

### **Whither Indo-U.S. Relations? (Topic 1)**

It took a while for the ice to thaw after Cold War politics had left the United States and India on terms that were less than friendly, but developments for the most part of the last decade have left diplomats and citizens on both sides thinking deeper about bilateral relations between the world's oldest democracy and its largest.

From a geopolitical perspective, it is imperative for each nation to strengthen ties with the other. The United States can boast India as its strongest ally in the South Asian region, and the latter can only ascend the global ladder in collaboration with the world's political, economic, military, and cultural giant.

Relations between the two nations have steadily improved after former President Clinton imposed an embargo on non-humanitarian aid on India as mandated under Section 102 of the Arms Export Control Act<sup>1</sup> following underground nuclear testing by India in May 1998. In fact President Clinton's visit to India in 2000 breathed life into a relationship that threatened to be besieged by strong U.S. disapproval of the preeminent arms race between India and Pakistan.

Since then, two visits by former Indian premier Atal Behari Vajpayee to Washington have ensured Indo-U.S. cooperation on key economic and political issues. Substantial progress has already been made in the last year during trips to New Delhi and Washington by President Bush and Prime Minister Manmohan Singh respectively. Dialogue between the two nations is comprehensively held under the umbrella categories of strategic (which includes security issues), economic (which encompasses trade and commerce), and energy (which entails civilian nuclear program cooperation).<sup>1</sup> Eminent economists and political scientists are already touting India as a prospective power player

in global relations, and the Bush administration has vowed to “help India become a major world power in the 21<sup>st</sup> century<sup>1</sup>.”

Of predominant importance in this sea change of direction in relations between New Delhi and Washington lies the issue of civilian nuclear power. India’s large population combined with increased awareness of global warming<sup>2</sup> has propagated the need for and reliance on nuclear power. Castaway status for many years as a result of a lack of recognition under the NPT (nuclear Non-Proliferation Treaty), which India had declined to sign because of a clause that allowed member nations to peacefully maintain nuclear arms, has denied India the right to collaborate with other nuclear weapon states on the beneficial uses of nuclear energy. Manmohan Singh’s visit to Washington in July 2005 led to the Bush administration offering civilian nuclear assistance to India in a noteworthy gesture of trust and appreciation of responsible utilization of nuclear weaponry by the latter. The historically stagnant demand that India sign the NPT was set aside, and the offer that included help in building nuclear power plants and importing advanced weapons resonated of deeper ties between the United States and India. President Bush’s state visit to New Delhi in March 2006 was successful in executing his earlier offer, and both nations officially signed a pact to cooperate in the civilian nuclear energy field. India’s responsibility is to separate its civilian and military nuclear programs while the former would be brought under IAEA (International Atomic Energy Agency) regulations.<sup>2</sup> On its part, the United States will sell India the reactor technologies and the nuclear fuel for setting up and upgrading its civilian nuclear program.<sup>3</sup> Although the agreement has induced mixed responses from members of Congress, it has indisputably brought the two nations closer together, which lends weight

to a promising and mutually beneficial relationship in the future. Rep. Frank Pallone (Democrat-NJ), founder of the influential India Caucus in Congress, echoed these sentiments by offering to “lend [his] personal support to the President's endeavor and...do what is necessary to strengthen [the agreement's] support in Congress [because]...[i]ts implementation is important for U.S.-India relations<sup>4</sup>.”

On a linked matter, for over a decade now, India has been petitioning for a permanent seat on the United Nations Security Council (UNSC). Interestingly enough, the United States is the only permanent Western member of the UNSC that has not yet approved India's long-standing bid. As the world's largest republic, its second most populous nation, its fourth largest economy in terms of purchasing power parity<sup>5</sup>, and the country with the second most number of Muslims and the largest number of Hindus, India demands a greater voice on issues of global peace and security. Additionally, India boasts the world's third largest armed forces and is a consistent contributor to United Nations (UN) peacekeeping missions throughout the world<sup>5</sup>. As a growing nuclear power with ascending political and economic influence, India hopes that the U.S. will, in the coming months, be more forceful in its support for India's candidature as a permanent member of the UNSC.

Another issue that composes the economic realm binds these two nations inextricably and has also stirred the emotions of citizens and legislators alike. Two years ago, if someone asked me what BPO was, I'd venture to guess it was the stock market symbol for British Petroleum. As it turns out, I would have been wrong. Business Process Outsourcing (BPO) is what is now in vogue for approximately half of the Fortune 500 companies today<sup>6</sup>. India finds itself at the center of this business strategy upheaval

because of its relative mastery over the English language, a new and youthful generation that is ambitious and talented, and a generally positive public opinion toward many things American. The creation of virtual offices thousands of miles away that operate at a fraction of the cost necessary for a comparable setup here in the United States has set off alarm bells among sections of the American middle class. Everything from customer service to claims management and data processing is being shipped overseas so that the workforce here can focus more on core issues such as strategic planning. It is a revolution that is sweeping across Indian landscapes whose ramifications are often missed by the naked eye. The outsourcing phenomenon has even dethroned the heretofore headline-hogging issues of national security and Indo-Pakistan rivalry. In what is a region of the world that is of concern due to tensions between these historical rivals, Indian industrialists who see themselves as part of a global world focus more on profit-making and less on deep-seated ideological disputes. Renowned New York Times columnist Thomas Friedman hammered home this point when he exclaimed that the Indo-Pak “ceasefire [is] brought to you not by General Powell, but by General Electric<sup>7</sup>.”

This may sound like a paradox, but creating corporate backstages in India indirectly invites more people to Uncle Sam’s own hallowed door. Outsourcing, in more ways than one, inevitably brings Indian employees into American waters. It sells America to an Indian public that is hungry for cultural, social, and economic achievement. Indians become more aware of American products, places, and policies and are therefore attracted by the prospect of working or living here. “American Idols” can be seen there everyday, both on cable television and on the streets in daily life. Many of these driven Indians are well-qualified, industrious, and hungry, and would jump at the opportunity of

coming to the United States. In an age of globalization, Indian exposure to the world's largest market and its savvy management techniques can only enrich its own workforce and economy. Nine hundred thousand Indian-born workers constitute approximately 4.5 % of the foreign-born labor force in the U.S. Indians can also savor the highest average number of years of education (16.1) completed among immigrant nationalities.<sup>8</sup> This is one of the factors that enables Indians (along with other Asian ethnicities) to assume the title of a "model minority." President Bush might have only recently lifted the import ban on Indian mangoes, but one hopes he knows full well that America's most valuable import from India is brainpower, and that brainpower along with steadily increasing rates of socioeconomic success is indubitably contributing to the growth of American economy and culture. Is this not reason enough to invite more adept and dedicated workers into the land of opportunity, a nation that Ronald Reagan exalted as "a shining city upon a hill?" On his recent visit to India in March, George W. Bush was urged by NASSCOM (National Association of Software and Services Companies), the Indian Information Technology (IT) industry body, to increase the number of H1B visas allotted to knowledge workers from 65,000 to 195,000, the number at which the cap was set during the Clinton era.<sup>9</sup> If the cap is increased, it will doubtless strengthen American companies while also delivering a huge boost to the Indian IT industry.

Although equating present and prospective relations between India and the United States to a "Nixon in China" event would be a stretch, recent developments and future goals clearly bode well for ties between these two bulwarks of democracy. Facilitating further educational links and commercial exchanges will be foreseen as another substantial

mark of progress. America stands at the world's pinnacle; India is yet an aspirant. But much can be accomplished when an established colossus joins forces with a rising star.

**References -**

- <sup>1</sup> Congressional Research Service, Library of Congress
- <sup>2</sup> "India as a New Global Power: An Action Agenda for the United States," Ashley J. Tellis
- <sup>3</sup> "Foreign Relations of India," Wikipedia Online Encyclopedia
- <sup>4</sup> US-India Political Action Committee (USINPAC)
- <sup>5</sup> "United Nations Security Council," Wikipedia Online Encyclopedia
- <sup>6</sup> "Inside Outsourcing in India," Stephanie Overby for CIO Magazine
- <sup>7</sup> Television interview on PBS conducted by Terence Smith in March 2004
- <sup>8</sup> "The Role of Immigrants in the U.S. Labor Market," Congressional Budget Office (CBO), November 2005
- <sup>9</sup> "NASSCOM to bring up H1B visa during Bush visit," [www.h1base.com](http://www.h1base.com)