. Some people say, no, he’s coming because he is seeking the vote of the Indian Americans. Three to four million Indian-Americans are there and he is coming to India so that Indian Americans were very happy about it. Is it really, so why do you travel through India... just to get some votes? What is

the percentage of Indian-Americans in the United States? I would say, let us not undermine the intelligence of the Indian-Americans. Large number of them are already members of the Democratic Party and vote for Democratic Party; so he was not coming to India just for votes. It's not like India where you buy a vote bank. Indian Americans don't constitute a vote bank; so forget about it. That means Donald Trump, among all the relationship around the world, looks at India as a positive partner. He had nasty things to say about NATO. And he made some comments in Japan and South Korea unpalatable to the Japanese. You look after your own security. You want to make a bomb; you make your bomb. Why are you depending on American nuclear armour - that kind of statement came from him. He had so many negative things to say about so many world leaders. But look what he said about Narendra Modi in India and even in the United States. Was it really kind of optics; that Modi would return the compliment? Critics would always say like that.

What I look at it as a student of American foreign policy and politics is that to implement policies, you need attention from the top; it gets you leverage. Then it has a different dynamics. We have to appreciate the role of the leaders who really are in charge of implementing policies. So in that context, it is important. Did he say many things negative about India? What is really tough on India on many issues? That is why the trip was important. Simply because the American president is making some outlandish statements about certain things doesn't mean that we should isolate that person. We should engage him. He's a polarizing factor in the United States and even in the international community, but we have to accept that he is the President of the United States of America and has almost completed 3 years of service and if the trend continues, he may win the election. And when a person like Donald Trump says, "I'm really happy about coming to India, and India will find a special place in my heart for all time to come", that means something.

Point number two. Yes, he signed \$3 billion dollar deal of some helicopters and all. Here what he did not say is important. He didn't say, don't buy S-400 from Russia. He kept quiet. I think that is a very good news; and he thinks Indians are going to buy more. After all, they are not thrusting on India, that you buy this, you buy that. They are offering and we have the choice to buy or not to buy. So if that particular deal was signed, in my view it is okay. As part of the trade deal is concerned, I think I'll go by what our ministries have said and what Trump said before he would land. There are difficult issues like taking India out of GSP; then you have the H1 B visa issue; and then you have the data localization issue, totalisation issue. These are critical issues.

He may take India off the GSP list. It's not that he is certifying that India has now become a developed country. No, that is business; it is negotiation, it is bargaining. It is hard. So we should not hurry up and sign a deal, simply because there is a President visit right now to India.

On Kashmir. Many people said, "What is he going to say on Kashmir? He said he would like to mediate." My answer is what he did not say about Kashmir is important and we should take note of it. Simply because he's offering his mediation we need not be upset about it. After all, without Indian agreement and willingness, he cannot mediate. He did not challenge the legal validity of abrogation of Article 370. That's a very big thing. Trump administration has not challenged whatever Government of India did in Kashmir. When Pakistan and China together were trying very hard to discuss Kashmir issue in the UN Security Council, ultimately when India's succeeded in preventing that, there was strong American support. In the FATF, when they're keeping Pakistan on the hit list, even now, - and another round of discussion is going to take place in June - and if that was possible, it is simply not because of India's diplomacy with other countries, the American support was really important.



How about China? This fellow would never criticize China in India. No, the kind of signal he sent to China in my view is important. Like for example, just to give you one example. The Chinese are pretty upset about it. The concept of Indo Pacific: they think India is being highlighted. US-Pacific was different. They don't like it at all. I have interacted with very many Chinese people even at the government level and the university level. They don't like it, but the



joint statement that was issued. If you take a look at it. Out of 21 small, small, paragraphs, five paragraphs were devoted to Indo Pacific. Number two, he did not criticize India for allowing the Huawei for 5G tender. And number 3, when he mentions about the BRI. And saying that the US would always support a transparent deal as far as BRI related investments are concerned and there should be a rule based transparent policy, particularly on giving loans etc. That was hinted aimed at China. So people who understand the dynamics don't just analyze Trump's visit to India on the basis of current affairs, on the basis of reading newspapers and watching television, but see the big picture. They know that - whether we say or we don't say, we write or don't write - China is the big elephant in the room. Increasingly, Indians and Americans are together on this. On Pakistan, it's all right, he said, Imran Khan is a great friend we're engaging Pakistan to combat terrorism etc, and people say, "What's this guy doing? He is coming to India, then also praising Imran Khan. But don't go by his statement alone. Let's go by what is written down in the joint statement, signed by the Prime Minister and the President. There they do mention and about urging Pakistan, pressurizing Pakistan, nudging Pakistan - there's some term I forget that is written there - Pakistan must not allow its territory to launch terrorist attacks. It is written in a joint statement. If you run your eyes through the report in the Pakistani media on of what transpired on Kashmir, they all talk about what he said in Ahmedabad and ignore what is there in the joint statement. So overall, if you see all these things, I think it was a very, very useful visit by an American President. They are increasingly taking note of India.

In my concluding observations: What next? This is my view and it is the view of many other people also. Prime Minister Modi goes to Houston, and in a way endorses President Trump's candidates. Now he comes to Ahmedabad and much bigger - double the size of the people in the audience. Somehow down the line, it is sending a signal to the Democrats that Indians are now siding with a Republican President. We must not give that kind of impression. The bipartisan consensus that is there in Washington DC on engaging India, that has to be maintained. If you see the tweet of Bernie Sanders and others, they think that Narendra Modi has put all the eggs in the Trump basket, and that should not be done. This is number one. Number two: November is quite far. Elections are after eight months; what is going to happen? We do not know. If the present trend continues, of course, Trump will win. But what is the guarantee? Nobody has seen the future. That is why it is important from diplomatic point of view to engage people belonging to all kinds of political spectrum. That is what we should do that.



Number three: the critical issues like GSP and all the trade deals are really serious. We cannot put a full stop; that Donald Trump has told us a big deal in the offing. I think critical issues are at stake. And American politicians particularly would not understand critical aspects of the political economy of the world. Generally, the American congressmen - senators also at that level - they think, "Oh, Americans are doing a great job giving assistance to many many countries, third world countries, developing countries... Why should we pay our taxpayers' money to Tanzania, Ghana, South Pacific islands? Questions are raised. You know American debate. For every one dollar given in assistance to the developing countries, ultimately the Americans will get \$4 in return over the years. It is not just free doling out; no free lunch in the United States. So there are many issues even on Indo-US deal. You know it is not one-sided at all. Americans get benefit out of it. They're not at all bleeding hearts: is garib Indians ko madad karo type – no, it is hard economics. So we need not be in a hurry. But we have to play our cards very well in times to come.

Finally on Afghanistan. Many people say Americans are already doing some dealing with the Taliban. Then Donald Trump comes to India and the moment he goes back the deal was signed. What was India's role? We spend about \$2-3 billion in Afghanistan. And what is going to happen to India's future in Afghanistan? Big question are raised. My observation is the deal is due to be signed. All right. There are so many times these type of deals are signed. Things change, and things have changed. In a matter of two days, more than 40 attacks on Taliban. More recently, the American airstrike on Taliban have already taken place. So things are going to continue. In certain areas where we need to cooperate, collaborate: particularly in the area of combating terrorism. I think with his brief remarks, I thank you for your attention. Thank you.

## **Dhruv Katoch**

Now there is one point which I would like to highlight; just one aspect because I've seen it and I've seen it first hand. What is the difference in the present foreign policy of India, which was not there earlier? By and large, Indian foreign policy had been very consistent. You see it, regardless of political changes. The Indian foreign policy had been remarkably consistent. But now you find dramatic changes. I think the first important change, which we are looking at is this. India has stopped hyphenating countries and refused to get hyphenated ourselves. So what has happened is that when we go to Israel, we don't have to worry about Palestine. It doesn't matter. We deal with Israel on a one-to-one

basis. And then we will deal with Palestine on a one-to-one basis, and it does not matter what Israel thinks. We will deal with Palestine on its merits. We will deal with Israel on its merits. So we will deal with Saudi Arabia on its merit and will deal with Iran on merit. We don't hyphenate between the two. It doesn't really matter. Let both of them kill each other. It's okay. We will deal with you on your merits and that is why we are dealing with America on its merits and we will deal with Russia on its merits too. We have stopped hyphenating and we made it very clear and I think this in a very large sense shows the extent to which Indian foreign policy has now matured. It has been dynamically led. If I have to give any credit to the government of the last six years on any one field, it won't be the economic field, it'll be the foreign policy field. I think the one place where we have really succeeded is the foreign policy field. Now Professor Chintamani rightly said, so many things haven't happened. Obviously they haven't happened. Diplomacy is not in making things go right. Diplomacy is preventing things from going wrong. Let us put it that way; it is basically conflict management. There is no way in which you can win. You can simply cut your losses. And I think we have been managing to cut our losses quite well much, much more than other ways because there is no way in which you can ever hope to say that we are going to win everything. It's not going to happen. So I think a certain element of realism has to come into our policies. What are we doing now right, and how are you going to shape it up.

The second I aspect I want to talk about is the defence aspect. And then I want to go into strategic convergence and divergence, which I will end with that. You see, I think the defence partnership has taken off in grand way, in a really great way. What was so important and why is it too important. Former President Abdul Kalam, made a very pertinent statement, he said. We import 70% of our defence equipment and we just manufacture 30% and he said we need to reverse it. He tried very hard, we still haven't really got to that. The Make-in-India project is a work in progress. But defence things have a very long gestation period. People have asked me you had Make-in-India for five years; why nothing has happened? Well, it's not going to take 5 years. Look at 15 years; if something happened in 15 years. I'll be very happy if you can actually make that shift, we need to get our defence industry functioning the way ISRO is functioning. We need to get a defence industry the way the missile program has functioned. I mean if you look at a Brahmos missile. It's the best missile in the world; it is unbeatable. So it is not to say that Indians don't have the capability. We have the best brains, we have the best doctors. We have the best academics. We have the best of everything. And yet, we don't do it. So that why we don't do it. I think that is the question.

Technologically, I think this assistance now which we are going to get with the US, especially with BECA coming up the 4th foundational agreement. I think if we can have that cooperative deal together by which we can start manufacturing together. We have a great deal to offer in terms of software and space technologies which we can share with the Americans. So it's not that it's going to be a one-sided traffic but then technology, I think we can get a great deal of it too.

The second part of why this defence technology, this defence agreement with the Americans is important, is that this technology is futuristic. The global leaders as of now are the Americans and the Russians. The Israelis are in the American camp so I'll put all of them together. The Chinese are way behind. Let's face it. The Chinese are way behind though they are catching up fast. So if we want to really be competitors, I think what we need to do is to get onto the technology bandwagon; get there fastest. And once we get there then I think we are in a position to do whatever we have to do.

But now I want to talk about the strategic aspect and there are three things, which I think that we need to, and here I want to delve into it a little bit. The first is the pivot to Asia. Now why was this pivot to Asia? You know when we talk of a pivot to Asia, we are really meaning that you're getting towards the Central Asian systems, you're getting on to the Indian Ocean and you're getting onto the South China Sea. Now why was this pivot necessitated? And I think it had something to do with energy resources. For the first time America found it was not dependent upon West Asia at all. So America became self-sufficient in energy and now America is exporting energy. So once America starts exporting energy, then what happens in West Asia doesn't make a damn sausage of a difference to it very frankly. So if the Arabs kill themselves and the Iranians kill each other. Okay. It's okay. It won't come into the human rights angle. That will only happen when they get concerned. Otherwise, they won't bother. So I think this energy aspect is something which we need to look into as to why the shift has taken place. This was one.

Number two, when they say that the 21st century is the Asian century, it is because sometime this year or last year at some point of time, the economy of all the Asian countries combined exceeded the world. So the shift to Asia is very dramatic. There's going a purchasing power parity, and not in real terms but BP and in PPP terms. You know the economic shift is bigger here. So if you're looking at an economy that is growing every year and the gap between Asia and the rest of the world is going to keep getting bigger and bigger.

That is why it is called the Asian century. Simple. Now, how does Asia get its resources? It is completely dependent on the Indian Ocean. The complete dependence of the world trade now is shifting to the Indian Ocean and any disruption on the Indian Ocean has an impact on world trade. So the shift to Asia and the Indian Ocean region had great strategic importance for the world and for the United States. The trade is shifting, so I think it was very well planned out as far as the Americans are concerned - as to why they need to shift. And why do they need India? If you look at the map, India's centrality as part of the Indian Ocean is clear, and the fact that India's economy is growing, and we can afford to do it. I think we are in a position. The Americans think that "we can partner with India". (Also,) as Donald Trump is a transaction man, he doesn't want to do all the spending. I mean, he said, why should I be spending all the money and keeping your job secure. You want to put on a little bit. That is one of the fundamental premise on which a Donald Trump is based. And I think that's OK. Let India also throw up its bit. For now, when you have got the Romeo helicopter, the Sea King helicopter, and we're buying 24 of them. The significance of this is really to keep the sea lanes secure because we don't want any submarines moving into that area and the Sea King is an anti-submarine helicopter. It can also operate against survey ships and has got many of the roles, too, but ultimately it is designed to catch the submarines and the Chinese submarines are now entering this area and we don't want them to it. So there has to be somebody who tell those chaps, okay listen, you are entering; we know where you are, and we'll take care of you.

Now I'll just talk about a few divergences. I think when we're looking at the Afghanistan part region, there is a divergence. When this question came up that the Americans will withdraw I made it very, very plain that America leaving Afghanistan is not good news for India. Now whether they will leave or not, that's the million dollar question as Prof Chintamani has said. They may not leave. I remember when President Obama was the president and they were having a drawdown and Obama in his speech said, we are going to pull out of got it off Afghanistan. I was heading the Indian Army's think tank and the American delegation had come there and I told them, you can't do it, and the American said, "Our president has ordered it. We will do it", and I told them you can't do it. They couldn't do it. The question is, there is a logic to what is happening in a particular area. So if the Americans withdraw then what is the situation going to be? What is the situation they're going to leave behind in Afghanistan? You have got two people who are fighting that particular conflict as of now. One is the Afghan national security forces that is the government

forces, with the police and the army, and you on the other side is the Taliban, which is supported by Pakistan. The public really doesn't really matter. If you go to Afghanistan and ask any common Afghan which is the country which you like the best, India is number one. And which country which you hate the most, Pakistan comes number one. They hate Pakistan more than they hate the Americans. But will that make a difference? Honestly, it won't really make. The public opinion of Afghanistan is not going to make a difference, that's a reality in Afghanistan. And I will posit to you my concern of that reality and how it can fit into the Indo-US equilibrium. There are two things. In my view we can keep the Afghan national security forces where they are. In my view there are strong enough and capable enough to hold the Taliban but it requires \$3 billion a year in financial support to maintain them. Now that money as of now is coming from NATO and America and their allies, Japan. Japan is of course part of that. Well, so long that money continues coming, then these forces will hold on. And the second element is there has to be some element of US forces. It doesn't have to be 12,000 to 14,000 troops. So if five to six thousand troops are there and this financial support comes, they can hold the Taliban. But if it goes away, then over a period of time, the Taliban will overrun this country and then you're looking at a civil war. There will be civil war because there can be no rapprochement between these two sides. The Taliban wants a very strict Sharia state. They want their women covered from head to toe. They don't want the girls to go to school. They want the men to have a beard of a certain length. They want all that and they're not going to compromise on that. So if somebody misbehave they want them on the square and they want to chop his neck off. That is the Taliban. You will get back to the Taliban to what it was. And if you really want to know what the Taliban is about read that book a many splendid moon or something like that. Written by Khalid. Yeah, but you know it's a novel, yes, but it gives you the reality or what Islamic state is. So it's not going to be pleasant. Our concern is what will happen if the Americans pull out. Whether they will pull out; which way they're going to do it, I really don't know, but if they are prepared for a civil war in Afghanistan, then I think they will pull out. So if they pull out, it is not good news for India.

What will happen to India, you're going to have a very difficult situation in Afghanistan. I think we are going to get back to the Northern Alliance system, you know, with two people fighting against each other. You will have in five to six years after fighting, the Taliban back in power. And then Pakistan will try to put and as many of those terrorists that they can to Kashmir. As part of our interests are concerned, so long as Indian armed forces, especially in an



Air Force can give a befitting response to the Chinese at the Tibetan plateau, there will be no conflict. The day they find that part of equation has shifted, there's going to be a problem, which is why again this alliance or the shift with the United States is important. The hard reality is that the American are not easy to get along with. Well, neither are the Chinese. They think neither India is easy to get along with. That's all right, but that's the way politics is played.

But I think we must be very concerned about our own interests, which way our interests lie, and to think what we really need to do. You get your economy going, get your defence preparedness up to the appropriate shape too. And then of course, everything else will fall into shape, and hope the Americans can help us in getting these two things right. I think these will be the challenge for our political leadership for our diplomats, and for our civil society.



**India US 2+2 dialogue 2020: New Delhi, 25-26 Oct 2020**

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