

# ISAS Brief

No. 120 – Date: 23 July 2009

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## Hillary Clinton's Visit to India Differences Remain despite Positive Outcomes

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### Abstract

Four major issues dominated United States Secretary of State Hillary Clinton's visit to India from 17 to 21 July 2009. These were India's future role as a global player; Pakistan's commitment to fighting terrorism; defence and nuclear energy cooperation; climate change and caps on carbon emissions. Overall, the visit was significant as a signal of United States President Barack Obama's determination, moving forward, to build a broad-based political, economic and strategic relationship with India.

### Introduction

The recent visit to India by United States Secretary of State, Hillary Clinton, has been closely watched in various quarters. This is not surprising, given that this is the first visit by a senior member of United States President Barack Obama's administration to the country. It also sets the stage for Indian Prime Minister Manmohan Singh's visit to the United States, scheduled for 24 November 2009, with President Obama making his first visit to India as United States President sometime next year.

Four major issues dominated Mrs Clinton's recent visit. These are issues that will, in all likelihood, dominate discussions between Prime Minister Singh and President Obama when they meet twice over the next year or so.

### India's Place in the United States' Global Political-Strategic Matrix

The first issue is the concern of many Indians about their country's place within President Obama's wider global political-strategic matrix. There is a feeling in certain Indian circles that, in comparison to the George W. Bush administration, President Obama has relegated India to a lower rung of importance within the United States' global strategies and goals. More specifically, some detect a 'tilt' towards China by the Obama team, with suggestions of a nascent G-2, comprising the United States and China, taking shape. This idea of China being part of a new global duumvirate is of great concern to New Delhi given the history of strained relations between the two neighbours.

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On this point, the United States has been keen to reassure India that the latter retains the same importance for America's global strategies and goals as it did during the Bush era. By repeatedly speaking of an "enhanced United States-India strategic partnership", of India as being one of the few nations that the United States saw as a "global partner" and of the need to foster a greater role for India in "solving global challenges", Mrs Clinton has sought to reassure the Indian government on India's strategic relations with the United States.

In addition, both President Obama and the Chinese government have sought to downplay any notions of an emerging G-2. There are also several influential voices of opposition concerning the G-2 within the United States itself, ranging from the Pentagon to the United States trade representative groups. To that extent, Mrs Clinton's visit will serve to assuage Indian concerns, at least for the time being.

However, some differences on political-strategic issues still remain. One of these concerns the relations with Iran. Given India's long history of warm relations with Iran and the negotiations currently underway to build a gas pipeline from Iran to India via Pakistan, India favours a relatively softer approach towards Iran. However, both India and the United States agree that Iran's acquisition of nuclear weapons would be a negative development and that seems to be the minimum level of agreement between them on Iran for now and both sides seem to be content with this position at this moment.

### **Pakistan and the War on Terror**

Not surprisingly, the second issue concerns Pakistan. The Indian government wants the United States to keep its pressure on Pakistan to demonstrate a genuine commitment to combat terrorist elements on the latter's soil. More specifically, it would like the United States to push the Pakistani government into apprehending specific individuals India believes are complicit in the recent Mumbai terrorist attacks. On this issue, the United States is broadly sympathetic to the Indian position but it does not wish, at least publicly, to go as far as India would like. Mrs Clinton's public statements of an "evolving commitment" from the Pakistani government in fighting terrorism on its soil and the way in which the Pakistani army has fought against domestic terrorist elements has been "sincere, effective and committed" may not mirror India's sentiments. However publicly, at least, the Indian government has not responded strongly to Mrs Clinton's comments.

On its part, the United States is likely to privately try to nudge India towards resuming some type of direct dialogue with Pakistan, with the aim that the two countries restart peace talks sometime soon. This stems from the United States' belief that tensions with India do not help Pakistan in its domestic war against terrorist elements, with the immediate spillover effect felt by United States troops in neighbouring Afghanistan. On this issue, the Indian government has stuck to its official line that it is, in principle, ready to talk directly to Pakistan but its concerns over terrorism need to be addressed if any genuine dialogue between the two countries is to take place.

### **India-United States Defence Cooperation**

The third issue concerns defence cooperation and civilian nuclear trade. At the last G-8 Summit in Italy from 8 to 10 July 2009, the United States persuaded the grouping to ban the transfer of nuclear enrichment and reprocessing technologies to countries that have yet to sign the Nuclear Non-Proliferation Treaty (India being one of these countries). Many in India

saw this as a sign that the new United States administration was going back on the civilian nuclear deal (the 123 Agreement) signed during the Bush tenure. However, the public announcement of India's approval of (and the United States' acceptance of) two sites for setting up United States-made nuclear reactors has signalled that the United States administration does indeed want to move forward on the 123 Agreement. These two reactors could result in as much as US\$10 billion worth of potential exports for United States companies such as General Electric and Westinghouse Electric. Formal negotiations on nuclear reprocessing between the two sides commenced on 21 July 2009, with positive signs that an agreement on "arrangements and procedures" will be reached within a year.

On defence, a military End User Verification (EUV) agreement was reached during Mrs Clinton's visit which allows for the procurement of sensitive technologies for military purposes from the United States to India. Although the details of this deal have yet to be worked out and, despite huge opposition in India on the implications of this deal, this agreement is highly significant. This deal potentially allows major United States defence firms (under United States law) to sell military equipment to India as well as opens up the possibility of closer military-to-military ties between the two states. United States defence firms will now be able to compete with Russian, French and Swedish companies for a lucrative US\$12 billion tender to provide 126 fighter jets to the Indian Air Force. The Indian government would be relatively pleased with developments in this third issue.

### **Climate Change and Carbon Emission Caps**

The fourth main issue concerns climate change and carbon emission caps. The United States position is that India should be persuaded to accept some form of legally binding caps on its carbon emissions as a basis for drafting a new global treaty on climate change and carbon emission cuts. India maintains that it produces less carbon emissions per capita than the developed countries, and that any attempts to place legally binding caps on it will adversely impact its economic growth and attempts at poverty eradication.

In a joint press conference with Mrs Clinton, Indian Environment Minister, Jairam Ramesh, strongly asserted India's stand on the issue of legally binding caps and expressed displeasure at the looming "threat of carbon tariffs" on Indian exports to the United States. The United States House of Representatives passed a bill last month that could allow import taxes on products made in countries that do not have statutory curbs on greenhouse gas emissions. For the United States, the timing of Mrs Clinton's visit is especially crucial given the forthcoming meeting in Copenhagen in December 2009, where 180 countries will meet to broker a new treaty on global warming, which would replace the Kyoto Protocol. On the United States' side, there were hopes that Mrs Clinton's visit might perhaps soften India's position to some extent. The fact that Todd Stern, President Obama's special envoy on climate change, accompanied Mrs Clinton on this trip underscores the importance this issue holds for the United States government.

However, there seems to be a fair amount of distance between the two countries on this issue and this trip did not make any significant inroads. The Indian government stuck to its 'per capita' stand and it does not seem that it will move from it in the near future. The only probable area of minimal agreement on this issue is the development and transfer of green technologies. However, the issue of who will bear the major cost of such technology development and transfer is yet to be agreed upon. Therein lie the future potential battlegrounds on this issue.

## **Conclusion**

Mrs Clinton's trip to India has had important ramifications for India-United States strategic relations. The Obama administration has signalled that it wants to continue and even strengthen India-United States ties that were forged during the Bush era. Mrs Clinton's use of the term "strategic dialogue" to represent India-United States ties speaks of the genuine importance that the United States administration places on India's role as a global player.

The signing of the EUV agreement and the proposed setting-up of two United States nuclear reactors in India is an affirmation of this commitment, although several details pertaining to both these agreements remain to be hammered out.

There is some disagreement between India and the United States on Pakistan and climate change. However, on a more holistic and strategic level, Mrs Clinton's visit will assuage Indian concerns about its place in global politics in the near future. The two forthcoming meetings between Prime Minister Singh and President Obama will likely further reassure India about its projected role in global politics in the near future.

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