

**Back A new India-US engagement****Bhaskar Balakrishnan**

*The next few months will bring in increased engagement between the US and India in various fields with vast potential for cooperation. The challenge before the UPA Government and the Obama administration will be to translate these engagements into concrete results in a reasonable time-frame, says BHASKAR BALAKRISHNAN.*

Free from the albatross of the Left Front around its neck, the new UPA Government is in a much stronger position to push forward its agenda on India-US relations. There is momentum on both sides for a forward thrust in building a “strategic partnership”. But a strategic partnership needs compatibility of goals and objectives and roadmaps to achieve them.

The renewed US-India engagement started with the three-day visit by the US Under-Secretary of State, Mr William Burns, to prepare for the forthcoming visit to India by the Secretary of State, Ms Hillary Clinton, on July 20. Mr Burns had ample opportunity to discuss the future agenda in detail with his counterpart, the Foreign Secretary, Mr Shiv Shankar Menon, the National Security Adviser, Mr M. K. Narayanan, and called on the External Affairs Minister, Mr S. M. Krishna, and the Prime Minister, Dr Manmohan Singh, to whom he delivered a letter from the US President, Mr Barack Obama.

**Exaggerated concerns**

Concerns about the US putting pressure on India to resume the suspended dialogue with Pakistan, turned out to be exaggerated. While the US would like to see Indo-Pak relations improve, Mr Burns made it clear that this process cannot be forced.

However, there are reports that Mr Burns suggested that India downsize its consulate in Jalalabad in response to Pakistan’s concerns over the consulate’s role in fomenting unrest in North West Frontier Province (NWFP) and “distracting” it from the fight against al Qaeda. Any such suggestion from the US needs to be rejected by India as unwarranted interference in its affairs and a mere excuse by Pakistan for its own failure to deliver on its promises.

The responsibility for failure in Afghanistan lies squarely on wrong US policies and Pakistani complicity with Taliban-al Qaeda, and attempts to bring in India’s role should be rejected.

Indo-Pak dialogue will have to wait for the climate to improve, after the Mumbai terrorist attack launched from Pakistan and the conspicuous failure to cooperate in bringing to justice the conspirators. Pakistan has also to meet severe challenges to its internal security from Taliban and al Qaeda elements, which are now devouring the hands that nurtured them.

**Nuclear issue**

Further development of the Indo-US civil nuclear cooperation framework is expected with the start of negotiations next month on an agreement for reprocessing spent fuel and related technology, an important part of the fuel cycle. The nuclear industries of both countries have been complaining of tardy follow-up and progress.

The election processes in both countries and the economic slowdown have been partly responsible. India has to reform its policy framework for nuclear technology to remove barriers to participation by the private sector. Deals by other suppliers from countries such as France, Russia have been keenly watched by US firms, eager to get into this sector.

An early result has been the announcement that India and the US would set up a Joint Working group on Education to give a boost to India’s skilled technical and knowledge workforce. The scope for cooperation is large, but it remains to be seen how concrete programmes will be developed and implemented in this sector.

Next week, the US India Business Council, which had strongly supported the Indo-US nuclear deal, will hold a Synergies Summit. US Cabinet Ministers from Commerce and State are expected to announce their plans to strengthen the relationship with India, and the meeting would seek to “awaken both governments as to the real work that now needs to be completed in order to keep the U.S.-India commercial and trade relationship flourishing”.

Mr Obama’s letter renewed an invitation to Dr Manmohan Singh to visit the US, and this might be scheduled during the forthcoming session of the UN General Assembly in New York later this year, giving enough time for officials on both sides to prepare a substantive agenda.

**Trade and Defence**

Meanwhile, the US and India have agreed to join the call made by the 19-member Cairns group of major agricultural producing countries meeting in Bali, Indonesia, to revive the contentious negotiations for the Doha Development Round to finalise a framework for the eventual elimination of export subsidies and import tariffs. The Commerce Minister, Mr Anand Sharma, and the US Trade Representative, Mr Ron Kirk, both newcomers to their jobs, held a meeting. The Doha trade talks have been stalled due to major differences and the preoccupation with the economic slowdown, but may resume now. Defence is an important area of cooperation. India’s effort at upgrading its defence equipment and diversifying suppliers has encouraged US suppliers to enter this market.

However, any attempts on the part of the US to bring in political linkages or restrictive conditions in Defence supplies will be counterproductive. There are areas where cooperation with the US has been hampered due to outdated policy framework and tardiness in making economic reforms. For example, the FDI policy needs to be opened up and simplified, ending overprotection of inefficient business and PSUs in the interest of global competitiveness.

Plans for a single, professional and efficient National Biotechnology Regulatory Authority have been gathering dust and should be implemented. Economic reforms are not anti-poor and should aim at a balance between maximising business freedom, effective independent regulation, and protection of consumers and the public interest. This will encourage external cooperation, including from the US.

### Climate change

Climate change is an important area of difference between India and the US. The Obama administration has made some welcome positive moves on climate change, but the economic slowdown and job losses made progress difficult.

There will be increasing pressure on India and China to accept carbon emission restraints and efforts are under way to divide the developing countries on this issue. India will have to stand firm and strong and stick to its principled position, while making efforts to reduce the carbon emissions per unit of GDP.

For its long-term survival, India needs to end overdependence on depleting fossil fuels. It must put in place a system of financial incentives for renewable energy, and a phased-in carbon tax for all goods and services based on carbon emission levels. Much time has already been lost. India and the US share this common objective, and cooperation in renewable energy could be mutually fruitful, especially given Mr Obama's plans for major programmes in this sector.

The next few months will bring in increased engagement between the US and India in various fields with vast potential for cooperation. It remains to be seen whether this engagement can be translated into concrete results in a reasonable time-frame. This is the challenge before the UPA Government and the Obama administration.

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