

The Fourth FICCI- Brookings Dialogue on the India- US Strategic Partnership
October 10, 2012, New Delhi, India

Remarks by Geoffrey Pyatt, Principal Deputy Assistant Secretary, Bureau of South and Central Asian Affairs

I'd like to say first of all, what an enormous pleasure and honor it is for me to be here speaking, and especially before such a distinguished audience of very senior Indian retired and current officials.

I want to offer two particular acknowledgements. First of all, to our host R. V. Kanoria, and to note in particular the indispensable role that he has played over the past decade in building the architecture for the new U.S.-India relationship. Initiatives like the Indo-U.S. Parliamentary Forum which began here in this building and played an absolutely critical role in establishing the channels of communication that are so important to the strategic partnership that we're seeking to build.

The second acknowledgement is to someone who's not here but whose passing I wanted to note and that's Brajesh Mishra, somebody to whom I think all of us who have worked on the U.S.-India relationship over the past decade have to look and in many ways everything that we're doing today together stands on his shoulders and the strategic vision that he first enunciated.

The one big idea I'd like to highlight for everybody this morning is simply to underline the degree to which for the United States our engagement with India, going back to the period that Strobe Talbott documents in his "Engaging India" manuscript, is the result of a deliberate, considerate strategy founded on the judgment that the rise of India, the emergence of India as a more consequential and powerful actor in the international system is good for U.S. interests and good for the international system, good for the global economy. That's a line of approach which began in President Clinton's administration, was sustained by President Bush, and very much informs the approach that President Obama has brought to the task before us.

In the Obama administration there has been a considered presidential review of our approach to India policy and it is a review that has reaffirmed the conclusion that this is a strategic relationship of abiding importance to the United States in which our governments have prepared to make a broad and enduring investment.

One of the advantages of the U.S.-India relationship in the transformative phase that Ambassador Mishra was involved with was the fact that it focused on a single big issue -- the U.S.-India nuclear deal -- which captured everybody's attention and made clear that we were changing the rules of engagement. I think one of the tasks which those of us who are now engaged in the relationship have to work on is the fact that rather than one big thing, we have a multiplicity of activities in which we are working together, trying to forge an international partnership.

I would just highlight six specific areas that reflect the strategic bet that the United States has made on the future of our partnership with India [in the expectation my co-panelists will cover those I've overlooked].

1) **ECONOMIC RELATIONSHIP:** First and foremost, I would highlight the economic relationship which will be of enduring importance. And it's worth remembering that about a decade after Ambassador Blackwell's famous "flat as a Chapati" speech, we have managed to grow the U.S.-India trade account by a factor of four. Investment has grown by a factor of ten. Government can take relatively little credit for that accomplishment. Most of the growth has resulted from decisions made by investors and business people here in India and in the United States. But certainly it has been our task to remove the obstacles. We have been engaged on the task of dealing with high technology trade, working through the High Technology Group and other mechanisms to remove regulatory and other barriers to the high end partnership that characterizes and distinguishes this economic relationship.

The U.S.-India economic relationship is really set apart from others that we enjoy by the fact that this is an engagement that takes place at the high end of both of our economies in areas like services, advanced technologies, bio technology. These are the technologies and the knowledge-based industries of the future.

Yes, there are issues that remain to be resolved across this economic spectrum, but I would argue that in the context of the expanded volume of trade, and expanded volume of interaction, it is quite natural that there are issues that have to be addressed as we grow this bilateral economic engagement. But I think what stands apart for me is the level of comfort certainly on the Washington side, with India as an economic partner. This is not a relationship revival; this is a relationship of complementary and comparative advantage.

2) **STRATEGIC DIALOGUE:** The second major basket I would flag is the spectrum of strategic consultation that has emerged between our two governments on a broad array of diplomatic tasks that confront us. The vehicle for this in the Obama administration has been the Strategic Dialogue, which Secretary Clinton has chaired, but it really has become part of the day-to-day practice of American diplomacy in particular in the region that I'm responsible for: South and Central Asia. It reflects the convergence of our interests. It also reflects the commitment to candor and engagement on both sides of the discussion.

The foremost example I would cite is Afghanistan. I would simply highlight the trilateral meeting in New York about ten days ago as the encapsulation of the commitment on the part of the United States to working intensively with India as we manage the transitions that are underway in Afghanistan, and also as we look to our enduring engagement there, an engagement in which we expect India to be a foremost partner of the United States.

But I would go further than that. First of all, in Afghanistan, I would note the appreciation both in Washington and elsewhere for the role that India has played. It was quite striking to me in July at the Tokyo Conference to look around the room at all the foreign ministers assembled there and to realize that the largest delegation in the room after the United States was India. I think it's a reflection of the commitment that this government has made to the success of the democratic transition in Afghanistan and the fact that the Indian presence there was not just the foreign minister, not just your distinguished Ambassador in Kabul, Gautam Mukhopadhyay, but was also representative of the Indian private sector which is going to be so important to Afghanistan's long term future and prosperity.

I would flag another few examples, particularly in this region where Indian advice and Indian approaches have significantly informed American policy and have helped to shape our approach. For instance, to the transition in the Maldives, to the crisis that occurred there in February and the question of how to

preserve Maldivian democracy; to the political transitions in Nepal, in Sri Lanka. Looking further abroad to Central Asia where India has been an enthusiastic supporter of the New Silk Road Vision for regional integration that Secretary Clinton has enunciated. But India is also, and I say this from my own consultations with Central Asian governments, India is a preferred partner for the Central Asians as they look at how to manage their uniquely complicated geopolitical situation and look at how to access international markets for the Central Asians and through projects like the Turkmenistan–Afghanistan–Pakistan–India Pipeline (TAPI), India is a highly attractive marketplace, but it's also a model of what can be achieved in terms of engagement with the global economy and development thereunder.

Multilaterally, as I learned through three years of working very closely with my Indian counterparts in Vienna, in the IAEA, in the other UN institutions, we've developed a habit of routine consultation and collaboration. It's been very visible, again, in Vienna on the Iran File where India's voice has been absolutely critical to maintaining pressure on Iran to come into compliance with its Security Council and IAEA obligations. But critically, India, because it's part of groups with which the United States is not a part, for instance the non-aligned movement, India has an ability to shape the larger narrative in a way that helps to drive towards the multilateral goals that we both hold.

The nomenclature on the Middle East or West Asia illustrates that there are still differences that need to be bridged, but certainly my experience has been that by and large, more often than not, American and Indian perspectives will converge, and we've developed the habit of working with each other in order to achieve common objectives.

Four other quick areas that I would highlight:

3) **PEOPLE-TO-PEOPLE TIES:** An absolutely critical one from the American perspective is our people-to-people ties. Don Lu, our Charge, is here and I know how hard the embassy is working to manage the expansion of our people-to-people relations both in terms of educational partnerships in terms of visa services, in terms of travel back and forth. But I would also flag from the U.S. side the critical role that the Indian Diaspora is playing in shaping the narrative around India in the United States. That's a story that's just begun, but it's worth paying attention to as you see more and more Indian Americans succeeding in our political system, the rise of governors like Nikki Hailey, Bobby Jindal in Louisiana. We have multiple Indian-Americans running for our Congress this year. These are part of the sinews of people-to-people ties that really distinguish the bilateral relationship and will certainly provide stability and ballast over the long term.

4) **DEFENSE:** Defense has been referred to previously. I would just highlight that the critical importance of our defense partnership looking forward, not just in terms of the sort of strategic consultation that I described earlier, but also in terms of defense sales, interoperability. I would highlight the initiative that Deputy Secretary of Defense, Ash Carter, launched during the course of his visit to India earlier this year. It's the only place in the world where the United States is undertaking the kind of initiative that Dr. Carter is leading in our system to identify the avenues of expanding our defense cooperative relationship, our defense sales relationship, looking at issues like co-production, co-development, placing India on par with our closest allies and partners in terms of the technologies and the systems which we share with India. And then looking at how to leverage the commercial relationships, the business relationships that are emerging as India's own private sector moves into areas like aerospace and defense technology, offering an attractive partnership to the top U.S. companies that are already deeply committed here. I think as a defense partner one of the things that sets the United States apart is the presence in India that companies like Boeing and Lockheed Martin and Honeywell and Raytheon

have all established. They're all in Hyderabad and Bangalore and across the country, and they've put down roots here. They see India as a long-term place to do business, not just as a partner, but as a source of technology, a source of expertise, and as part of their global supply chains.

The last two issues:

5) **ENERGY:** First of all energy. I was deeply, deeply impressed by the energy dialogue that took place in Washington last week, the role that Energy Secretary Dr. Steven Chu has played in mobilizing our laboratories, our experts to work with Indian counterparts to develop the emerging technologies will be critical in areas as diverse as solar, gas, clean coal, also the strategic energy dialogue that bleeds into the issues that we discussed earlier.

6) **COUNTER-TERRORISM:** Finally, counter-terrorism cooperation. The Obama administration of course took office just a few weeks after the tragedy in Mumbai and the administration has made a strong commitment to an intensive, largely unspoken dialogue aimed at both ensuring that justice for those who were involved in the Mumbai attacks, but also working as hard as we possibly can almost every single day to prevent a recurrence of that kind of catastrophic terrorist attack.

CONCLUSION

I would conclude with two thoughts. One, I think from where I sit the greatest risk to the U.S.-India strategic relationship looking forward is complacency. I think on both sides we have complicated democratic systems and certainly those of us who have been in the trenches of building this bilateral relationship have relied on the vision and political commitment of our leaderships on both sides. I think that's something which will continue to be necessary.

Then I would flag, the importance of India's continued process of economic reform and economic modernization. We understand that the issues that are now in play in the Delhi papers-- the questions of retail market opening and the other reforms --these are issues that have to be worked through India's own democratic process. We are no more than interested observers, but we have an enormous interest in the success of this experiment. And as we look to the future, an India, which, by 2025, will be the third largest economy in the world, we expect to be a preferred partner. We expect that our companies and our economic fates will continue to become deeply intertwined with each other. So from that perspective it's entirely appropriate that we're having this broad strategic conversation here at FICCI House with business people on both sides that I think are going to play an important role in shaping the kind of relationship that we have looking to the future.

Thank you.