

Daniel Markey's Remarks for Carnegie Endowment Panel Discussion

“U.S.-India Relations: The Global Partnership” May 16, 2006

A Historic Transformation? Changing Mindsets in Delhi and Washington

Thank you for inviting me to be a part of this panel discussion.

During the time I have today, I want to talk about the fact that we are now living through a “founding moment” in US-India relations.

I believe we are witnessing a potentially fleeting window of opportunity for massive change in the way we interact as governments and as peoples.

A Founding Moment

We know that the post-Cold War, post-9/11 era shook up old alliances and allowed India and the US to think differently about their global and regional interests. And we also know that in the early 1990s India began a process of opening its economy, sparking impressive growth rates and permitting Delhi to pursue a far more ambitious global agenda. At the same time, increasing numbers of Indians came here to work and to study – there are now more than 2 million people of Indian origin in the US, and more Indian students (80,000) than from any other nation.

But these important tectonic shifts did not dictate a transformation in US-India relations. They simply made it possible for a growing number of people in both countries to begin re-thinking the relationship – considering what it might become if only we could break through existing habits of mind.

The transformational moment really began when our leaders enthusiastically endorsed this new outlook. It will continue as long as they remain committed to an ambitious agenda of ever closer partnership. But a quick look at heated debates in Parliament, Congress, and newspapers in India and the US shows that not everyone has come around. Wider acceptance will take time. But if we are successful, the benefits of US-India partnership will eventually achieve a “taken for granted” status. Then the transformation of our relationship will be on solid footing.

The long estrangement between our two nations has produced at least one generation of skeptics. Skepticism has been rooted in ideology, in partisanship, but also in a history of frustration born of miscommunication and mistrust. All-too-often, we have failed to live

up to our potential, despite the many values we share as two of the world's largest multi-ethnic democracies.

The central question today is whether we can capitalize on this historic opening and convince a new generation to take a fundamentally different view, or whether they will also retreat to old patterns of thought and behavior. In that context, our policies take on an added significance.

This is why Under Secretary Burns noted last October that “our ongoing diplomatic efforts to conclude a civilian nuclear cooperation agreement are not simply exercises in bargaining and tough-minded negotiation; they represent a broad confidence-building effort grounded in a political commitment from the highest levels of our two governments.”

The first rule of living in a founding moment is that you can't just behave in a “business as usual” way or you will miss opportunities to reshape the future. Across various issues, US and Indian leaders have internalized this rule, opening the way for fundamental, historic change.

A Process of Changing Mindsets

Reassessing the potential for US-India partnership had to start from within India itself. India's leaders had to think differently about India. To create a new India, one more prosperous, globally interconnected, and confident, meant first and foremost rethinking India's economy.

Prime Minister Singh [, as the architect of Indian economic reforms in the early 1990s,] has known for a long time that India needed to open itself to international markets and capital. But a great many Indians remain unconvinced. We need to bring these skeptics along, because India needs even lower barriers to trade and fewer layers of bureaucratic red tape in order to prosper in the global economy.

In an effort to empower those with a new vision of the Indian economy, we launched the US-India CEO Forum. It brings together top business leaders from our two countries to identify key targets for policy and regulatory reform. The degree of consensus within the Forum is noteworthy, and we anticipate that their recommendations will pave the way for a significant boost in bilateral trade and investment.

At the same time, the US-India Economic Dialogue has already made progress in helping to resolve legacy commercial bottlenecks. Steps such as putting an end to the Dabhol dispute or setting up a framework for importing Indian mangos to the US have powerful demonstration effects. Judging by the number of US businessmen traveling to India, we believe they are truly beginning to think differently about the Indian market. The enthusiastic welcome they are getting from entrepreneurs and consumers alike suggests that Indians are also thinking differently about them. Both of our countries stand to profit from this dramatic shift in mindsets.

Rethinking the US-India Partnership

Clearly, our civil nuclear cooperation initiative has stolen most of the headlines when it comes to re-imagining our bilateral relationship. But we have also made important strides in other areas of bilateral cooperation, such as agriculture and defense.

During his trip to India in March, President Bush announced the \$100 million Agricultural Knowledge Initiative. The AKI is a public-private partnership focused on bringing the benefits of improved training, education, and technology to India's many rural villages. Few areas of US-India cooperation could do as much to shape how millions of Indians think about the US.

We have also been working hard to make sure that our armed forces can operate together more effectively. Our navies, armies, and air forces are conducting ever more ambitious joint training exercises. Beyond training, we cooperated closely in critical humanitarian operations after the Indian Ocean tsunami. Along the way, we are building new relationships of understanding and trust. We are changing mindsets in order to enable still more ambitious cooperative efforts in the future.

We also see great opportunities to expand our defense trade, co-production, joint development, and technology transfer in ways that would have been unimaginable just a decade ago. We are committed to addressing Indian concerns about so-called "reliability of supply." We intend to be a reliable partner, and it is in our interest to do so. The Indian Air Force's major upcoming tender for Multi-Role Combat Aircraft offers an important chance for US firms to win a breakthrough contract. That step would go a long way to revolutionize our defense relationship. It would convince remaining skeptics on both sides that times really have changed.

Rethinking the Region

Just as US and Indian leaders are rethinking our bilateral relationship, they are also coming to new conclusions about our cooperation in India's neighborhood. The US is more engaged in South Asia than ever before in our history. We have also picked up a healthy habit of active and intense coordination with Indian officials. This habit reverses decades of prior experience, when India jealously guarded its regional prerogatives, resisting even the hint of US involvement.

Our coordination on the ground in places like Nepal and Afghanistan has already paid dividends. Throughout the recent crisis in Nepal, we worked together closely, and now we are focused on promoting a peaceful and speedy transition to democracy there. In New Delhi and Washington, we have held a series of senior-level strategic dialogues covering a range of regional issues. Our diplomats are gaining a comfort level with each other that fosters far more productive exchange.

Mindsets about our regional roles are shifting, but there is still room for progress. In particular, we are starting to explore the potential for building stronger ties between South and Central Asia. Pre-Soviet cultural and economic ties offer a blueprint for connecting this wider region, from Turkmenistan to Bangladesh, Kazakhstan to Sri Lanka. India's interest in access to markets and energy in Central Asia coupled with its long democratic tradition makes it a natural leader within this expanded neighborhood.

But in order to make real progress on this agenda, key players in the region, including India, will need to think differently about their neighbors. They must begin to see their interests as intertwined. We can accelerate this reassessment by breaking down existing barriers to regional trade, communication, and travel. Investment in new roads, power lines, and bridges will help. The US has recently requested observer status in the South Asian Association for Regional Cooperation (SAARC), in part because it represents one of the few multilateral vehicles for building an expanded regional identity.

Rethinking India's Global Role

Perhaps the greatest new opportunity we see in this historic moment is India's potential for global leadership. India's own contributions in a variety of scientific and technological endeavors are well known. Now we are establishing the infrastructure needed for greater bilateral and multilateral cooperation. The signing of the US-India S&T Agreement last fall will allow greater collaboration between our doctors, engineers, and computer scientists. NASA and ISRO just inked an accord that will place two US payloads on an Indian lunar mission, demonstrating that times – and mindsets – have changed between our two space agencies. And, thanks to U.S. efforts, India is now one of seven countries in an international consortium working to build an experimental fusion reactor (ITER).

India is also beginning to show global leadership in other ways. Last fall, PM Singh and President Bush showed their support for the UN Democracy Fund, contributing \$10 million each to provide assistance that will help other countries develop democratic roots and practices. India is also helping to make democracy a sustainable reality in Afghanistan, where it contributed \$50 million to the construction of a new Parliament building – a very concrete investment in a new Afghan future.

We see these actions as significant breakthroughs, because India has long preferred to promote democracy by its own example, rather than through more active international policies or programs. But at least some Indian perspectives are changing in this respect. Last summer, before a joint session of Congress, Prime Minister Singh stated plainly that “We... have an obligation to help other countries that aspire for the fruits of democracy. Just as developed industrial countries assist those that are less developed to accelerate development, democratic societies with established institutions must help those that want to strengthen democratic values and institutions.”

We hope to see an ever greater convergence in US and Indian views about the natural connections between democratic governance, human rights protection, development,

security, and peace. We believe that India has a great deal of relevant experience in the many aspects of democratic governance, experience that should be shared with the world.

Conclusion

In sum, during the past five years we have turned a corner in the US-India relationship. Leaders in Delhi and Washington have seized the initiative, and are working hard to shift expectations about what is possible – in India itself, bilaterally, regionally, and globally. By all measures, this qualifies as a historic transformation. But we must bear in mind that it is not yet self-sustaining, it was never inevitable, and there's still much more to be done.