

ISSUE BRIEF

No. 4277 | SEPTEMBER 24, 2014

Priorities for Prime Minister Modi's Visit: U.S. and India Must Cooperate for Asian Stability

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Indian Prime Minister Narendra Modi's visit to the United States next week provides an opportunity to strengthen U.S.–India ties, which stagnated during the second term of Modi's predecessor, Manmohan Singh. During the visit, President Barack Obama should demonstrate the importance the U.S. attaches to the bilateral relationship and offer cooperation on economic, defense, and security issues.

The Obama Administration has at times relegated the relationship with India to a lower category of priority than it merits, but both sides have shown interest in moving beyond negative atmospherics and specific irritants, like the revocation of Modi's U.S. visa over the 2002 Gujarat riots and last year's arrest of a U.S.-based Indian diplomat.

The visit will be observed closely by other Asian powers: namely, China and Japan, both of which recently held high-level bilateral visits of their own with Modi. It is important that the Obama–Modi summit demonstrate the strength of U.S.–India ties at a time when the power dynamics in Asia are shifting.

Warm Welcome

President Obama is scheduled to meet Prime Minister Modi on September 29 and 30 following a major speech that Modi will give the day before to around

20,000 people, most of them Indian Americans, in Madison Square Garden. In an official announcement of the Obama–Modi meetings, a U.S. National Security Council official said that Modi's White House engagements over a two-day period are a sign of the importance the Administration attaches to its relations with India.

Although Modi will not address a joint session of Congress (as the Indian American community had earlier hoped) because Congress is out of session, the U.S. Senate passed a bipartisan resolution last week designating September 30 as “U.S.–India Partnership Day” and noting that the relationship—made up of a “special and permanent bond”—will continue to define the 21st century.

Busy Foreign Policy Agenda

Modi's visit to the U.S. is part of a hectic foreign policy schedule. In early September, Modi made a successful five-day visit to Japan, where he and Japanese Prime Minister Shinzo Abe agreed to elevate their dialogue to a “*Special Strategic and Global Partnership*.” Japan committed to investing \$35 billion in Indian projects over the next five years, and the two sides agreed to explore elevating their trilateral dialogue with the U.S. to the foreign minister level, a step that Washington would welcome. Many viewed Modi's remark that Japan and India were focused on economic development, not expansionism, as an oblique criticism of China and its approach to territorial disputes.

Modi appears to be interested in improving strategic ties with Japan as a hedge against China. Border disputes between India and China continue to simmer, despite a substantial improvement in

This paper, in its entirety, can be found at
<http://report.heritage.org/ib4277>

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their trade and economic ties (bilateral trade has increased from around \$5 billion in 2002 to over \$66 billion in 2013). Modi and his senior advisers may calculate that cooperating more closely with Japan in areas like maritime cooperation, nuclear issues, and stronger economic and investment ties will strengthen New Delhi's hand in dealing with Beijing and help to deter any potential Chinese border aggression.

Against this backdrop, Chinese President Xi Jinping's three-day visit to India last week did not go as well as anticipated, largely due to a flare-up in border tensions. Chinese leaders had put on a charm offensive toward India shortly after the Bharatiya Janata Party (BJP) came to power. Recognizing that India's clout on the world stage is likely to grow under Modi, the Chinese sought to focus on cooperation, not competition. President Xi's decision to skip Pakistan on his visit to South Asia—even though it was likely due to concerns about the internal security situation—played well in India.

As the Chinese President's visit approached, however, Sino-Indian border tensions intensified. About 1,000 Chinese People's Liberation Army (PLA) troops set up camps in mountainous regions in Ladakh on the Indian side of the Line of Actual Control (LAC), and an equal number of Indian troops deployed to forward positions in the area. The border standoff was reported in the Indian press and took the sheen off of Xi's visit. PM Modi called on China to demarcate the LAC, which further dampened the atmosphere and took the focus away from the economic and trade agenda.

Sino-Indian border tensions previously had flared in April 2013 when Chinese troops camped for three weeks several miles inside Indian territory in the Ladakh region. That border spat was defused when India agreed to destroy some military structures along the border and both sides withdrew their troops, clearing the way for a planned visit to India by Chinese Premier Li Keqiang.

Build Indo-U.S. Ties

It is in the U.S. interest to build closer ties with India, for numerous reasons. India is an emerging economy that provides opportunities for U.S. trade and investment, a strategically important country in maintaining a stable balance of power in the Asia Pacific, and a democratic nation with a large Muslim minority that provides a model of an ethnically and

religiously diverse society that maintains freedom for its citizens. The recent shifting power dynamics in the region characterized by Modi's successful Japan visit and simmering Sino-Indian border tensions drive home the important role that India plays in the U.S. Asia rebalance strategy.

During Modi's visit, the U.S. should:

- **Highlight the opportunity to expand economic and business relations so long as Modi remains committed to a pro-liberalization agenda.** A major part of the visit will consist of Modi interacting with the U.S. business community in New York and Washington in an effort to encourage greater U.S. investment, especially in India's infrastructure sector. U.S. leaders must make clear to Modi that U.S. businesses are looking for signs that India will maintain momentum on economic reform and provide a stable and private-sector-friendly business environment.
- **Emphasize defense cooperation in an atmosphere of strategic understanding, building on steps announced by U.S. Secretary of Defense Chuck Hagel during his visit to India in August.** Modi has highlighted the need to modernize India's armed forces, and the U.S. is poised to play a significant role in helping to fill Indian defense requirements. During his August visit to India, Secretary Hagel discussed dozens of proposals for India to consider with regard to co-production of defense items and transfer of technology. Hagel said that the U.S. is willing to be patient while India considers its security needs and would respect India's desire for strategic autonomy.

It is important that both sides continue to demonstrate understanding of the strategic context in which each is operating. While BJP leaders may calculate that it is in India's interest to draw closer to the U.S., they also will point out that India shares a border with China and thus must be cognizant of Chinese perceptions of India's foreign policy.

- **Coordinate on strategies to counter terrorist movements in South Asia, especially in Afghanistan as U.S. and NATO forces draw down.** Given al-Qaeda leader Ayman al-Zawahiri's recent pledge to launch a South Asia wing and the Islamic State gaining ground in Iraq, the

imperative for close U.S.–India counterterrorism cooperation has never been stronger. Obama and Modi must coordinate their responses to these brewing threats and seek ways to cooperate in preventing the Taliban from staging a comeback in Afghanistan.

- **Manage expectations on visit outcomes to avoid a sense of disappointment.** In the past, the relationship has suffered from each side having overly optimistic expectations of what the other side can deliver to solidify ties. While the two sides have largely convergent strategic interests, the fact that they are both large democracies means that institutional change can be complex and slow. For this reason, initiatives like the Defense Trade and Technology Initiative aimed at breaking down bureaucratic obstacles to defense cooperation are particularly important, but these initiatives also require patience and persistence and take time to bear fruit.

Conclusion

The stage is set for a successful Modi visit to Washington, but the White House must guard against allowing the myriad international crises happening around the globe to overshadow the visit and weaken Indo–U.S. bilateral ties. Engaging with a strategically like-minded partner such as India takes on greater importance as the U.S. grapples with multiple global challenges. U.S.–India cooperation is particularly important when it comes to countering international terrorism and maintaining a stable balance of power in the Asia Pacific.

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