

Between Two Worlds: India as Emerging Power

by

Dr. Pratap Bhanu Mehta

Pratap Bhanu Mehta: I would like to first of all thank the Sasakawa Peace Foundation USA and its Director and Program Coordinator for organizing this event and giving me this opportunity to share some thoughts with you.

It is a bit intimidating talking about an emerging India and what it might mean for conceptions of the international order at this venue and, I think, in this company, in part because I think the Indian conversation is arguably being shaped by the conversation that is going on right here at the Carnegie Institution and by many of the scholars here as much as it is by the conversation that is happening in New Delhi.

I think one of the things that has been less discussed in the recent past is in a sense what the relationship between these two conversations is. I think the discussion has focused much too narrowly on either the Indo-U.S. nuclear deal, or emerging Indo-U.S. relations. I think it is, perhaps, time to think more broadly about what India's rise might mean for conceptions of the world order as a whole and what the debates in India on this question are like.

So, what I'm going to do today is the following: rather than give a blow-by-blow account of foreign policy challenges facing India and what India's position on A, B, C, D, and E and so forth is going to be, I would like to step back from the immediacies of the foreign policy discourse in India a bit and try and focus our attention on a couple of big questions, the first of which is, what

does India think the foundations of its power are going to be? I'll touch upon this question briefly.

The second question is, assume that India is an emerging power—and by that I mean that it is going to be able to sustain economic growth rates of at least, I should stress, 7 to 8 percent for another decade or so, if not more; possibly going up to 9 or 10 percent, which would make it a significant economy—that its political system will, despite some significant challenges, not only endure but thrive, and that democracy will take on even deeper roots. Assuming that all this is the case, what values is it likely to bring to the international order? What are the norms that are likely to govern its behavior? What are some of the constraints that are actually going to bind it?

In the final section, I'll end with some brief reflections on what India's capacity to execute its aspirations in the international order is likely to be.

I will for the moment stipulate that India is an emerging power; we can discuss what the attributes of an emerging power are, perhaps, later. But I think it would be a bit tedious to just sort of list the characteristics one by one: GNP growth, military strength, and so forth. Let's just stipulate that for all practical purposes, it is an emerging power. So, when we ask the question, what is the significance of India's emergence as a power, we come to a related question, which is, what is its contribution to the world order going to be?

Contribution to the World Order

Now, I think it is fairly clear, and I think this is part of India's self-perception as well. I think the biggest contribution it can make to world affairs is as an example rather than as a great power. One of the grandest experiments in human history is underway—more than a billion people trying to live in a democratic system, navigating deep shoals of pluralism, trying to lift millions out of poverty in an ameliorative way rather than a revolutionary way under a democratic system. And this project is by no means complete; it has a long way to go. Yet, there is absolutely no doubt that the last 10 years or so have seen the beginning of a transformation in India, which is of at least as much significance as the transformation of Europe in the 17th and 18th centuries.

In effect, I think its most important contribution to world affairs will be the successful execution of this project. And I think one of the things the Indian elites are very conscious of is the fact that the best foreign policy is domestic policy. If India can remain democratic, broadly secular, and can sustain economic growth, that itself will be one of the biggest contributors to world stability.

But, of course, any power that is rising in this way likes to think of things in a larger way than just in the context of its domestic sphere. So, I want to ask the question, okay, what does India think its foundation is going to be? What will the foundation of its power in the international system be?

Foundation of Indian Power

Now, the one decisive shift that I think India is not going to backslide on is the following, which is that the basis of its power is going

to be more and rapid integration into the world economy; I think this is something also that one can take for granted and stipulate. And integration into the world economy in almost all aspects of the term “integration,” whether you look at trade flows, lowering of tariff barriers—India should be at ASEAN levels within a couple of years—labor flows, integration of knowledge systems. Finally, there is a consensus in India that India needs to integrate as rapidly as it can into the world economy.

There is also a consensus that India can on the whole manage this integration well. I think 8 to 10 years ago, if you had watched the debates in New Delhi, there was a great deal of anxiety about opening up India's economy. Not just about how it would compete vis-à-vis the West, but there was a real fear of China. I think the one thing that is very striking about New Delhi at this moment is how muted those anxieties are. Indian industry feels, despite all the problems and obstacles that the Indian state puts in its path, that it can actually take on China. The level of entrepreneurial energy and confidence is absolutely unprecedented in Indian history.

But I think it is important to emphasize that the logic of integrating rapidly into the world economy is not simply an economic choice for India. I think it is part of a very conscious strategic choice as well, and it is a strategic choice at two levels.

Regional Strategy

The first level is regionally. To put it in very simple terms, I think one of the things that India has historically felt hobbled by is its own neighborhood. Its most acute conflicts have been with its neighbors: China in part, but Pakistan in particular. Its

own neighborhood has been a source of great political instability, both affecting India domestically and, arguably, also affecting the stability of the international order.

Now, what is the strategy by which India can address the question of stability in its own neighborhood? Again, the decisive shift that I think India has now made is, basically, saying the following: The only solution to India solving its regional problems is India itself rapidly integrating into the world economy at large. The message it wants to send to its neighbors Bangladesh and Pakistan is the following: “Look, there is a big party happening in Asia. We are going to join this party. The world looks as if there will be a free trade zone extending almost from Kabul to Manila in the next five to seven years. Twenty-six free trade and comprehensive economic cooperation agreements are under negotiation. You can either join this party or be left out.” Even though in economic terms, most economists say, “Look, preferential trade agreements are distorting international trade,” and there is significant domestic opposition to further liberalizing trade with ASEAN, for instance.

Despite these economic-based arguments, I think the strategic choice of the Indian leadership on this form of integration is simply the following: Even if India has to pay short-term economic costs for this form of integration into the rest of Asia, the long-term political gains from this integration are huge.

And the truth is that it will probably be impossible for India’s neighbors, Pakistan and Bangladesh, to trade with India freely so long as we are talking within the confines of a South Asian agreement. But if they can be persuaded—and their elites can be persuaded—that what they are joining is not

an India-centric trade order but a larger integration of the South Asian region into the rest of Asia, that integration will be politically more palatable for them.

So, the one point I would like to emphasize is that I think what is remarkable about Indian thinking on this—and this is, I think, across party lines. Mr. Vajpayee initiated and was a great defender of India’s “Look East” policy. Manmohan Singh has, despite considerable opposition from within the Congress Party, pursued a freer trade agenda with the rest of Asia. What I want to emphasize is that this is not simply about economic integration. I think it is buying into the logic that this wide economic integration is the shortest means of producing a ticket of interdependencies within the South Asian region, which is vital for India’s future interest. So it is taking Eisenhower’s advice that the only way you can sort of solve big problem is by thinking of them on an even bigger scale.

Now, what this means, I think, is there is very little doubt that India has bought into the logic of what we might call liberal interdependence, that its future interests lie in creating a thicket of institutions that can facilitate its interdependence with the world economy. And I think most of the interesting arguments in its strategy as it goes forward are going to be what the shape of these institutions are going to be. It is not going to be whether or not this thicket of institutions should be created. This is the good news about the premise of India’s outlook towards the world—open up your economy as much as possible.

Now, the question you may naturally ask is to what extent does India actually, really believe in this logic of liberal internationalism? I mean, this is the million-dollar question in international politics. If

you look at the world around you, you can see two scenarios unfolding. On the one hand, you can say, "Look, there is a thicket of economic interdependencies that has been created and a corresponding creation of institutions that will, in the end, despite some challenges, welcome the logic of what was traditionally thought to be great power politics." Yes, there is the shadow play of competition amongst the great powers. They are seeking to expand militarily; they are arming themselves more and more, but that in the end this is merely a shadow play that will in some senses remain subordinate to this logic of economic integration.

And my sense is that I think the Indian view at the moment is to place your bets on the logic of economic integration. Hedge on the side by investing in some military capability, but I think the general mood is to let liberal institutionalism triumph.

Non-Alignment

So integration into the world economy is going to be one crucial leg of India's approach to the international system. What else will it bring to the table? Traditionally, India was associated with the ideology of non-alignment, and I think non-alignment is an ideology that has been subjected to much condescension by posterity. I think non-alignment was built around one fundamental proposition, which I think will still remain the cornerstone of Indian policy. This fundamental proposition can be put in the following way, which is that India will not become a frontline state in global ideological fissures. At that time, the global ideological fissure was the conflict between the Soviet Union and the United States, between the two systems. And I think it was a consistent imperative of Indian policy to make sure that India does not become a frontline state in this conflict. And I think

on the whole, despite a lot of, as I said, condescension by posterity about the moralism of non-alignment, I think that aspiration still remains central to Indian foreign policy.

What does it mean in contemporary terms? In contemporary terms, it means that India will not accept the terms by which the major axes of conflict are defined by the major powers, and I will come to this point later on, which is that it is in India's interest not only to, as it were, not ally itself wholeheartedly with any single major power, but also to act as a force that deconstructs the terms within which that conflict is viewed.

And the two most prominent examples of this, if you look at the world currently, the two most prominent conflicts or rivalries, one might be the Sino-U.S. rivalry. Now, at one level, there is absolutely no doubt in the Indian debates about whose side India is on. I think it will bandwagon with the United States much more than with China, in part because at least as far as India's vital interest goes, the possibility of a conflict, I mean, there is no possibility of conflict with the United States, but there is a great possibility of conflict with China. On the other hand, I think its primary impulse is going to be to make sure that the rhetoric of balance of power which characterizes this conflict, which is premised around either maintaining U.S. primacy or creating bulwarks to Chinese expansion in Asia, that that rhetoric of balance of power does not become a self-fulfilling vicious cycle which perpetuates great power competition.

The U.S. and the Islamic World

The second axis of conflict is, perhaps, the United States and, broadly speaking, the Islamic world. And I know this is a

caricature of the United States' position. Now, in this conflict I think India has an interesting position. One, it has an interesting position because of its own location and its own demographic composition. India has historically been a mediator, as it were, between different civilizations and different conflicting ways of life. And I think, given the presence of a sizable Muslim population in India, which has become increasingly aligned with international debates over Islam, India is not in a position to straightforwardly take the United States' view of the Middle East. I think the domestic policy ramifications of taking such a position would be immense.

But, I think more than that, even more importantly, I think India has still not accepted the terms in which the discourse of international terrorism is articulated and defended. What do I mean by this proposition? There was a sense after 9/11 that there will be, as it were, a kind of single world discourse on terrorism; you know, root-causes-be-damned sort of argument.

And India was hoping that that discourse would turn in its favor. It would finally turn the world's attention to the fact that India itself had been a victim of terrorism for many years with the world turning a blind eye to it. I think it is at one with the United States in the objective of containing terrorism, but I think it will diverge fundamentally in the end from the United States in its diagnosis of what the causes of that terrorism actually are.

What are the ways in which it is going to finally diverge from the United States? I think one of the things India understands instinctively more than the United States does is if you look at the causes of conflict in the world, what are the three principal causes? Either they stem from projects of

incomplete nationhood, which is nations that are trying to secure their national identities by protecting what they think are non-negotiable markers of their identity, whether it is China vis-à-vis Tibet or Taiwan or something like that, whether it is India vis-à-vis Kashmir. The second source of conflict, or potential conflict, is hitherto great powers that have suffered a decline in status and are sulking, arguably, Russia at the moment. And the third is communities or groups that have internalized a sense that they are beleaguered by the forces of world history; again, whether rightly or wrongly is in a sense beside the point.

Now, India's reading of the crisis of Islam, I think, falls squarely within the third category, which is that on the one hand it recognizes that there is radical Islamic ideology; on the other hand, it is actually aware of the fact that the only way radical Islam can be tackled in the end is by trying to throw cold water over the forces that gave it aid and succor. What are the forces that gave it aid and succor?

Democratization and Nationalism

The principal force is that so long as the construction of this conflict remains premised upon a conflict between hegemonic, expansionist Western powers and the Islamic world, this is a vicious circle that will be impossible to overcome. To be provocative, let me put out the following proposition. Think of the United States and its relations with Iran; many people have argued that the solution to the Middle East problem is greater democratization. On one level, that is true; I mean, that is obviously true in the sense that one thing that we have a good reason to assume is that democratic regimes will tend in the end towards greater moderation.

But if you ask the question what is it that prevents democratization in large parts of the world, the answer turns out, in some respects, to be a good old-fashioned one, which is some form of nationalism. What gives that nationalism aid and succor? What gives that nationalism aid and succor is if the conflict can be presented as one between a beleaguered country with a beleaguered history or a beleaguered group with a sense of injury, and a dominant Western world. And unless this binary is deconstructed, you cannot rescue democracy from nationalism subverting it, whether it is Pakistan, whether it is Iran or anywhere else. So, while the objective of democratization is a laudable one, I think India's psychological diagnosis of what the obstacle to that democratization is is going to be different. The obstacle is going to be, primarily, some form of nationalism.

Now, think of two scenarios. I mean, if you think of contemporary Iran, the U.S.-Iran conflict—and this was recently debated in India—you can think of this conflict in two ways. You can think the primary source of this conflict is that the Iranian regime has a particular nature, and unless the nature of that regime changes you are not going to see any progress in this conflict. The other view, to make a sort of stylized contrast, would say that, look, in part it is difficult for the regime to change in Iran because the terms within which its conflict with the West have been set up are not changing. So long as Iran can continue to draw recourse on a narrative that says, "Look, first the Western powers interfered in our internal affairs; then, they aided powers that were arrayed against us." So long as it can draw upon that discourse, nationalism within Iran is going to continue to subvert any prospects of democratization.

And I think on balance the Indian thinking is that in order to promote democratization, what you will need to do is, first, to rescue it from the entanglement of histories that has in a sense mocked the histories of these non-democratic societies. And what that will require is not so much a project of democratization; what that will require is a project where we can ask this question: What will it take for the United States and Iran, if you want to take that dyad as an example, or India and Pakistan if you want to take that dyad as an example, what will it take for all the protagonists in these conflicts to overcome their own recent histories? I think the Indian answer would be what you need is, to use that old-fashioned phrase, some kind of dialogue of civilizations.

Imagine a world in which the United States would send a credible message that its own track record in the Middle East would not go on in its future behavior. And Iran could send the reciprocal message that if that were the case, its commitment to extremism would abate. I think the Indian diagnosis of the problem is that this is a question of two countries or two systems locked in a battle for their honor. And unless you find some way of overcoming those mutually hostile histories, the democratization project is neither here nor there. Which is why I think on Iran and the Middle East more generally, India's position will diverge from the United States, but it is not in a position to do anything about it. I mean, that is the other side of this coin.

But fundamentally what it means—and I think since John Ikenberry is here it would be worth hearing his views on this—is that I think India's not going to sign on to any form of a new world order that involves the creation of another ideological dividing line, even if it be on an axis of concert of democracies. I should rather say especially

if it is on an axis of concert of democracies. And I think for this reason, which is that it is a country that is wedded to the enlightenment project of democracy, but it is also a post-colonial society that understands the power of nationalism, and will argue that you first need to emancipate the world from that form of nationalism before the prospects of democratization look sanguine.

Moderation Without Principle

So this is the important sense in which India's going to hedge its bets, that is, it will not openly ally with any single, simple, consistent principle that will be the axis of creating a new hierarchy in world politics. I think its approach to alliances and conflicts is going to be flexible. If you want to give it a name, I think you could call it "moderation without principle." That is very much in evidence at the moment in the way in which India is approaching alliances and institutions. I think we are at this nice juncture in world politics as far as India is concerned—it can have a strategic partnership with every country, and it is trying to. I mean, I do not think the Indo-U.S. relationship is going to come at the expense of the India-Russia relationship, and so forth.

I think its primary objective at the moment is to get a seat at every high table that exists in world politics today. I think it has given up on the idea that there will be some single normative principle from which legitimacy will be derived in the world order. The corollary to that is there is not actually going to be any architectonic system of institutions that are going to be the source of legitimacy in the world order, either. It has accepted the fact that the UN system has crumbled. It has accepted the fact that the Bretton Woods system requires radical revision and is on its way out. But what is going to replace it?

What is going to replace it is not so much a single architectonic system like the UN was, which was founded on two premises: Giving the victors of the Yalta Settlement their share of world power and giving decolonization its due. There is not going to be any system like that. What you are in a sense going to get is a whole plethora of institutions. Name any abbreviation; India wants to be part of it: Shanghai Cooperation Organization, APEC, ASEAN, trilateral India–Russia–China, Indo-U.S., etc. Name anything and India wants to be part of it. And I think the name of the game is going to be in a sense a pragmatic adaptation to this sort of thicket of institutions without committing itself to either a single normative principle or a single architectonic institutional structure.

The Status Quo

Now this is an approach that I think suits India's aspirations. I'll end with this last theme, which is it suits India's aspirations in the sense that I think it is a power that, like all post-colonial powers, desires power not so much as recognition. And I will explain the distinction in a minute. What is driving its current approach to the world is the fact that it wants to be recognized; it wants to have access; it wants to be part of the processes by which decisions are made in the world.

Quite frankly, there is no almost no debate other than what I have just outlined on what decisions India would actually take were it to be part of these processes. Partly, there is no debate because India has not been compelled to have that debate. It's a relatively marginal player in the system; it could free ride on the system. And I think its pragmatism is going to push in the direction where this attitude is actually going to continue.

It makes a lot of noise about injustice and discrimination in the international system but, quite frankly, India loves the status quo. It is not going to be a revisionist power in the sense that any talk of multipolarity to counter United States primacy is actually going to create more complications for it than would be solved. One, because the other contending powers which could be part of an alliance for multipolarity are even less convenient for India than the United States is. And second, multipolarity would require having to take responsibility. It is not clear that, existentially, India is having sleepless nights over Iran. It is not clear that, existentially, India is having sleepless night over the progress of what happens in Northeast Asia.

And the current system suits it for another reason: Not only can it free ride, but the primary power in this world has created a set of norms which suit India's interests. The United States, by and large, believes in great power exceptionalism; India believes in great power exceptionalism. The United States has created the conditions where effective non-proliferation, or a cap in the production of fissile material, is seriously thwarted. This suits India's nuclear aspirations very well. The United States has created an international economic regime which is going to be, let's put it this way, less than enthusiastic on setting goals for global warming; this suits India's position. So it is a system which is not only allowing India to free ride, but the norms set by the primary power are such that it allows India the flexibility and the sense of great power exceptionalism that has been a hallmark for recognition.

The Nuclear Question

The nuclear question was the big test of what India would bring to the world order. It

is a perfect example of India's quest for great power exceptionalism. Now, formally, India's position is, look, India has been a responsible nuclear state, which is certainly the case. It has not engaged in serious proliferation activities in the ways that are associated with China and Pakistan. But if you ask the question does India want to legitimize the acquisition of nuclear weapons, I think India's answer is frankly a cop-out which is, no if nobody legitimizes it, but yes if somebody legitimizes it, and if somebody legitimizes it we should be free to pursue an independent nuclear policy.

My own sense is that the effect of the Indo-U.S. Nuclear Agreement, if it goes through, would be actually to enhance India's nuclear program rather than diminish it for the following reason, which is at the moment while India has stated its position that it would like to produce an active independent nuclear deterrent, in part, its capacity to do so has been constrained by two things. One, in a sense it is the failure of its own scientific and technological establishment. But also the fact that its civilian and military facilities are not separated meant that the whole issue of what India's nuclear program was going to be about was fudged. Once this separation takes place, it is going to have the perverse effect that nationalists in India, those who run a hard line, are going to be actually able to hold the strategic part of its program much more clearly accountable than they currently have. And there is actually going to be greater pressure—greater pressure, not less—domestically to expand India's strategic nuclear program.

But so long as you have a world system that is governed by a power that is not interested in actively delegitimizing the possession of nuclear weapons, I think this world order suits India just fine. So India has no intention of being a revisionist power

because, in a sense, it has nothing to gain by being one.

To conclude, I think primarily what is going to govern India's orientation to the world is the desire for rapid economic integration, which will be accompanied by a hedging on military and security matters. But this hedging will not make India either a belligerent or a great military power, in part because it will be constrained by some of its own domestic capacities. And it is acting with moderation within the current system of international governance that suits India's interests best. So it will be, as it were, a power that carries out a foreign policy that is relatively moderate, but not one that is tied to any clear principles or commitment to an architectonic world order.

Now, this is a loss for India's foreign policy because the one thing I think the world needs more than anything else—this is the standard sort of Gandhian strain in Indian thinking—is the lesson of 20th century international politics, that is, that those forces have triumphed not that have matched power with power, but those that have redefined the very concept of what power means in the 21st century. And I think some of the internal disappointment with India's foreign policy from the idealist tradition comes from the fact that India has virtually given up on that project. It is going to be a power in world politics that is not different from any past great powers, except perhaps in its focus on moderation rather than ideology.

G. John Ikenberry: Dr. Campbell?

Kurt Campbell: Thanks very much, John. It is a pleasure to be here. I want to thank the Sasakawa Peace Foundation who do a wonderful job of bringing Asian insights to a larger audience. And thanks to our host,

John Ikenberry, who really is the best at doing this. He is such a collegial host, and I very much appreciated the presentation thus far. I'll try to depart from that with some points that both play off what we have already heard and, maybe, a slight counterpoint on a couple of things as we go forward.

I'm going to talk primarily about my perspectives on the nature of India's rise, and also a little bit more on the U.S.-Indian partnership because even though the two are linked, they are two very separate phenomena in global politics and it is very easy to misunderstand one or both.

Rising Powers

Let me just begin by saying that when we think about rising powers in global politics today, I would suggest to you right now that there are four major states that are on the march, if you will. And what is interesting about all of them is I would suggest all of them have either profound or deep historical grievances and also believe that they have a storyline and an explanation and a perspective that is deeply fascinating to the rest of the world, and that you should be interested in it. And those countries are Iran, Russia, China, and India.

And so, even though we like to, in the United States, think about these things in a more current context, the truth is that each of these countries do not believe that they are somehow rising from something completely new in the way that the United States arose in global politics between 1900 and 1920; but they are resurrecting in many respects, particularly the Soviet Union, China, and India, a kind of power from the past and, also, adding commercial and other dimensions to it. And I think India has a quality associated with that as well.

One of the things that is interesting is Americans who now travel to India, it is the new hot place to travel to, and it used to be you could go to India—a couple of years ago, I ran the U.S.-India Strategic Dialogue as part of the Aspen Strategy Group—and you could cruise into town at any time, meet anyone, and have your pick of whatever hotel rooms you could possibly want. Totally different situation; I have never seen a foreign policy infrastructure so badly taxed as the current Indian foreign policy infrastructure. I mean, just overwhelmed with visitors, it is impossible to keep everything up and running. And so, a recent group of Americans arrived to meet their exhausted group of Indian counterparts who had just come from another strategic dialogue, the more the merrier along the lines that have been discussed. And our American friend who had never really been to India, but was representing an American firm, wanted to be on the best possible foot so as to hopefully take advantage of India's opening up to the global economy, said that it is great to welcome India as a rising global state, and one of our Indian colleagues could not help but kind of make a little prod at him and say, "We have always been a global power; you are just now starting to recognize it." And of course, the American was so worried about offending in any way and said, "Of course, we understand that."

But the truth is that a much more complex set of interactions are now occurring between the United States and India. And what I have been struck by is, really, the profound misunderstandings that are ongoing, particularly between Washington and Delhi. And I'll just go through a couple of those now as they are associated with India's rise.

U.S.-India Prospects

I think the first and most prevalent one in the United States is, again, how profoundly we misunderstand the nature of India's interest in us as a global partner. And I think there really is a sense—and you hear this more in the Pentagon and in other conservative political councils—that the primary rationale is, somehow, that India is looking at the United States as a crude hedge in a global competition with China, and I think nothing could be further from the truth. There are obviously some concerns in India about China; they would like to have a good relationship with the United States. But the truth is, probably, the country that India is spending even more time trying to get along with than the United States right now is China—much more time, much more focus. And we will talk about that in a moment. But I think to the extent the Americans think that this is part of a latter-day kind of Eastern European chess match could not be further from the truth. And I think that is one of the biggest strategic myths that currently permeates Washington when it conceptualizes what India is about in the global environment.

I have to say the other interesting thing from my perspective—and I had not worked very much on the United States and India until relatively recently—is that many have asked the question, why did this take so long? Not India's rise, although that is a related part of the question; why has it taken so long for two countries who should get along well to actually sit down and try to work together? And in fact, it is a really interesting question and story. I have my own theories about it, others would differ. I think the two most difficult countries in the world to engage are actually the United States and India. And India has moved up rapidly; it used to be China was the most difficult global country

to engage, but they have really learned a lot of lessons and they are much easier to engage now. The United States and India now are two of the most obstreperous, the most difficult, the most complex, self-centered, hegemonic states on the global scene. Although neither of us sees ourselves in that way, I think, in truth, that complexion, that part of our identity makes it very hard for us to actually understand as we sit across the table that in many respects we share many common attributes. I think Indian friends would be offended by this and say, “You have identified yourself perfectly, but not us.” And Americans would say, “Well, that sounds like India, but certainly not us.” But the truth is, I think, there are some similarities that are not completely favorable in the way both of us approach global politics.

Nuclear Deal

I think it is also the case, what is interesting about the nuclear deal, and Pratap talked a little bit about this, is that I have been struck by the complicated way this has played out in both countries’ political establishments. I would have said initially that the chances of the original deal that was passed by Congress getting through were pretty low. But there was an amazing amount of maneuvering both among Democrats and Republicans to get a really bad deal through, a deal that I supported because I think you have a choice between a bad deal and no deal, right? I mean, I would posit that. But to get that through, I think, so fundamentally surprised the Indian hierarchy that they did not actually know what to do. They so expected this deal to fail that when it passed, I do not think they really had a game plan for how to proceed. And what is interesting is that, I think, what has happened is that you have both fierce political maneuvering in Delhi about this, but also this sense that,

well, if the United States actually found its way to agree to this deal, then we must be able to get a better deal, so we are just going to hang tough. And the truth is that there is not going to be a better deal and there is a very good chance that this deal could just go crashing down.

But the other fundamental rationale of U.S.-Indian relations in how they are currently configured is that whether we like it or not, whether we discuss it or not, I think that there is a momentum going forward that is so broad-based that whether we appreciate it—I mean, we are now in strategic launch, and there is very little chance that even a complete meltdown of the nuclear relationship could send this relationship off the rails.

So these are some strategic comments about the nature of our partnership and some of the issues associated with U.S.-India relations going forward.

Global Institutions

When you think about global institutions—I like very much the comments that were made about Bretton Woods and the like—I have a slightly different view about them and I’ll get to that in a second. The general concerns that international theorists and actors have about global institutions is that you either have issues associated with missions or membership, right? And I think for the United States, it has been primarily about missions, that our institutions—the IMF, the World Bank, you name it—are not effectively configured to deal with the various problems that confront global politics.

I would suggest to you that from the Indian side it is much more about membership than it is about members. And so, we have this

dynamic were you have what I would call the right institutions, the G8 and others, in many respects it is really the wrong membership focused on the right issues, right? So you have the G8, it is great to hear what Canada and Italy have to say but really not including the other major states, so you have the wrong countries focusing on the right issues—global climate change, a lot of very important issues. Or you can have the right states, which are largely the East Asian states that are meeting—ASEAN Plus 3 and the Summit—talking profoundly about the wrong issues. Even though it is polite and it is important to be able to sit in these meetings, I'm probably one of the few people in this room who have sat through long meetings at the ASEAN Regional Forum, and many aspects of regional architecture of Asia, which sounds really sexy and interesting, and it is not—profoundly not.

And the truth is, trying to figure out how to re-craft these membership issues, I think, is going to be much more important than anything else. I would love to think that we are in a position in which these old institutions die out and new ones come in their place. I actually doubt that fundamentally; I do not think there is going to be an emergent political agreement on how to configure these newer institutions. So I think what is much more likely is that rather than a new set of missions and a new set of organizations coming to the fore, I think we are going to be left with what architects call “bending steel.” That is we are going to try to take existing institutions, as imperfect as they might be, and bend them to accommodate new missions and new members. And I think that is a much more likely interim step over the course of the next twenty or thirty years in which these imperfect institutions that we have largely inherited from a bygone era with a

long-gone set of both accomplishments and challenges are tasked to do new things in the post-9/11, post-Cold War, post-China rise environment.

I think that this issue of membership is going to be very complicated and one that I think India is going to have to struggle with. I think it is not unlikely that India might find itself in a situation that is akin to the nuclear issue that it faced. I think when you meet with the Indian elite there is often a demand or a request to play a larger role in many of these institutions. But sometimes when that happens there are some questions about what to do now that we have achieved membership.

Strategic Flux

I take a slightly different view. When I talk to Indian friends I often say that I think that no other country in the world—if you look at all these other rising states—is in as much a period of major strategic flux as India. And I do not think Indian friends want to acknowledge that for reasons that I do not completely understand. I think there is a sense among Indian friends that there is a profound continuity in Indian foreign policy dating back to the 1940s that flows directly into the current realm. And my own experience as an outsider looking in is that nothing could be further from the truth. When we sit in dialogues with our friends on the Indian side, even though I'm middle-aged, when I sit with my colleagues who are slightly older than me in the American establishment, I'm struck by how much they are marked by either Vietnam or the Cold War, and I'm often thinking to myself as I'm nodding pleasantly, “Boy, won't it be good when these guys leave the scene?”

The truth is, I see the same thing occurring in India today. Although Indian friends that

are a little younger are much too polite, I see them sitting in meetings when their elders who have served with great distinction as ambassador to Pakistan and to Russia and done all these things in the '40s and '50s and '60s and who will give visitors an important lecture about some arcane aspect of the Non-Aligned Movement in 1951, that at least polite Americans will think, A, "I have no interest whatsoever," and B, "This has nothing to do with anything." In the past, they would say, "This is irrelevant." Now, they listen politely, which is a sign of India's greater influence; for Americans, sitting quietly and pretending interest is a big step. But the truth is that there is a major discontinuity, a generational discontinuity. And I think you are going to see more and more of a group of strategic thinkers like my colleague here that are going to step out more and more and are going to distance themselves from the perspectives of their elders, as uncomfortable as that might be. That is sort of the third point.

Limits to India's Rise

Let me just go a little bit further if I can. I'm going to posit something that I think is counterintuitive. I think the truth is that one of the great limits to India's rise will not be the aspects of its economic performance in globalization. I think the real problem for India is going to be the status of its neighborhood and the question of instability in the neighborhood. If you look at, again, most of the countries that have had a successful rise to great power status, they have normally benefited enormously by quiescence in the surrounding region, and that is something that India is not going to enjoy.

And so, I think what is going to happen is over the course of the next ten or fifteen years, this new generation of Indian strategic

thinkers is going to come up with a much more profound and deep rationale for lifting other countries out of the soup, sort of the Indian version of the Marshall Plan—please excuse the Americanism. There will have to be a set of strategic self-interested rationales for why the other countries in the region have to do better because it will inevitably be a limiting break on India's ultimate arrival.

Last two things, John, and then I'll conclude. I see a couple of potential problems ahead, but the first one is really the one that I began with which is: it is possible to overwhelm a strategic hierarchy; it is possible to overwhelm a strategic elite. And the truth is that India has the smallest foreign policy establishment both in its bureaucracy and in its think tanks of any comparable state in global politics, and these guys are overwhelmed. And they could scarcely be in higher demand. People who you could see a few years ago now have a schedule like a prime minister; I mean, it is almost impossible and they are overwhelmed. And with it comes a set of spinning plates that the Indian strategic elite has to think about. And the question, really, will be what is going to be the center of gravity in terms of what India wants to accomplish in terms of global politics?

I can think of several. One is that you spend a lot of time trying to secure the U.S.-Indian relationship, that that is at the core of what India would want to accomplish over the course of the next decade or two. Others would say, "No, it is making sure that the relationship with China and the link to East Asia, particularly Japan, and other states is fulfilled and is implemented successfully." Others would say, "No, it is India's relationship with this horrible neighborhood and working out how the set of challenges with Pakistan and Afghanistan will play

out.” Still others would say, “No, the Middle East and truly and fundamentally understanding the energy relationships and how India negotiates its complex relations with Iran really has to be at the core of what India is about in terms of global politics.” And still others would say, “No, India really fundamentally will find it much more comfortable dealing with Russia and Europe over time because of the nature, sort of the symmetries in how they view the world.”

So the truth is that there are many competing issues that vie for time and attention in the formulation and execution of Indian foreign policy, and it is going to be difficult. Do not underestimate the challenges associated with a foreign policy elite that is exhausted and overwhelmed. We know something about that because our current foreign policy elite, like six-year-old kids playing soccer, are totally focused on the soccer field of this small little quadrant where everyone is thinking about Iraq and vast areas of the field are uninhabited, and part of those areas have to do with strategic developments in Asia as a whole.

Indian Community in the U.S.

So what are the other challenges? I see two other things, one very positive and one negative. The very positive issue in terms of the implications of U.S.-India relations and its forward trajectory is a new and interesting feature of democracy inside the United States, which is by an order of magnitude, the group that has become much more active and is much more sought out in American domestic politics, both in terms of fundraising and positioning, is the Indian community in the United States. Look at how badly and how much American politicians on both sides of the political aisle are pandering to make sure that they get the Indian vote; it is very interesting. And

Indian friends inside the United States appreciate that and, I think, in many respects that is going to be a regulator and a catalyst that will prevent relations from ever tanking and it also will serve as a major dynamic for forward progress. And that is an exciting and interesting part of our relationship that we have not, I think, discussed as much.

Global Climate Change

The last thing is that if you think to yourself about the major problems in global politics, for me, I think the biggest challenges facing global politics in the next thirty or forty years will include global climate change. I think it is going to be much worse, much more destabilizing, much more worrisome than anything we have seen that has come before—nuclear proliferation, you name it. And one of the things that three countries have been able to count on is the pact of steel; three countries locked together in absolutely irresponsible positions: India, the United States, and China. The United States with its complete denial until recently, China with its avoidance, and India with its principled position that you cannot burden us for carbon that has already been released into the atmosphere. That is the wonderful kind of Indian argument that you love to hear and you would anticipate.

The truth is that this pact of steel will break very soon. I think it will break at around the time of the next election, when I believe that domestically in the United States you are going to see an emerging consensus that global climate change is a big problem. I saw a wonderful quote today which is unbelievably frightening: If every single one of us stopped driving cars in the United States today, how fast would it take for China alone to basically fill the gap of the carbon that would have been released by our automobiles simply through the creation of

coal-fired plants? Can anyone tell me how long? About two years. That is a dramatic set of challenges, and India is not far behind.

And so, I think that some of the challenges that we face are going to put an enormous burden on the nature of our consensus and I think we are going to find that New Age problems like global climate change are even more difficult than problems that we have struggled with in the past, like the definition of terrorism and what to do in a failed state like Pakistan.

Overall, despite ourselves, I think we have to be bullish on the relationship and I think the inevitable reality is India is here to stay as a great power. I know we do not like to say “great power” and “India” in the same sentence but I think we have to learn to live with these burdens. Thanks.

Satu P. Limaye: Well, thank you very much, and thank you to the Sasakawa Peace Foundation for hosting this very interesting event. Pratap has as usual given lots of food for thought and he concluded with three things that I would like to play off on in my remarks.

One is that India is going to be moving towards global integration; two, that it is going to be hedging politically and militarily; and three, that there will generally be no great principles or architectural impulses in its approach, it will be sort of pragmatic and that is what I took away. I hope, Pratap, that I’m not too far off and that in a way you ended with saying that India would be no different from any other power.

Structure and the U.S.

I have to say that I think all of that is probably right. But the question I have been trying to grapple with in some of the work I

have been doing is what are the structural explanations for why India will behave that way? And so, let me offer a couple of thoughts on why it will behave that way. Pratap offered us a very insightful look into Indian thinking on these issues, and I’ll mention some of the structural issues I see in the economics of India and in its political and security objectives.

If you look at India’s international economic relationships, this issue of economic integration, there are three variables, the dollar amounts (meaning just the value), the share of GDP, and the growth rate. Four things matter to India and the world as it integrates globally. Those four things are trade, external debt, diaspora (which brings remittances), and oil imports. All of these things will shape integration. Of course, foreign direct investment matters; foreign institutional investment matters. India is now, as its companies become increasingly successful, doing outward investment. But these four things really matter as India moves forward in economic integration with the world. And then there is a whole set of domestic criteria that I will not go into. We can leave poverty, inequality, employment, and domestic politics for the discussion.

Now, what does that mean? If those are the four variables that are going to shape India’s economic integration, where do they come from? And here is where I think structurally you get into some interesting arguments about the kinds of roles and the kinds of policy positions India will or will not be able to take. And it also explains why the U.S. is becoming important to India—not only because Indian-Americans such as myself may have some influence. The more important thing, structurally, will be, for all of these things, the U.S. matters more than any other country in the world. It matters for trade; it matters for supplying fifty percent

of Indian remittances, notwithstanding methodological problems in accounting for them, they are still going to account for a lot of money coming in, whether they are NRI funds or other funds. It is the largest source of commercial borrowing, which is increasingly going to be important. The United States will still have some leverage over international institutions for the foreseeable future, which will determine what loans India gets, etc. So, only on one variable of this international economic integration does the U.S. not matter, and that is oil supplies to India.

So, I think this is one structural explanation for why the relationship with the United States so animates and will increasingly animate the policy community in India. And let me be very clear: I think it is going to be very complicated and difficult for the policy community in India to come to terms with that for a host of domestic reasons, ideological reasons, and philosophical reasons. But I think for structural reasons, the U.S. is going to be important.

The Persian Gulf

Now, looking beyond the U.S., where is India going to go? It is often forgotten—and this is what makes India a very awkward power in the international system—that the two next leading places where these avenues of integration are going to occur are Europe and the Persian Gulf, but for different reasons. The EU accounts for twenty-five percent of India's FDI and twenty-five percent of its trade. That is going to slowly ebb down, but twenty-five percent is a huge amount, overall. And therefore the EU will still have enormous clout even as it begins to ebb relative to the rise of the U.S., Asia, and the Persian Gulf.

On the flip side, why is the Persian Gulf going to be important? It is going to be important because it is the second largest regional trading partner after the EU and it is the largest source, of course, of oil. And indeed, if you combine Persian Gulf Cooperation Council trade and oil import figures, it surpasses the EU. We often see India as an Asian power, and having spent many years at U.S. Pacific Command, we often looked at India in the Asian context—ASEAN and China and Japan, etc. But one of the points I used to always make is, India's immediate interest, both because of Pakistan on the land and because of trade and oil flows, is going to be the Persian Gulf. And so we will always have to calibrate those interests as we deal with India. And of course in our system, because India is in Pacific Command and not in Central Command, it falls a little bit between those stools and we have not—I think Kurt would agree—really come to terms with how to reconcile or calibrate ourselves as to where India fits.

A Global Player

The importance of Asia, of course, is growing and so is Africa and Latin America, albeit from very low bases. So, the picture I am trying to paint is that the economic integration that Pratap absolutely rightly talks about, and there is a whole bunch of data underlying this in terms of the composition of exports and imports, but the bottom line is India will be a global player, cutting all kinds of pragmatic deals at a global level—world trade talks, multilateral arrangements, bilateral arrangements—simply because its structural economic equities dictate that it do so.

And what is more—let me leave you with one last fact on economics—if you do the disaggregation of India's export and import

portfolio, forty-five percent of India's exports and sixty percent of its imports are with non-top ten trading partners. India trades with about a hundred and ninety countries in the world; only ten account for about half of its exports and imports. It means that it gets small shares from everywhere. And that calibrates why India has to be present in issues ranging from G77 to Non-Aligned to UN to other kinds of regional agreements that we would not even hear about in Africa, Latin America, etc.

Let me spend the second half of my comments on foreign policy and political/military issues. There is some more detail here, which we do not really have time for. Pratap said that there are no clear principles; I think he has a wonderful phrase: "Moderation without principle." Yes, that may be the philosophical approach and it may well be what the foreign policy elite and strategic elite in India come up with, but again, I was trying to think of some structural reasons why moderation and a lack of principles would govern India's behavior.

India's Objectives

To me, there are eight things that drive India's day-to-day political-security engagement with the world. First is strategic autonomy, multipolarity, autonomy, freedom, Kurt mentioned India's world historical grievances and how they think everyone should understand them; second is economic and social development, given its domestic equities; third is arms imports because it has very few choices in this area; fourth is recognition of its nuclear status; fifth is support for a Security Council seat; sixth is memberships to everything, as Pratap said; seventh is international identities, whether it be non-aligned, G8,

UNSC; and eighth is Kashmir and Pakistan, sort of with a slash, whatever that means.

Now, here is the funny thing. If India wants to achieve these objectives on the political, military, and security front, just as they want to on the international economic integration front, the U.S. becomes the most important player on every one of these, simply due to U.S. unipolar power and its role. But after the U.S., India has to cut a deal with almost everyone in order to achieve these things. So, for example, you cannot have autonomy under conditions of limited national capacity without having a lot of relationships and people that you can rely on and hedges, exactly the word that Pratap used. For example, if you want to draw on the diaspora and remittances which account for somewhere between \$20 and \$25 billion a year, a fairly significant portion of your GDP, you have to deal with a whole bunch of countries where the Indian diaspora is spread out. If you want a Security Council seat, you can surely use the mechanism of Germany, Japan, India, and Brazil; but you also need every African vote and you need every Latin American vote. There is a reason why Prime Minister Singh went and talked to the Italians recently. If you are going to work on issues related to Pakistan, you are going to have to deal with U.S., but you are also going to have to deal with the EU on Kashmir because the EU has taken an interest. And then, because of the coalitional nature of Indian domestic politics, whether it be the Left or Gandhian tradition hangovers or Non-Aligned or Socialist or anti-Americans or pro-Russians or G77 or UNCTAD or what have you, you are going to have to address constituencies within your bureaucracy.

So, again, the net assessment is that the structural factors driving Indian behavior will be very unthematic. Except for

pragmatism and except for cutting deals where you can to achieve your objectives, I do not think we are going to see in the next 10 to 15 years, unless India leaps out of a paradigm into something else, India's ability to shape any of these outcomes without cutting pragmatic, moderate deals.

And so, when Prime Minister Singh says on his airplane to the G8 in Germany last week, "Climate change, sure. We are all for controlling climate change. But here is our deal." And he phrased it, I thought, very interestingly; he said, "Our pledge on climate change is we will not surpass the per-capita emissions of any developed country." And it was a very clever way to get out of any commitments on climate change, which was sold, of course, to the domestic lobby at home. So, in a way, it is possible to read that as very cynical and very obstructive. And certainly, it is towards making progress amongst the big three that really have to make progress, and I agree. But it also explains, I think, the kind of constraints under which India will operate into the foreseeable future.

Ikenberry: Well, with that we are going to open things up.

Human Capital

Questioner: Thank you. I would like to take up a comment that Kurt Campbell made, a very perceptive one, but address my question to Pratap. The issue of the overburdened and excessively small foreign policy elite or strategic community or whatever you want to call it is a very old one in India. I mean, having been a member of the community myself for some 15 years, I know how extremely small it is. So my question to Pratap is, what efforts are made, if any, and with what success, to enlarge this community? I mean, my students cannot get

jobs. As you know, we cannot set up branches of think tanks outside Delhi and so on and so forth. Why with this great expansion of trade and travel does there seem to be so little interest in other people coming into the strategic community?

Mehta: Very briefly, I think the problem is actually more general. I think if you were to ask most people in India, "What is the one thing that you think could hold India back?" I think the answer you will get is investment in human capital. It is the last bastion of state control in this economy; it is paradoxical, but it is. I mean, Indian universities operate under more constraints than almost anywhere in the world.

So, I think the answer is not simply a question of the strategic community. Even if today you were to open several new think tanks, you know the condition of the Indian universities, you just do not have that supply. And I think that system is going to open up under the sheer momentum of demand. But I think it is the one shackle that the state has still imposed on itself. And I think we can discuss the reasons at great length—what is the ideological investment of the state is in keeping this sector shackled up? But I think that is the most important.

Fragmented Political System

Just one more parenthetical remark on capacity, just to extend something Kurt Campbell said, I think in the next five to seven years the biggest challenge for Indian policy making is going to be simply the fact that you have an enormously fragmented political system. If you think this government is weak—the Prime Minister was not able to support the Indo-U.S. nuclear deal as much as he promised—wait until you see the projected outcome of the next election. The two main national parties

are becoming even weaker forces and the question of who will bell the political cat of actually crafting out a new paradigm I think is going to be the biggest challenge, and it will give preference to the status quo.

Questioner: The presenters seem to assume a certain trajectory in U.S. foreign policy and Kurt Campbell made a suggestion that at least in one category, on climate change, we may see quite a rupture. I am wondering if other ruptures might take place as well; for instance, the legitimation of nuclear weapons, if we might see a change in that in a year and a half. In other words, the rupture we saw after 9/11 in American foreign policy, we may see another rupture again. And how will that affect Indian strategic thinking? You mentioned that right now the system suits India well. Under what conditions will it not suit India well? And what will change in terms of India's foreign policy?

Mehta: I think the short answer depends on which rupture. On the nuclear one, if there is a revival of discussions on non-proliferation issues, I think India is going to be severely tested on how much of its cake it can have and eat too on arms control. But I think the general presumption in the establishment is that you are actually not going to see a major rupture on nuclear policy in the United States. I think colleagues here can enlighten us whether that is a likely prospect. But I think the possibility of that is relatively small.

I think on global climate change what is going to happen, which is the big rupture, is once the U.S. does a turnaround I think India is going to strike a hard bargain. At the moment I think its stance is a perfectly rational one, which is, it is not that you do not want to do anything about global climate change, you just want others to pay for it.

The way you get others to pay for it is by convincing them that you are not going to do anything on your own, and the way to convince them of that is by actually not doing anything on your own. But I do not think that it is as non-negotiable as I think our starting position might indicate.

Climate Change

Campbell: I like very much the counterpoint on global climate change. The trouble is I think from India's perspective is that every model—and all these models are profoundly imperfect—but they all generally agree on one thing: that the biggest loser on global climate change is probably India in terms of what it will mean for weather and water and rising sea levels. And so, in many respects I think you could make a powerful argument that you are going to have two principles that are going to clash for India. One is the sense of historical unfairness: “You have made the problem and you are now asking us to fix it.” That is going to run right up against your imminent and near-term self-interest. So, that is the general thing.

The other thing I will say, just for what it's worth, is the thing that has been disorienting, in my view, for my Indian friends, very disorienting, is—and it is quite in contrast with the rest of the world—that the loss and the disorientation in American foreign policy, and the loss in prestige and power of the Bush administration has been deeply, profoundly unsettling, I think, to Indian friends. It is not so much a political sense, but there is this big argument: when did take-off start? Did it start at the end of the Clinton administration or at the beginning of the Bush administration? I am not really very interested in that. I think it is absolutely clear that it accelerated profoundly and deeply under the Bush

administration. And the truth is that Indian friends feel gratitude and psychological connection to the Bush administration. And so, when Indian friends visit the United States every 6 or 8 months, it is disorienting to them to come to the United States. Remember, they came at a period when no one would dare say anything bad about the Bush administration—enormous power and prestige in 2001-2002. And if you visit Washington today, it is a very different world. And so, I was just entertaining a group of Indian friends and they can barely recognize the nature of domestic politics in the United States. I think that is hard for Indian friends and I think that that process is going to continue.

Iraq

In addition, I think that it is almost inevitable that the United States is going to face deep, profound, cascading failure in Iraq. Now, we are going to do everything possible to avoid talking and thinking about that, but I think it is inevitable and the question is whether and how that is going to influence the larger American game in global politics. I am one of those people who would say that the longer it goes on and the longer we delay and put off dealing or facing the harder aspects of strategic failure, the worse it is going to be for all our associated endeavors globally. Others would suggest that it is the reverse, that if we keep on keeping on we can then convince people that despite the fact that we are facing these difficult circumstances, we have the mental and political fortitude to persevere even in a failed effort; we will gain some sort of corollary advantages. I am very pessimistic about that.

It would be interesting to see what India feels about an American failure. As you know, India had complex feelings about

Vietnam: “You know, we are against the war, generally, but worried about the fact that the United States lost,” and what it meant for India’s position, although in a secondary way, because of both China and the Soviet Union.

U.S.-India Dynamics

Ikenberry: It is very interesting. But I also had the impression that, certainly, even in Pratap’s comments, that India is not interested in the Bush administration’s, let us call it the “strong version” of alliance, which would be the kind of background vision of balancing and great power maneuver in Asia. One might suspect that the strongest holders of that view are actually Bush administration officials. How do you square that—India’s reluctance to sign on to that strong Bush administration vision—with your view that they are very closely tied and, therefore, dismayed by the current weakening of the administration?

Campbell: To answer it simply, John, I would say that Indian friends love the attention, love the love that they feel from the Bush administration. And just because the motivation may be different than what they see, I think they easily overlook it and it actually allows them to say, “Ha, ha! We love these guys even though they do not completely understand why we are interested in this.” And I think they worry that the next generation of political leaders, Republican or Democrat, might have a slightly different view of India or may be preoccupied with other things, and cannot continue in the same vein.

If you think about it, the only disoriented period that India had was immediately after 9/11. So, you had this major experiment of engagement that began with Blackwell, a really major big deal, and the Bush

administration was very effective at this. And then after 9/11 we sort of stopped writing and calling for a while and, you know, no more flowers and chocolates. And it was a little disorienting to the Indians and it was as if we had said, “Gee, I think it is time we see other countries for awhile.” And, you know, “We need to date Pakistan.” I think that period was disorienting. We are now back on track and I think there is some worry though, John. Even if the fact is that the motivation might not be exactly where the Indian motivation is, but the outcome is the same in terms of us wanting more trade, more military connections, and we are going to look the other way on nuclear stuff. It’s exactly the same list that has already been put on the table.

Limaye: I was going to say one of the very peculiar things in watching U.S.-India relations over the years is precisely that it is under this administration that such progress has been made. But I think those compulsions, those norms that you talked about that are welcoming India in are easily shifted.

The notion of a democratic country having a bomb, in other words, that the regime matters rather than non-proliferation; that democracy promotion matters and India is a big democracy; that there is a sort of realistic way of looking at fluctuations in the balance of power in Asia and India as a potential rising one could matter. I think these could shift very easily and there are a number of things—I would not call them storm clouds, that is awfully melodramatic. But one can look out and see a different political context in this country that places more premium on human rights issues or this Sunday’s Post article on drugs being imported from China and India and the problem of regulating this. In other words, there could be a lot of outsourcing and

economic and labor standards issues that rise to the fore rather than the norms that have been welcomed in the last three or four years.

Ikenberry: We have another round of questions.

Terrorism and Soft Power

Questioner: Dr. Mehta, thanks for your presentation. I have a couple of questions. One, I was hoping you could clarify your position on terrorism. I think the way you positioned it was that India views it as a nationalist uprising, or nationalism versus the West, and the United States does not view it that way. And I was wondering if you could clarify that in light of terrorist attacks being from either groups like Al Qaeda or other marginal groups within society.

And my second question is in terms of looking at China versus India. A lot of people talk about China right now as exerting a lot of soft power and a foreign policy doctrine that is non-interventionist vis-à-vis Darfur and other places that they’re in. What is India doing in terms of exerting soft power? Where do you see it? And are they looking to raise their presence through that means? I know you said they try to get in every organization possible, but are they doing more than that to show the world that India has arrived? Thanks.

Mehta: On the first question, there are in a sense three principal streams. One is a stream whose primary genesis is within the geo-strategic conflicts in South Asia, and that is the one that impacts India most directly. The second is one that is a product of the geo-strategic conflicts within the Middle East. You know, whether it is Hamas or whatever, which, frankly, India

does not care as much about in terms of its direct impact. And the third is, in a sense, the emergence of a kind of radical global Islamism.

Now, I think the worry in India is analytically fusing all three, although de facto, in a sense, the way the course of world events has turned out, the linkages between them have become extremely complicated. But fundamentally, it would be a mistake to suppose that it is only the last, this kind of global pan-Islamism, that is the singular source that will come to define or dominate the other two. And it is important to keep your eyes on all three. The difficulty is that the terms in which the discourse of terrorism are articulated tend to collapse everything and become a self-fulfilling prophecy in that sense. And I think that is the important cautionary note about disentangling the causes of terrorism.

On soft power, I think it is interesting. India is taking small steps. Of course, it cannot match China at the moment. I mean, China has rendered Bretton Woods pretty much irrelevant in Africa at the moment, with a \$4 billion low-interest credit line, \$500 million in direct aid. India has just, incidentally, set up its first overseas development office. I mean, there's a kind of institutional articulation of that beginning to happen. But it is clearly nowhere in the league of matching China at the moment. But it is going to expand as its currency reserves rise again. No comparison with China at the moment—a fifth of China's aid. But it will follow that trajectory. However, I do not think it is being done with a self-conscious sense that this can effectively balance China. The truth is, at the moment, it cannot. And it is not clear that it will be able to for the next four to five years.

Campbell: I would like to say two things on this definitional issue. Long before we have a problem with differences in definition between Indian friends and the United States about what is terrorism—what are the motivations—we are going to have an existential crisis ourselves about this very problem because I think we are at the very end of a dead-end street about what it is that we think we are doing in terms of the War on Terrorism. And you do not need to be a genius to recognize that there is a problem with every word in the mantra, right? You know, “War on Terrorism,” each one is completely inappropriate to the system that we sort of propagate. I think that, almost inevitably, the next version of this, War on Terrorism 2.0 or whatever it is, is going to be less about a global counter-jihad by America and that we are going to de-emphasize the military dimension and think a little bit more about other dimensions. But that is going to be a wrenching political operation inside the United States.

I would say that from Indian perspectives, the most important dimension of this in terms of the identification between the United States and India is not “you are either with us or against us,” which is important. Indians were always uncomfortable with that, but it is the second dimension, which is you cannot negotiate with terrorists. If, for instance, we start straying into the realm in which these are people that are not just evil but misunderstood, and that we need to sort of reach out and understand them, that could then translate into maybe we can negotiate with terrorists, which then gets deeply worrisome for Indian friends about Kashmir and, maybe, the United States will again start lurking and skidding around the possibility of a more intrusive set of actions and ambitions when it comes to Kashmir. And I think Indian friends are always on the lookout on that. So, the whole question of

the definitional issue on terrorism is a subset of concern about American attitudes about Kashmir.

Consequences of Nuclear Deal Failure

Questioner: It was said—I have forgotten by whom—that India did not really expect the nuclear deal to work, and having noticed that it did, decided that a better deal might be available. I would like to ask what is going to be the reaction in Delhi and, perhaps, elsewhere in India if this deal falls apart? And if someone could address what effects the collapse of the deal will have in the U.S. Congress and on presidential campaigning, I would appreciate it.

Mehta: I think I agree with something that Kurt said: what is leading India to push harder for a better bargain is the fact that the consequences of the deal not going through are not actually going to be that significant in the long run. What is significant are the underlying dynamics of the relationship on all other fronts: economic engagement, etc. Do not forget that India is, one of the subtle shifts that is happening is the way India is shifting its arms purchases to the United States. I mean, Satu can give you the exact numbers, but it is a profound shift in the approach to the United States.

I think the sense is that the underlying dynamics of the relationship are very strong. I think the impact it is going to have in the United States' perception of India is probably more indirect, which is a question mark over the ability of Indian governments to actually create a domestic consensus around radical foreign policy shifts. So, it is going to reflect not so much the underlying dynamics of the relationship as much as it is going to reflect on the confidence that any American government might have in the credibility of any future Indian government

to actually create a paradigm shift within its foreign policy.

That is my sense of it. I think that in India the deal was a big deal not because of its practical consequences as much as it was recognition by the world that India was something; it was a sign of India's rising status. And I think most of India will go home saying, "we already got through that part, now the practical consequences are something we can actually limit." I actually do not think the practical consequences are that huge. And I think that is what the Indian political establishment is banking on.

Ikenberry: Last question right up here.

Zone of Influence

Questioner: Considering various economic and policy shifts that you described and our other distinguished speakers discussed, what role is played by India's traditional world view as incepted by K.N. Panikar and somewhat revitalized by Raja Mohan in his latest book, "Crossing the Rubicon." The traditional worldview played a role in India's zone of influence: South Africa, Australia, the entire Indian Ocean. There is the recent Chinese observation, about two or three years ago, an official statement that the Indian Ocean may be called Indian but it is not Indian.

This brings up another question in terms of Indian geopolitical and strategic realities, which is since the collapse of the Soviet Union, actually, since the late seventies, the very geo-polynomic realities have changed; actually, the geo-political realms are changing. India's traditional zone of influence has been Southeast Asia and now, Southeast Asia is ASEAN, looking for markets.

And with China, India does not have direct access to Central Asia where new, rising markets are emerging. And on the other hand, the Chinese dragon has not only its left arm in Southeast Asia, but its right arm now is directed straight to the Arabian Ocean. A real change. What would be your opinion? Thank you.

Mehta: I think the one way to answer your question is in a summary kind of way. I think part of what is going to happen very rapidly in the next five to seven years is India being returned in a significant way to its natural geography from which it kind of extracted itself. I mean, China is going to surpass the United States as India's largest trading partner within the next five to seven years. And, I think, it is that reintegration of India into the rest of Asia in a direct material sense which is going to have a profound impact on India's identity; I think the utopian projection of this, which I hope comes through, is think of what would happen to India's regional identities if its borders became genuinely open borders, which is in a sense now the new Indian mantra: do not change borders, open them up. The relationship of Bengal with Bangladesh, Tamil Nadu with Sri Lanka, the fact that you can have a summit of the two Punjabs. I see the reintegration into its natural geography from which it had artificially extracted itself. I think that is going to be the exciting development to watch over the next decade.

Ikenberry: And with that, I want to thank our panelists and invite our audience to thank them as well.