
The Pivot to India

Why the U.S.-Indian partnership is at the heart of America's future in Asia.

BY **JOHN MCCAIN**

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The May election of Indian Prime Minister Narendra Modi has transformational potential. Indians are hungry for bold change, and they gave a once-in-a-generation mandate to a leader eager to deliver it. This change is already extending to India's foreign policy, including the strategic partnership between our countries. How to take full advantage of this unique moment will be the key question when Modi meets with President Barack Obama this week in Washington.

I met Modi in July, and my impression is that he sees a strategic partnership with the United States as integral to his goal of economically and geopolitically revitalizing India — and that India's revitalization can, in turn, help reinvigorate our partnership. Modi and I agreed that this goal is much needed, because recently, our partnership has not lived up to its potential.

Too often, our relationship has felt like a laundry list of initiatives that amounts to no more than the sum of its parts. Too often, we have been overly driven by domestic politics and overly focused on extracting concessions from one another, rather than investing in one another's success and defining priorities that can bring clarity and common purpose to our actions. Our strategic relationship has unfortunately devolved into a transactional one.

My sense is that Modi wants India to do its part to change this — and that he wants India and the United States to think bigger and do bigger things together once again. I fully agree. And to realize these ambitions, India and the United States first need to recall why we embarked on a strategic partnership in the first place. It was not for run-of-the-mill reasons. We affirmed that India and the United States, two democratic great powers, can and should lead the 21st century in sustaining a liberal, rules-based international order, supported by a favorable balance of power.

The benefits of this international order — which the United States has played an exceptional role in building, defending, and strengthening since World War II — are difficult to overstate for India and the United States. And yet, the global distribution of power is shifting substantially. We recognize that while U.S. leadership remains indispensable, we increasingly need willing and capable partners that share our interests and values to serve as fellow shareholders in the maintenance of our shared vision of international order. More than ever, we see a key role in this endeavor for a democratic great power like India.

An India-U.S. strategic partnership is possible, and indeed essential, because we share values as well as interests. This is what gives us confidence that India's continued rise as a democratic great power will be peaceful, and that it can advance critical U.S. interests. This is why we seek not to curb the rise of India, but to catalyze it. And this is also why closer ties between India and the United States have consistently enjoyed broad bipartisan support in both countries.

It is worth recalling this original sense of purpose, because I fear we have lost much of it in recent years. And there is blame on both sides.

In Washington, there is a sense that the relationship has not met our admittedly high expectations. From trade disputes to setbacks in our civil nuclear agreement, there have been impediments and disappointments — compounded by several years of economic slowdown and political gridlock in Delhi. This is why Modi's election can be such an opportunity: It's a chance for India to rebuild its confidence and grow more ambitious and strategic in its relationship with the United States.

However, this depends on India's confidence that a partnership with the United States is worth the investment. And I'm afraid some in India are starting to doubt.

Many Indians I have met worry that the United States seems distracted and unreliable, especially in its relations with India. They are concerned that Obama's "pivot to Asia" seems more rhetoric than reality, in large part due to devastating cuts to U.S. defense capabilities under sequestration. They worry that U.S. disengagement from the Middle East has created a vacuum that extremism and terrorism are filling. They are concerned by perceptions of U.S. weakness in the face of Russian aggression and Chinese provocation. And most of all, they are concerned by Obama's plan to withdraw from Afghanistan by 2017, which Indians believe will foster disorder and direct threats to India.

I am sympathetic to these concerns. Many of the administration's policies are imposing costs on India, and potentially reducing the value of a partnership with America in Indian eyes. What do we do about this? How can we rebuild the strategic focus of our partnership? I would make two broad suggestions.

First, India and the United States need to think more ambitiously about investing in each other and improving our capacity to work together. The United States wants Modi to succeed because we want India to succeed. When India thinks of its partners in the world, we want it to think of the United States first — positioning our country as the preferred provider of the key inputs that can help to propel India's rise.

The United States should be India's preferred partner on energy. The United States is unlocking transformational new supplies of oil and natural gas, and India's demand for both is rising. It is in the U.S. interest for democratic partners like India to gain greater access to our energy, which can help them reduce their dependence on unstable or problematic energy suppliers. This will be difficult, and may require legislative changes, but the economic and strategic benefits would be immense.

We should also be India's preferred partner for economic growth — spanning education, human capital and infrastructure development, and especially trade and investment. U.S. companies and capital are always looking for opportunities, and they will go where they find transparent governance, effective institutions, rule of law, and a favorable regulatory environment. In this way, Modi's domestic reform agenda can help to attract greater U.S. trade and investment. And these U.S. ventures can, in turn, reinforce Modi's domestic reform agenda.

Our governments are currently negotiating a bilateral investment treaty, which would establish terms to govern investment between our economies. This is worthwhile. But why not aim instead for a free trade agreement (FTA), which would remove all barriers to cooperation between our entire economies? India and the United States have, or are negotiating, FTAs with every other major global trading partner, so we are on course to discriminate only against one another. This makes no sense.

Our goal should be to produce a road map for concluding an FTA and to start negotiating it. We could then work toward India's integration into the Trans-Pacific Partnership, a major international trade partnership, once it is finalized. Would this be extremely difficult? Of course. But the same was said of our civil nuclear agreement, and we did it.

We should be India's preferred partner on defense issues as well. Our militaries must work to sustain a favorable balance of power in key parts of the world. This means building new habits of strategic consultation and cooperation, developing a common operating picture, and conducting joint exercises in all domains. It means the United States transferring technology to India that can make its defense acquisitions more effective, and India being able to protect these capabilities as U.S. law requires.

It also means joint development and production of leading-edge military systems, as envisioned in the Defense Trade and Technology Initiative (DTTI), which the U.S. and Indian governments launched together to further our co-development and co-production goals. The pilot program for DTTI is anti-tank missiles, which would be a good start. But when Modi and Obama meet this week, I hope they lay out more ambitious joint ventures, like shipbuilding and maritime capabilities, and even aircraft carriers.

These and other efforts to deepen our investments in each other can help to restore the strategic focus of our partnership. What should follow is an ambitious strategic agenda to shore up a rules-based international order that supports our common security and prosperity. This will require us to prioritize three areas of the world.

First, South Asia: Modi seems to correctly recognize that if fires keep breaking out close to home, that will hinder India's global ambitions. This is another reason why a secure South Asia is in our interest, and why India and the United States must work together to achieve it. Most immediately, we should increase our counterterrorism cooperation and intelligence sharing. But ultimately, enduring security in South Asia depends on civilian-led democracy and an open regional trading order. These values create an alignment of interests among peoples across the region. Strengthening these supporters of a rules-based international order is the best way to weaken our opponents, especially violent extremists and their sponsors in Pakistan.

Another strategic priority should be the Middle East, where threats to our security, interests, and values have never been greater. Indeed, al Qaeda's early September **establishment** of an affiliate in India is perhaps the clearest reminder of the vital stake that our nations have in a stable Middle East. This growing threat requires an evolution of thinking in New Delhi, which has often tended to look at the region as someone else's problem. Hopefully, Obama and Modi can agree on a bold new direction of expanded cooperation — diplomatic, economic, and military. Imagine the signal India would send if it joined the international coalition to confront the Islamic State.

A final strategic priority is East Asia and the Pacific, where the key challenge to a liberal, rules-based international order comes more from strong states and growing geopolitical rivalries than weak states and nonstate actors, as in the Middle East.

The idea that Asia's future will be determined by China or any one other country is wrong. Across this vast region, more people live under democracy than any other form of government. And more states, democratic or otherwise, increasingly see the value of a rules-based international order and the need to play a greater role in sustaining it. For this reason, we see increasing strategic cooperation in the Asia-Pacific region between the United States and its treaty allies, especially Japan and Australia, but also between these countries and emerging powers such as Indonesia, Singapore, Vietnam, and, of course, India. Indeed, the growing partnership between India and Japan is perhaps most encouraging.

India and the United States must play a leading role, both together and with other like-minded states, to strengthen a rules-based international order and a favorable balance of power in Asia. None of this means that India or the United States seeks to antagonize or exclude China. Both our countries want a constructive relationship with China, which is in our interest, and China's too. The India-U.S. strategic partnership, in all its forms — diplomatic, economic, military — is critical to encouraging China to rise peacefully in the present order, rather than trying to unilaterally and coercively change the status quo. More provocative to China than any of this is the perception that India and the United States are weak and divided.

Whether it is steps our countries can take to enhance our influence, or to project our influence together, the meeting between Modi and Obama is an opportunity for true strategic dialogue — an open discussion of the big questions. What kind of world do we want to live in? What are our true priorities amid a large bilateral agenda? And, most importantly, why does this partnership still matter?

As always, there will be skeptics on both sides. There will be Americans who tell Obama that this strategic partnership is overhyped, that India will never get its act together, and that it cannot be trusted to cooperate with us in a meaningful way. There will be Indians who tell Modi that drawing closer to the United States is a liability, that the United States is in decline, and that it is increasingly unable and unwilling to exert resolute global leadership.

We need to refute these skeptics, because it would be disastrous for both countries if we fail to reach our full potential as strategic partners. For India, it would mean squandering perhaps the greatest external factor that can facilitate and accelerate its rise to power. And for the United States, it would mean missing an irreplaceable opportunity to shape the emergence of a global power that could lead the liberal international order together with us long into the 21st century.

Obama and Modi must know that our relationship will continue to face short-term frustrations, and setbacks, and disappointments. But ultimately, this strategic partnership is about India and the United States placing a long-term bet on one another — a bet that each of us should be confident can offer a big return.

Americans should have confidence in India. It will soon become the world's most populous nation. It has a young, increasingly skilled workforce. It is one of the world's largest economies. It is a nuclear power that possesses the world's second-largest military, which is growing more capable and technologically sophisticated. And India is a democracy, which does not mean its economic and social challenges are less daunting, but that it is more flexible, more responsive, and better able to address those challenges than its undemocratic peers.

Indians should also have confidence in the United States. Our economy remains the most dynamic driver of global growth. Our society remains virtually limitless in its capacity for reinvention, innovation, and assimilating new talent. Our institutions of higher education remain the envy of the world. Our military remains the most capable, combat-proven on earth. And we now have vast new supplies of energy.

India and the United States should have confidence in one another, and in the promise of their strategic partnership, because of our common capacity for renewal, which derives from our shared democratic values. It is this shared virtue that enables us to ask ourselves hard questions and to change when change is needed. As long as our nations stay true to these values, there is no dispute we cannot resolve, and nothing we cannot accomplish together.

This essay was adapted from remarks delivered at the Carnegie Endowment for International Peace on Sept. 9.

Déjà Vu in the West Bank and Gaza

Hamas and Fatah's latest unity agreement is doomed to failure. So why do the Palestinian factions keep trying?

BY GRANT RUMLEY

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Six months ago, the Palestinians' warring factions, Hamas and Fatah, surprised the world by announcing a new unity government after years of trying to overcome their differences. Outraged Israeli negotiators cancelled meetings with their Palestinian counterparts while American lawmakers decried Hamas's involvement in any Palestinian Authority (PA) government. Palestinian officials, on the other hand, cheered the agreement, **insisting** that national elections would be held in six months, thereby putting an end to the schisms that have hindered diplomatic progress as much as any Israeli actions in Gaza or the West Bank have.

In the intervening period, that hopeful attempt at a unity government fell apart dramatically. Between kidnappings, all-out war, and possible coup attempts, relations between the two sides hit rock bottom. But last week, Palestinian officials met once again in Cairo, their go-to arena for negotiations. And again, they agreed to the very same principles they had agreed to six months earlier. But they are no closer to elections, and perhaps more pointedly, no closer to true unity. It's calculated cynicism — not hopeful harmony — that brought the two sides together again. And it won't last.

If it seems like there wasn't anything new in the Sept. 25 agreement, that's because there wasn't. The **agreement**, much like the other deals signed between Fatah and Hamas in the past, was noticeably light on details. Apart from the proclamation that the PA would now be charged with governing Gaza, the document offered broad platitudes about the need for reconciliation, a recommitment to the establishment of a Palestinian state, and a desire to end the Israeli blockade of Gaza and prepare for an **international donor conference** in October for post-war reconstruction efforts in Gaza.

Buried beneath all that was one sentence dedicated to stressing the need to "quickly provide conditions for holding elections in accordance with what is stated in the [previous] agreements and understandings."

In short, don't hold your breath for any new elections.

Perhaps the most noticeable thing about this round of the reconciliation dance is the timing: Trust between Hamas and Fatah is at an all-time low. In June, Israel accused Hamas of kidnapping and killing three Israeli teenagers in the West Bank — accusations that were later **confirmed** when a senior Hamas leader in Turkey lauded the operation at a conference that included Turkey's deputy prime minister. PA President and Fatah chief Mahmoud Abbas **condemned** the kidnapping and murders, even going so far as to increase security cooperation with Israel during the manhunt for Hamas members in the West Bank.

Then there was the war in Gaza, which Hamas started, and which Abbas and the Fatah leadership clearly did not want. From Fatah's perspective, the war was a political maneuver by a Machiavellian Hamas seeking to boost its popularity among Palestinians and sideline Fatah. With each passing day of the 50-day-long conflict, Abbas looked weaker and weaker compared to Hamas, which was trading blows with the Israeli military. (Never mind the fact that the Hamas leadership was either situated comfortably outside of Gaza or deep beneath the ground in fortified bunkers.) In polls after the war, Abbas's unease was confirmed as Hamas's popularity **surged**.

If it looked like Hamas was trying to draw the West Bank into conflict, there was good reason for such suspicions. Reports **surfaced** earlier this month that a Hamas cell in the West Bank was planning to leverage the unrest to launch an armed takeover of the PA. Abbas, already scheduled to meet with Hamas leader Khaled Meshaal in Doha in September, was furious. As **leaked** documents show, the meeting was tense, ending in a shouting match in which Abbas declared that he **trusted** the Israeli intelligence reports more than Meshaal.

With ties between Fatah and Hamas on the rocks, the question remains as to the motivations for recommitting to this unity agreement. Even less clear is how the two sides agreed to come back to the negotiating table. It's not as if Egypt, which negotiated the cease-fire deal with the Israelis, has terrific sway with either faction right now. One obvious answer would be to respond to the wishes of the Palestinian public, which seeks to reunify the West Bank and Gaza Strip under one leader. The actual answer might be less quixotic: money. There is a huge amount of it on the table for both sides right now and both factions will benefit, if they can agree to unify.

In fact, apart from their antipathy for Israel, one of the only things the two sides have been able to agree on is the need for a large donor conference to raise funds for the reconstruction in Gaza after this summer's war. Throw in Israel's demands that any donated supplies be vetted and monitored before going into Gaza, not to mention the recent U.S. court **ruling** against the Arab Bank (the only bank with real reach into Gaza) that banks can now be prosecuted as complicit in processing transactions that fund terror groups and subsequent attacks, and the situation becomes more complicated for courting potential donors.

Both Palestinian factions know that a government under the control of Abbas and the PA is the only way to avoid the legal entanglements that would come with donating to a territory controlled by Hamas, which is designated as a terrorist organization by most Western countries. So, even though most donor nations understand that this unity arrangement is more Palestinian political stagecraft than a reflection of real reconciliation, they all understand that Gaza under the PA is decidedly more donor-friendly. With an Egypt-sponsored conference to collect donations for Gaza reconstruction two weeks away, the need to show that this non-partisan PA would be in control of Gaza was tantamount. The PA has not had to give up anything to fulfill this role, except for the fact that it is now effectively serving as a guarantor of a terrorist group.

U.S. lawmakers were grumbling about this arrangement in the spring, before billions of dollars were on the line. They believe that any unity arrangement will grant Hamas all the benefits of governing Gaza without the trouble of actually governing, while allowing Hamas to stay entrenched in the coastal enclave without having to disarm. Analysts are calling this the "**Hezbollah model**," whereby Hamas remains a threat to Israel (and the region) while working well beyond the reach of the governing authority (read: PA), as Hezbollah does in Lebanon.

Another issue with this new agreement is logistical: This government was initially only charged with preparing the West Bank and Gaza for elections. What it is now charged with, according to the latest agreement, is the reconstruction and rehabilitation of the Gaza Strip. And with the PA's track record of corruption and mismanagement, it's hard to imagine that it can deliver. Logistics alone could be challenging. How can Palestinians and observers expect the PA to reconstruct Gaza from its seat of power in the West Bank, when the distance from Ramallah to Gaza is more than 60 miles? The distrust between these two territories runs deep: The PA's health minister wasn't even able to enter Gaza in July without **being stoned and kicked out**.

Of course, this unity agreement could be nothing more than a vehicle for Mahmoud Abbas to advance his initiative to internationalize the conflict. He made a **splash** at the UN on Sept. 26, asking the international community to exert more pressure on Israel for a withdrawal from the West Bank. He certainly could not have done so without representing a united Palestinian front. But if the Palestinians are truly about to take this conflict international, they need a unified base. Whether or not they actually have it is up for debate.

