

Life after the nuclear deal

After the ‘happy marriage’ of the George W. Bush years, which were built on the courtship of Bill Clinton in 2000, US-India relations in the Barack Obama presidency are yet to be defined. Secretary of State Hillary Clinton’s visit to India is expected to do that.

The first and most important change is the global context. The economic downturn has to figure in the planning for the future at a bilateral level. In fact, the crisis has brought Obama and Manmohan Singh together on more than one occasion. It will do so again. So, there are issues to be discussed at the bilateral level but which concern the world as a whole — for instance, avoiding protectionism, concluding the Doha round and reforming international financial institutions.

The key priorities in the relationship fall into several broad buckets. The first bucket is to determine who is the ‘owner’ of the bilateral relationship in both governments. Where does the day-to-day initiative reside and where does the buck stop?

Can India’s Ministry of External Affairs and the US State Department be the most meaningful ‘owners’ of the bilateral relationship? Progress often depends on the priority, attention, engagement and commitment of these two central agencies. But will there be a continued involvement of the two heads of these two agencies? Will External Affairs Minister S.M. Krishna and Secretary of State Hillary Clinton commit to a bilateral engagement at their level on a continuing and structured basis? A strong flow can only be assured if the two commit their time to the relationship.

The second bucket relates to high technology. Be it defence, nuclear, space or other areas of science and technology, the progress on cooperation on these fronts will determine the extent of seriousness to bilateral cooperation and partnership. Defence cooperation is held up, nuclear cooperation is delayed, space cooperation is yet to really take off and high-technology cooperation is stymied. Will the Clinton visit help to clear the logjam? If not, then the Indian reliance on technology imports would lie with other countries and its own indigenous efforts. But there is an enormous opportunity for the US and India to partner each other for mutual benefit. Krishna and Clinton will be tested on this count.

The third bucket relates to the economy. Trade, investment, agriculture, the financial sector, energy, the environment, climate change and the private sector — these are some of the areas of cooperation as well as of some differences. The bilateral investment agreement is not going anywhere. Agricultural cooperation is yet to take off despite the

history of partnership in the 1960s-70s. Financial sector opportunities are yet to be maximised. Climate change divides more than unites.

Energy efficiency is an area of growing cooperation. The private sector, through the bilateral CEOs' Forum, has been exemplary in building a common agenda for economic ties to grow. On the trade side, there is growth but there are also barriers. This entire range of areas of economic links can explode to mutual benefit. It will require a strong joint government-cum-private sector initiative. The first milestone should be \$100 billion by 2012, covering products and services; \$200 billion is achievable a few years later.

The next bucket is the social sector: health, education, women's empowerment, poverty eradication, rural development etc. These will be high on the Clinton agenda because of her personal interest in them.

The next bucket is not about India but about the US, whose economic troubles could lead to social problems. What is it that India can do to stem this? Will Clinton ask for Indian industry to find opportunities to invest in the US? As a senator, she did this for Upstate New York with the Confederation of Indian Industry. But there needs to be a bilateral focus and plan to multiply the numbers.

The second element is related to India's 7 per cent GDP growth that offers opportunities in the Indian market. 'Buy American' need not be an American slogan for US companies; it could also be a slogan for India. This will help to create a higher level of activity in the US and for jobs that are today hard to come by there. In this area, Indian industry is working on a plan to set up a training institute in Michigan.

The third element would be to get engaged in training and re-training of Americans for jobs. Some Indian firms are doing this. This can be scaled up. Finally, the relationship will depend on the development of mutual respect, friendship and trust. This has been lacking for over five decades but some progress has been made since 2000. The US-India Strategic Dialogue of the Aspen Strategy Group and the CII have helped to do just that. But this can be consolidated. There is still a long way to go before India and the US stop talking at each other and start talking with each other.

Clinton's visit needs to mark an important beginning in this process of building trust, respect and friendship even when we may not always agree on issues. Her visit must herald a new dawn.

Tarun Das is Chief Mentor, Confederation of Indian Industry