

US INDIA POLITICAL ACTION COMMITTEE



US National Security and US-India Strategic Relations

November 2009

About US-INDIA POLITICAL ACTION COMMITTEE

US-India Political Action Committee - USINPAC - is a bipartisan political action committee based in Washington, DC that represents the issues important to over 2.7 million Indian Americans. It maintains relations with members of Congress, officials of the Administration and other leading functionaries in all three branches of government. The scope of USINPAC activities includes advocacy and action on immigration, facilitating trade and industry, promoting health, fighting discrimination, boosting US-India strategic relations in the context of US national security and supporting the war against terrorism.

Through its coordinated efforts, USINPAC has brought about positive changes in the political perception, activism and impact of Indian Americans. It is also one of the foremost contributors to growing US-India relations. Indian Americans, today, represent one of the fastest growing minority groups in the nation. Indian Americans are one of the wealthiest and best-educated communities in the US. With a median household income of \$60,093, compared with \$41,110 for non-Hispanic white families, there are few groups that have comparable income levels. USINPAC's goal is to mold the growing political clout of the Indian American community into a unified positive force for change.

With offices in Washington, DC and New Delhi, USINPAC is the only Indian American political organization to have a presence in both capitals, making it uniquely placed to understand the political climate in both countries. USINPAC's ability to gather intelligence, synthesize and analyze developments, and share information with strategic leaders in Washington and New Delhi is contributing in significant ways to strengthening America's relations with India, the world's largest democracy. Given the importance of India in those parts of the world that pose the greatest near and long term strategic challenges to America, we believe that USINPAC also brings a unique perspective to the US national security policy debates in Washington, DC. As part of its ongoing efforts to contribute to the future of the US, USINPAC has therefore organized a dedicated effort in this area. This position paper on *US National Security and US-India Strategic Relations* represents our viewpoints on the long term challenges to the security of the US and our belief in the centrality of strong US-India relations in meeting them.

Background

USINPAC has prepared this position paper on *US National Security and US-India Strategic Relations* at a time when the country faces a startling array of security challenges that could profoundly impact its future. Historically, America's most pressing security threats have originated in Europe, which is why its primary strategic relationships, such as NATO, were based around that continent. However, as the country fights two wars in Afghanistan and Iraq and faces a long term challenge from China, we believe that the US must focus on Asia as the future core of its national security efforts. The continent includes hot spots such as the countries of the Persian Gulf, Iraq, Iran, Afghanistan and Pakistan ("*AfPak*"), Burma and North Korea. Most of these countries pose strategic challenges to the US, whether directly in terms of military threats or indirectly in the form of state-sponsored terrorism or nuclear proliferation. Further, America's economic, environmental and energy security also derives from actors and events in Asia.

America can no longer address its most serious security challenges without upgrading its strategic relations with likeminded nations in Asia. Foremost among these is India, a country that USINPAC and its members are intimately familiar with by virtue of their ethnic, commercial and other ties. India's strategic location between East Asia and the Middle East, combined with its growing economy and longstanding commitment to democratic values make it America's most natural partner in the region. India also faces the same near and long term security challenges as the US. Given these shared values and interests, and given the central role it can play in achieving America's security goals, we recommend a "special relationship" be established between the US and India, akin to America's existing relationships with Britain, Australia and Japan.

US National Security Challenges

We believe that US national security challenges will originate from a wide variety of sources in the coming years and decades. For the purposes of this paper, we have divided these challenges into five broad areas: direct military engagements, terrorism & homeland security, nuclear proliferation, economic security, and climate change & energy security. Below, we address each of these challenges in turn.

1. *Direct Military Engagements in Asia*

As the war in Iraq winds down, attention has shifted to the conflict in Afghanistan and neighboring Pakistan. We believe that the *AfPak* region will remain the source of the most serious threats to US security for the foreseeable future. The US must continue to deny the reestablishment of terrorist safe havens in Afghanistan and close down existing ones in the "lawless" border areas in Pakistan. Moreover, it must also secure the stability of the Pakistani state itself, given the very real potential for proliferation of nuclear materials to terrorist groups. We therefore believe that the US must maintain an active involvement in the region. While military engagement cannot be open ended, we advocate that the US commit sufficient troops and resources to stabilize Afghanistan and strengthen its government. Leaving the region to disintegration is not an option for the US.

Over the longer term, China poses a strategic challenge for the US. China is a critically important economic partner. It is also America's closest long term peer-competitor militarily. Of particular immediate concern is China's buildup of its armed forces over the past decade. China's military focus had hitherto been aimed at preventing Taiwan from declaring independence. The scale of the recent expansion, however, speaks to China's quest for much broader power projection capabilities. This process of Chinese military expansion could have ramifications for American security commitments to Taiwan and likewise for US

commitments to America's closest partner in the region, Japan, which relies on the US for 'extended deterrence'. In addition, China's relationship with North Korea is also of critical importance as it is China that has the most leverage to compel the country to roll back its nuclear program. The opaque nature of North Korea's leadership combined with its ability to attack South Korea – a country which the US is also committed to defend - mandates that the US involve China extensively in its efforts in North Korea. Given China's military growth and its growing geographic reach, we advocate an active engagement across Asia, particularly in terms of naval presence in the Pacific and Indian Oceans.

2. *Homeland Security & Terrorism*

Terrorism has been America's biggest security concern since the September 11, 2001 attacks in New York and Washington DC. It will remain our most direct security challenge for the foreseeable future. Securing the nation's ports and airports is critical, but on its own is insufficient in meeting this challenge. The only long-term solution is addressing terrorism at its source. While terrorism exists in many parts of the world, it is transnational terrorism that is directly targeting the US. Most of this global terrorism previously emanated from Afghanistan but is now mainly based in Pakistan. The Pakistani military has historically cultivated an array of terrorist groups as strategic assets against India and Afghanistan. Over time these groups have coalesced with the Taliban and Al Qaeda in a single global ideological struggle with not just the West or India, but now with the weak civilian government in Islamabad itself. Some of Pakistan's terrorist groups are fighting their former mentors in the Pakistani military in order to attempt a state takeover, or at least to gain access to its nuclear weaponry.

Nothing less than a wholesale change in the internal dynamics of Pakistan will drain the field of transnational terrorism directed at the US and its allies. This can only be achieved by dismantling the entire state-supported infrastructure of terrorism, instituting law and order in the border provinces and ensuring that Pakistan's military does not provide any more financial support to terror groups. Pakistan can no longer be allowed to distinguish between "good" terrorists and "bad" ones. We therefore believe that providing aid to Pakistan without strong accountability, and without the clearest message that state support for terrorism will not be tolerated, is a self defeating proposition for the US both in terms of homeland security and in terms of preventing Taliban attacks on American troops in Afghanistan.

3. *Nuclear Proliferation*

The most frightening physical threat to the US is the use of nuclear materials by terrorists in attacks on the US homeland. This is a threat that some analysts actually regard as inevitable over the next 10-20 years. If so, such transfers of materials will likely happen in Pakistan or North Korea. In the case of Pakistan, the US must move aggressively to secure its nuclear arsenal and prevent it from growing further. Pakistan is presently expanding its nuclear forces faster than anyone else in the world. The US is in a unique position to address this given that it is the provider of critical aid for Pakistan's neglected economy. The US also needs to further investigate the nuclear market set up by A.Q. Khan in order to make certain that other countries are not also clandestinely developing nuclear arms. We are dismayed that Pakistan has recently removed all restrictions on A.Q. Khan's movements, which pose additional hazards to American security. With regards to North Korea, we believe that the US needs to vigorously engage with China. Beijing is a supplier of nuclear technology to North Korea (in addition to Pakistan, Burma and possibly Bangladesh). Given that nuclear non-proliferation efforts will not be possible globally without cooperation from the Chinese, we advocate that this must become a major focus in US-China relations.

4. *Economic Security*

While it is beyond the scope of this paper to advocate specific economic policy, we regard economic security to be of critical importance. Economic security is at the heart of national security. The nation will not be able to meet its defense requirements without a robust economic base. Shifts in economic strength have historically led to the demise of great powers, often accompanied by major armed conflicts. We believe that the US can only ensure a strong economic future by having a healthy balance between manufacturing, services and government. The decline in the manufacturing sector, in particular, has led to massive and unsustainable trade imbalances, most notably with China. It is also making us dependent on foreign countries for key products and technologies that are critical to our ability to provide for our defense. As we emerge from the current economic downturn, it is critical that the US adopt a growth model that is export-oriented as opposed to the consumption-oriented pattern of the past. Another cause for concern is the federal budget deficit. The US is now the largest debtor country in the world. Increasingly, this debt is being held by central banks of countries such as China, severely impacting our ability to act decisively on issues of strategic importance. Another impact of the budget deficits is the risk that this poses to the value and long term role of the US dollar as the world reserve currency. With overseas investors less willing to hold dollar-denominated assets, we run the risk of higher interest rates and lower purchasing power for the American people. Simply put, the recent financial crisis has shown that the current economic model of borrowing Chinese money to buy Chinese goods is no longer sustainable economically, nor is it in America's strategic interests.

5. *Climate Change & Energy Security*

Climate change poses a fundamental challenge to our way of life and hence to American security. The growth in carbon emissions, however, will primarily come from outside the US, particularly from Asia. Only a global solution to climate change will be effective. For such an approach to work, it must meet the legitimate needs of newly developing countries. We therefore advocate the export of clean fuel technologies and an incentive program so as to allow for sustainable development. The US must also address its own energy consumption patterns. Currently, America imports most of its oil – and in doing so relies on some of the most unstable countries in the world. Furthermore, there is ample evidence that some of the money being collected in the Middle East is being used to fund terrorist groups and extremism against the US and its allies. It is therefore a national security imperative that we move off of foreign oil as soon as economically and technologically feasible. For the foreseeable future, the US will continue to require oil to fuel its economy. It must therefore secure global oil supplies for the maintenance of an orderly energy market. This means keeping the sea lanes of communications open – particularly with regards to the Persian Gulf, Arabian Sea, and Indian Ocean.

Centrality of India to US National Security

Most of America's most fundamental security challenges emanate directly from Asia. Accordingly, we believe that it is imperative that the US deepen its strategic partnerships in that part of the world to ensure its ability to maintain its security. Among the list of countries that can assist the US, we believe that India is unique. The US and India share the same key strategic concerns, most obviously the threat from terrorism, the security of the Indian Ocean sea lanes, and uncertainty about the future guise of a powerful China. A strong relationship with India therefore provides not just a tactical response to an immediate set of pressing security problems, but also a long term strategic partnership that can bolster the ability of the US to remain the world's stabilizing power. India also shares the same characteristics as key US allies such as democracy, rule of law, secularism, a strong civil society, and a market economy, providing for the basis of a long-term strategic partnership.

The overwhelming overlap of America and India's strategic interests necessitates that the governments of both countries work to overcome any differences that may exist. We list below ways that the US and India can work together in each of the five strategic priority areas.

1. Military Cooperation

In purely military terms, India possesses one of the largest and most capable militaries in the world. While direct Indian involvement in Afghanistan may be politically difficult, it can offer immediate assistance through the training of the Afghan National Army. The Indian Army's training centers have a throughput of 70,000, which could significantly contribute to alleviating the estimated shortage of more than 150,000 troops. India's growing navy can also help the US in securing the sea lanes in the Indian Ocean. We note the growing number of joint exercises between the militaries of both countries. We advocate that such contact be expanded rapidly. We also advocate greater export of military technology so as to ensure interoperability between the two militaries in the future.

2. Cooperation in Counter-Terrorism

India and the US are confronted with the same enemy in multi-faceted transnational terrorism. Attacks in India typically get repeated in other parts of the world, be it in London, Madrid or Bali. In fact, the root cause of terrorism in India no longer springs from territorial conflicts, but rather from broader ideologically-driven groups operating out of Pakistan, and supported by elements of its military. These same groups are targeting American interests in the region and in the US itself. Accordingly, it is in America's vital interest to cooperate with India in fully eliminating terrorism of any kind, including the most immediate threat emanating from Pakistan. The risk that a terror attack may lead to a military conflict between India and Pakistan is of urgent global concern, given the nuclear status of both countries. This means working more closely with Indian security officials, sharing real-time intelligence and operational co-operation. The US must also share lessons learned in its governmental re-organization post-9/11. Homeland Security dialog at the government to government level must approximate that which is taking place in the defense sector. The US and India must evolve a joint action plan together to mitigate the risks of another Mumbai 2008 attack from happening, as any Indian government would be under pressure to retaliate if such an attack were to occur.

3. *Joint Nuclear Non-Proliferation Efforts*

The issue of nuclear proliferation has traditionally been one of the major stumbling blocks in closer US-India relations given India's refusal to sign the Nuclear Non- Proliferation Treaty. Since the passage of the US-India civilian nuclear accord, however this promises now to be an area of active cooperation between the two countries. Resolving remaining technical issues is imperative in achieving the full benefits of the nuclear accord for both countries. On the topic of non-proliferation, India has made clear its reservations about a nuclear-armed Iran. Further, India is also most immediately in danger should terrorists gain access to Pakistan's nuclear arsenal. India's maritime profile makes it critical to isolating North Korea and its illicit trade with Iran, Pakistan and Burma (as reports permeate of a nuclear program in that country). Joint non-proliferation activity should be considered on not just an ad hoc basis. To this end, the US and India must together lay the groundwork for India to formally join the *Proliferation Security Initiative*, as a full participant.

4. *Deeper Economic Engagement*

The US and India enjoy a relatively balanced trade relationship, especially when compared with China or other East Asian countries. India, in fact, offers an enormous market opportunity for US companies in both the manufacturing and services sectors. This is particularly important as the United States needs new markets so as to grow its exports which are critical to reducing America's trade deficit. India's economy is driven by domestic consumption, much like our own. As it continues to grow, its vast population is consuming ever increasing amounts of goods and services. US brands enjoy enormous popularity in India offering US businesses a head start in greatly increasing exports to India. Sectors such as health care, branded consumer goods, defense, electronics, civilian nuclear, space and high technology are particularly promising. The US and India need to continue to work together to iron out differences at the WTO that have stood in the way of greater trade. Few countries offer the US as big a mutually beneficial trading opportunity as India.

5. *Joint Approach on Climate Change & Energy Security*

India shares the same climate change concerns as the US. In fact, India stands to be affected to a far greater degree than most countries, particularly if there is a major melting of the Himalayan glaciers, as many studies suggest. India is acutely conscious, though, that on a per-capita basis, its carbon emissions are a fraction of those of the US. India cannot therefore be realistically expected to hold back its economic development, with the effect of keeping millions of people in poverty, in order to meet emissions standards not being met by the West itself. For a climate change agreement to be reached, both with the US and more broadly in Copenhagen, there will need to be a balanced understanding that India has legitimate economic development goals even while there must be a global urgency to keep Carbon emissions to a minimum. Considerable progress can be made by allowing the export of US clean-fuel technologies to countries like India. Moreover, by harnessing India's enormous scientific talent, American and Indian firms will be able to jointly develop new products and technologies that will have global applicability

As with the US, India imports the vast majority of its oil. The two countries therefore share a common concern about the security of the sea lanes in the Persian Gulf and Indian Ocean. There is therefore great scope for cooperation between the two navies in keeping the sea lanes of communications open. India's dependence on foreign oil and gas is only likely to grow over time, forcing it to look for supplies in such neighboring countries as Iran. Clearly this is a potential irritant in the deepening US-India dialog. However, India's relationship with Iran must be seen in the context of India's essential energy needs and not as a reflection of a lack of commitment to its relationship with the US.

Summary: Moving towards a US-India “Special Relationship”

USINPAC believes that the US must upgrade its strategic relations with likeminded nations in Asia in order to secure its national security in the coming decades. Asia is the focus of the world’s economic growth. It is also the source of most of America’s current and future security challenges. Foremost among America’s new partners in Asia is India, a country that USINPAC and its members are intimately familiar with. We believe that the United States and India share the same fundamental values that allow for an enduring long term partnership:

- Democratic government
- Rule of law
- Constitutional secularism
- Strong civil society
- Market economy

As India continues its rapid rise, we believe it can play a pivotal role in addressing each of America’s five most critical national security challenges, namely direct military engagements in Asia, terrorism & homeland security, nuclear proliferation, economic security, and climate change & energy security. In fact, India faces the same near and long term security challenges. Given these shared values and interests, and given the central role it can play in achieving America’s security goals, we recommend a “special relationship” be established between the US and India, akin to America’s relationships with other liberal democracies such as Britain, Australia, and Japan.

While we advocate a “special relationship” with India, we recognize that this can mean many different things, and that such a relationship is typically a result of a process as opposed to a onetime agreement. However, given the unique role that India can play in US national security, strengthening the US-India strategic relationship should be a top American foreign policy goal. While the specifics required to achieve a closer overall relationship will change depending upon prevailing events, some immediate steps could include:

- Closer military cooperation, including transfer of military technologies
- Greater intelligence sharing in counter-terrorism
- Joint approach to stemming nuclear proliferation
- Greater economic engagement, including resolution of outstanding disputes at the WTO
- Increased dialog on addressing climate change and a joint strategy on energy security

USINPAC believes that the long term congruence of US and Indian interests makes achieving some kind of “special relationship” a logical outcome for both countries. Such a relationship, based upon shared values and common challenges, will strongly benefit both nations and greatly enhance the cause of US national security and global stability.

For more information, please contact Manish Thakur, National Security Coordinator, USINPAC mthakur@usinpac.com or Surabhi Garg, VP Finance & Operations, USINPAC sgarg@usinpac.com

For daily opinion on important national and international events from USINPAC’s National Security Committee, follow us on Twitter under the username: usinpac