

U.S.-INDIA INSIGHT

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An Obama-Singh Agenda: Voices of Experience

Amb. Karl F. Inderfurth

According to senior U.S. officials, the meeting this week between President Barack Obama and Prime Minister Manmohan Singh at the White House will primarily focus on economic issues, specifically what the two countries can do together to generate economic growth. Few would disagree that this should be at the top of their agenda.

So, what can the president and prime minister accomplish during their relatively brief time together? First a reality check is in order. The two leaders should have a candid exchange to discuss the domestic challenges they face at home—Obama, most immediately with multiple flash points in the Middle East and upcoming budget ceiling battles with Congress; Singh with a slumping economy—“India on the Brink” says *The Economist*; “India in Reverse” says the *New York Times*—and next year’s national elections and the concomitant prospects for a “lame duck” government. Domestic considerations will understandably constrain the degree to which Washington and New Delhi will be able to focus bandwidth on the bilateral relationship in the immediate months ahead. Neither should be surprised nor take this amiss.

That said, Obama and Singh can use their time together to agree on a common set of issues that hold back our economic ties and issue appropriate instructions to their respective deputies to resolve these priority issues as quickly as possible. Ambassador Charlene Barshefsky, U.S. trade representative during President Bill Clinton’s second term, recently [spoke](#) at a CSIS event on “U.S.-India Economic Relations: A Reality Check” and identified several key policy areas that must be addressed to improve our trade and commercial relations (below).

But President Obama and Prime Minister Singh should not let the vexing economic issues in their respective in-boxes dominate their meeting. They should also take this opportunity to articulate several longer-term goals that will underscore tangible and important benefits to both sides of the U.S.-India strategic partnership. Regarding this longer-term perspective, former U.S. ambassadors to India Frank Wisner, Richard Celeste, and David Mulford were asked to provide their thoughts (also found below).

*“Unlocking the full potential
of the U.S.-India relationship”*

A U.S.-India Parliamentary Agenda?

In his State Department oral history, former U.S. ambassador to India Chester Bowles, who served from 1963 to 1969, had this to say about members of Congress and India: “The average number of visiting Congressmen while I was there was probably twelve. Most of them stayed three days. And this was just enough to confuse them. They’d see things they didn’t expect to see, changes they hadn’t anticipated, and they felt unsettled about it.”

Today India has been elevated on the congressional agenda, as the two countries have grown and strengthened their relations over the past 12 years. Both houses of Congress have India-specific caucuses—with over 100 members in the House and almost 40 in the Senate. Today it’s fair to say that confusion about India no longer reigns supreme, but it’s also true that more clarity about India and the future direction of bilateral ties would be beneficial.

In 2009, Representative Jim McDermott (D-WA), one of the leaders of the House India caucus, introduced the “[U.S.-India Inter-parliamentary Exchange Act](#),” modeled after the successful U.S.-Japan Legislative Exchange Program, but the bill was never picked up. Something like it should be today. The United States and India engage at many different levels—officially, business-to-business, and people-to-people—but the relationship still lacks a deep engagement between our two legislatures.

Regular, institutionalized parliamentary exchanges can provide a platform for discussing bilateral issues and maintaining clear channels of communication, something very much needed today on trade and commercial issues (see main article). More frequent exchanges would benefit from a better understanding of the work of standing committees—for example, in India there has been a recent sharp public focus on the Standing Committee on the [Lok Pal](#) bill and the Public Accounts Committee (over the [2G spectrum scam](#))—and capacity-building steps like legislative research analysis. India’s parliament does not have an

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Dealing with the Present

According to Ambassador Barshefsky, the U.S.-India economic relationship “should be stronger and more robust than it is by virtue of the size of our economies and populations, as well as the strength of our strategic relationship. Despite being on track to become the world’s third largest economy, India is only America’s 13th largest trade partner.”

What’s holding it back? In her view, there are three broad areas that India must confront to improve trade relations with the United States: the economic slowdown that has diminished the value of India’s currency (the rupee has tumbled by 13 percent in three months); a set of “vexing regulations and a very challenging rules system” that businesses struggle to navigate; and market access barriers that include tariffs, “buy local” requirements, and lax intellectual property protections.

At the same time, she said, the United States should respond to the concerns India has expressed about U.S. policy. “First, the intractable immigration debate in the United States over illegal immigration risks jeopardizing a key fundamental of growth: a *legal* immigration system that allows for the free movement of highly skilled workers.” And second, “The U.S. should address India’s concerns over the equalization of social security taxes paid by Indian workers under the H-1B program.”

Should Obama and Singh use their meeting to make progress on resolving some of these very difficult issues, Ambassador Barshefsky concluded, they would “put the economic relationship on a much more positive and accelerated trajectory.”

Looking to the Future

The Wadhvani Chair at CSIS posed a specific question to three former U.S. ambassadors to India: *What kind of relationship should the United States and India aim to have 10 years from now?*

Ambassador David Mulford’s response provides an excellent segue from where we are today in the U.S.-India economic relationship to where the two should be a decade from now:

“Ten years from now the United States should be able to look back on a period where it has successfully encouraged and assisted India to improve its policies across the board to achieve high growth (7–9 percent per annum) and to help India to extend improved policies in health care, agriculture, science and technology. Stronger growth in India should be a U.S. priority because it is the most effective way to lift tens of millions of people from poverty. India’s rural economy has begun an historic transformation that is aspirationally driven from the ground up. This phenomenon is hard to measure but is clearly present and relatively independent from India’s urban economy and middle class economy.

Essential features of this change must include improved fiscal policies in India, reduced subsidies, the opening of markets to both foreigners and Indian operators, promoting changes in regulations such as multi-product retail liberalization, intellectual property protection enforcement, and more open and dependable investment rules. We are positioned to achieve this across the board dialogue with India, but we must find better ways to engage India and to strengthen private sector relations in investment and trade.”

equivalent to the Congressional Research Service (CRS); there is no exclusive organization that works to provide quality research to the 790 members. The U.S. CRS is well positioned to explain and demonstrate its success in institutionalizing research in the functioning of the U.S. Congress.

In the last decade, there has been one instance of a government-sponsored delegation between the United States and India—a 2008 delegation of Indian members of parliament visited the United States. Unofficial programs include the [Indo-U.S. Forum of Parliamentarians \(IUFP\)](#) and the [Yale-India Initiative](#). While these dialogues are helpful, they do not provide routine enough interaction between the two legislatures.

Successful in broadening the U.S.-Japan relationship, regular parliamentary exchanges between Tokyo and Washington can serve as a template for potential U.S.-India exchanges. The United States and Japan engage in different types of initiatives: an umbrella [U.S.-Japan Parliamentary Exchange Program](#) offers members of the U.S. Congress and Japanese Diet an opportunity to discuss global policy [issues](#) ranging from the Trans-Pacific Partnership and trade to territorial disputes. The [U.S.-Japan Young Political Leaders Exchange Program](#) aims to expose young congressional staffers and assistants to Japanese Diet members alike to the other nation’s policymaking processes and senior leadership. Senior congressional staffers can participate in a week-long [U.S. Congressional Staff Exchange Program](#) in which they are introduced to Japanese legislators, policymakers, and other experts. To paraphrase the old expression, these are the ties that do bind nations together.

When introducing the “U.S.-India Inter-parliamentary Exchange Act” in 2009, Rep. McDermott said “Understanding among nations is the path to stability, security and peace in the world.” He was right then. He still is today.

—Karl Inderfurth, Camille Danvers, & Vineeth Murthy

Ambassador Frank Wisner's response widens the lens beyond the critically important economic dimension of the relationship to its overall strategic importance:

"India and the United States need to adjust further the goals they set for the relationship. Of course, we have come a long way over the past decade and a half, but we and the Indians need to rethink the strategic direction we are traveling. On the Indian side, India's political leadership needs to adjust further its view of the United States and recognize it as a key partner in forging a place for India at the world's 'high table.' India should consider the United States as an important element in maintaining a balance of power in the Asia-Pacific area and as India's key partner in commerce, capital mobilization, and technology transfer. The United States should not look to India as the opposite party in a transactional relationship, expecting to see every gesture matched by an equivalent move. Americans should expect Indians to protect their ability to maneuver on the regional world stage. Instead the United States should regard a stronger India as an American interest and recognize that our shared values and perspective are long-term assets for the United States."

Finally, **Ambassador Richard Celeste's** response lends further support to the statement made by President Obama during this 2010 visit to India—that India will be "one of the defining partnerships of the United States in the 21st century."

"I would expect that a decade from now, India would rank just behind Canada and the United Kingdom as our most valued global partner. By almost every measure—creating a stable balance of interests in Asia, promoting a global knowledge economy, fighting cross border terrorism, addressing global poverty, achieving sustainable growth, and tackling climate change, frankly addressing almost any fundamental problem shared by the family of nations—India's participation as a leader is critical."

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