

**Consulate General of India
New York**

From Estranged Democracies to Engaged Democracies

**Remarks by Sandeep Chakravorty, Consul General at
Maxwell School, Syracuse University, New York, October 16, 2018**

Our ties are old as well as new. And what is important is that they have undergone remarkable transformation in recent years due to structural, domestic and leadership factors. I will try to address and exemplify these points in my remarks.

How old are they? I am not even talking of Columbus trying to find a route to India or Hudson believing the river would take him on a Northwesterly route to India after Barrents failed trying to find a Northeasterly route. President George Washington, on November 19, 1792, nominated Benjamin Joy of Newbury Port as the first American Consul to Kolkata. Mr Joy reached the City of Joy only in April 1794. He was never recognized as Consul by the British East India Company but was permitted to and I quote “reside here as a Commercial Agent subject to the Civil and Criminal Jurisdiction of this Country...”. Despite this rather awkward start, Benjamin Joy’s arrival was the beginning of a long American relationship with Kolkata – and, indeed, with all of India.

The US was an ardent supporter of India’s Freedom movement. The exchanges that President Roosevelt had with Winston Churchill on British colonial methods and the need to grant India independence are famous. However, soon after our independence the compulsions of the Cold War generated distance between us. It wasn’t abrupt or deep and there were many episodes of cooperation particularly with US support to India’s food security, cooperation on Tibet among others but relations suffered particularly due to US and West’s preference for Pakistan in our neighbourhood which culminated in lack of appreciation in the US about Bangladesh genocide and then war with Pakistan. India being non-aligned also infuriated the US, who couldn’t figure out how a democratic country was not expressly lined up against Communism. Matters deteriorated after India’s nuclear tests in 1974 when the US moved to put up an international

architecture of technology denial regimes such as the Nuclear Supply Group (NSG) among others specifically targeted against India.

Relations did not improve in the 80s with the Soviet intervention in Afghanistan when the US took support of Pakistan in the war in Afghanistan and India didn't criticize the Soviets. In essence, during the Cold War, India was not seen by the US as promoting US grand strategic goals, offered few economic benefits, while posing no threat either, there the relations remained low key.

Ambassador Dennis Kux in his 1994 book "Estranged Democracies – India-US relations from 1941-1991" neatly captured the essence of our ties. Nonetheless, optimistically speaking estrangement also means that there was a marriage and meeting of minds and therefore room for optimism.

The seeds of the dramatic turnaround were laid by the dissolution of the Soviet Union in the late 80s and India deciding to adopt market friendly policies in 1991. These are the structural and domestic reasons that I alluded to earlier. This unleashed the economic potential of India and the US took notice as India's rising economy started to interest US corporates and policy makers. However, Pakistan continued to remain the preferred partner in South Asia and our relations couldn't break out into a higher trajectory, as India remained viscerally opposed to the Taliban in Afghanistan and the US thought it could do business with them. So while the structural and domestic reasons were compelling for good relations to prosper, something was still lacking: leadership.

Then in 1998, Pokhran-2 happened, our second round of nuclear tests. This created great deal of convulsion in the relations including imposition of sanctions. However, from here like a phoenix our relations were resurrected and it really took flight. US realized that they couldn't remain disengaged from nuclear India, a large democracy as well as a big market, and India also realized that it had to have the best of relations with the predominant world power. This unleashed a series of engagements starting with the path breaking Strobe Talbott-Jaswant Singh dialogue. And we had two leaders, Atal Behari Vajpayee in India and Bill Clinton in the US who were willing to steward the relationship. And since then the relations have benefitted by personal commitment at the highest level across

administrations, Prime Minister Manmohan Singh and President George Bush and then with President Obama, President Trump and Prime Minister Narendra Modi.

Now let us see how leadership steered the relationship. The most extensive dialogue ever between the United States and India, Deputy Secretary of State Strobe Talbott and Indian Minister of External Affairs Jaswant Singh met fourteen times in seven countries on three continents. They discussed both the immediate items on the security and nonproliferation agenda, as well as their wider visions for the U.S.-India relationship and the potential for economic and strategic cooperation between the two countries. As the relationship improved over the course of the talks, the United States was able to play a constructive role in the Kargil war in the summer of 1999—the first time ever that US came out clearly on India's side. The Talbott-Jaswant Singh diplomacy laid the groundwork for the transformational visit of President Bill Clinton to India in March 2000 and helped end fifty years of estrangement between the world's two largest democracies. And since then the story is of multi-dimensional engagement. Let's get into some details of this engagement and what else contributed to its deepening.

In the late 90s, the Y2K problem appeared and US was in need of qualified engineers to tackle the issue. No other country had a large English speaking technically qualified manpower apart from India. So Indian engineers in large numbers flocked to the US adding a personal and human angle to the relationship. This was the start of the very significant Indian diaspora connection between India and the US. Earlier diaspora and immigration flows were not significant. In the decades of the 60s and 70s it grew by around 300 per decade whereas in the 2000s it grew by 300 a day. So India's stock started rising in the US. The diaspora had become about one and a half million and was beginning to be heard not only in companies and in hospitals but also on the Hill.

So that's where it all began, the new India- US relationship in the early 2000s. As former US Ambassador to India, Rich Verma says, the new India-US relationship, the real relationship which addresses the true potential of both countries is only 18 years old. And there is lot of evidence to believe him.

A couple of years later another most significant thing happened, a tragic event actually, but it brought us together and that was 9/11. India had already known terrorism and it's cross border dimension but we were not able to convince the world. Then 9/11 changed all that. We all became victims of terror and we were on the same side. In a very unfortunate way terrorism was brought transatlantic and hit America at home. I think the kind of understanding and the bonding that this tragedy created has been a very important factor in bringing the two countries together.

Since the early 2000s we haven't looked back. During the course of the decade the momentous 123 Agreement happened. The India-US Nuclear Deal was transformational. It ended India's nuclear apartheid but more importantly it started the termination of the technology denial regimes in place and India gained access to high technology from the West. This has been the greatest confidence builder in our ties.

India is at a point when Prime Minister Narendra Modi can stand up in the joint address to the US Congress as he did in 2016 and say that the two countries have overcome the hesitations of history.

"We are at a time when President Trump can declare that the relationship between India and US has never been stronger, has never been better; that we can be designated as a major defense partner by the United States; that we can be actually conducting more military exercises with the United States than with any other country;" he said.

We are at a time when we can be proclaimed as the other Asia bookend of stability of the Indo-Pacific. India is now seen as a huge market; middle class will be half a billion strong by 2025. India is as a source of professionals as a source of investment and so many other things. And a Indian American community which is now almost four million strong is getting stronger in political terms, besides the economic terms.

In addition to that is the 70-year-old factor that both are democracies; that there is a multi-religious, multi-ethnic, multilingual society which sees the world in the same way as America does. Even in the past when people talked of estrangement, there was a bond, there is latent affection and that is because of our shared values. So when we have overcome the hesitations of the past, this bedrock of shared values has helped us.

At a time of geopolitical uncertainties, political turbulence, economic volatility and technological disruptions, the India-US relationship is a bright spot of growth and stability in the world. Former US Secretary of State Tillerson said that “the India-US relationship is the most important bilateral relationship for the next 100 years”. As many US experts say, the India-US relationship is the most transformed relationship of the past 20 years. We also have shared understanding of our security challenges and geo-politics. There is now a significant and fundamental floor of strategic significance in our ties. In early 2018, the US Navy rechristened it’s Asia Pacific Command and Indo-Pacific Command.

India’s 2.6 trillion-dollar economy is the fastest growing economy in the world and most analysts predict it will remain so in the long run. Path breaking economic and financial sector reforms such as Goods & Services Tax (GST) and the Insolvency and Bankruptcy Code are making India an attractive business destination and the US is responding substantially. India’s future is digital and therein lies the opportunity of strong India-US relations.

We now enjoy what is known as Global Strategic Partnership and we are working together to advance common objectives. The joint statement issued at the end of the visit of Prime Minister to Washington in June 2017 spelt out our joint objectives to include combatting terrorist threats, promoting stability across the Indo-Pacific region, increasing free and fair trade, and strengthening energy linkages.

After the denomination of India as a Major Defence Partner, in 2016, we have gone ahead and in early 2018 India was put in the list of countries eligible for Strategic Trade Authorization Tier-1 License Exemption which reflects India’s robust and responsible export control policies. Thereafter, barely a month ago on September 6, we concluded what is known as the 2+2 dialogue involving the Foreign and Defence Ministers of both countries.

India Matters for US and US Matters for India: An important element of our strategic partnership is the rapidly growing trade and investment ties. Total bilateral trade in goods and services increased at a Compound

Annual Growth Rate of 11.4% from \$20 billion in the year 2000 to over \$126.12 billion in the year 2017.

USA is one of the top 5 investment destinations for FDI from India. Indian companies have a cumulative investment of more than \$17 Billion in the US economy. There is thus significant contribution being made by Indian companies and business houses to the US economy that has created thousands of jobs and generated income for the local communities. At the same time Indian skilled professionals have been a part of the US economic ecosystem and their presence has been beneficial to the growth and development of US industry as they serve to fill critical skill gaps. Studies on the subject have also concluded that the presence of guest workers, such as those who live and work on H1B visas, add value to the American economy and help to keep American companies innovative and competitive.

As mentioned before the presence of a large and vibrant Indian American community is a bridge and a bonding factor between the two countries. Further, nearly 207,000 Indian students are studying in the US (As on May 2017) out of which over 173,000 are STEM students. They contribute over \$5 billion to the US education system each year.

Despite its all-encompassing nature, diversity and richness of the ties, I think we are at the moment only scratching the surface of the potential. Some challenges are also there for good measure. How we handle the emerging trade issues, sanctions on Russia and Iran will be the test of the maturity of the relations.

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