



Center for a
New American
Security

**THE UNITED STATES AND INDIA:
CHARTING THE FUTURE COURSE**

KEYNOTE ADDRESS BY:

**HER EXCELLENCY NIRUPAMA RAO
FOREIGN SECRETARY, GOVERNMENT OF INDIA**

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Her Excellency Nirupama Rao: Mr. Richard Danzig, Chairman of the Board of the Governors of the Center for New American Security.

Mr. Nicholas Burns, member of the Board.

It is indeed a pleasure to meet you all today and to address such a distinguished Group.

I want to thank you, Mr. Burns, for your kind remarks. I would like to acknowledge your personal contribution to the transformation of the India-US relationship in your capacity as the Under Secretary for Political Affairs in the State Department from 2005-2008.

The launch of the India Initiative by the Center for a New American Security and the ASPEN Institute is a welcome development. I have always felt that the India-US dialogue and interaction is in need of more forums such as these that can provide the intellectual ferment that yields ideas on a regular basis that can add further value to the relationship as the two governments work to deepen and expand bilateral cooperation.

Before I go to the topic of today's discussion, allow me briefly dwell on our foreign policy objectives. These objectives involve both economic and security-related dimensions, dictated both by India's ongoing transformation into a globalized economy increasingly connected with the world, the compulsions of balanced and inclusive development within the country, and the environment on India's periphery. In the sixty years since India's independence, the national identity of the country which finds expression in harmony and unity in diversity, as a billion people-strong democracy, a secular, non-sectarian republic, non-hegemonic in its regional aspirations, and a responsible global player, has in essence defined its foreign policy.

The task of transforming India so that we are able to eliminate poverty and want, through a sustained increase in the rate of growth of our economy is our paramount concern and focus. As our Prime Minister has noted on many occasions, the emergence of India as a major power house of the evolving global economy, is an idea whose time has come. Even as the world has faced an unprecedented global economic crisis and recession, India still happens to be the second fastest growing economy in the world after China. After a fall in the growth rate of our economy from 8-9percent to around 6.5percent last year, following the global economic crisis, there are signs of an economic revival with growth touching 7.9percent in the third quarter of 2009 and provisional estimates suggesting growth around 7percent in the last quarter of 2009. We must, however, regain a growth rate of 8-9percent per annum so that our developmental goals and priorities are fully realized in the years to come. One of the goals of India's foreign policy is to create an external environment that promotes the fulfillment of our economic growth, targets and ambitions. And, these include the three dimensions – capital inflows, access to technology and innovation, as well as the promotion of a free, fair and open world trading system. Central to these tasks therefore is the need to shape a world order that helps the promotion of our developmental interests. It is, therefore, the overriding priority of ensuring India's economic transformation and development in an atmosphere of peace and security that dictates the basic premise of India's foreign policy today, and will continue to dictate our approach in the years to come.

India's land and sea borders present both a challenge and an opportunity. The challenge is security-related, as it involves addressing the clear and present danger of terrorism and religious extremism from across our borders, illegal immigration, smuggling of arms and fake currency, as also unsettled boundaries, the last being particularly the case with our largest neighbor, China. The opportunities present themselves in the form of greater connectivity, increased prospects for freer trade in goods and services, cooperation on climate change, preservation of the environment in a regional cooperative framework such as SAARC, and the prospects for a common market and regional cooperation to promote sustainable development and poverty eradication. Our long sea borders position India uniquely in our region as the one country with the geographical orientation that is both East and West, equally contiguous to the Gulf and the Near East as it is to South East Asia and the Far East. This makes India a natural partner in any serious venture involving maritime cooperation and security, and a logical constituent in regional architectures designed to promote closer interaction on security issues.

Let me now turn to our bilateral relations and how we see them developing in the years ahead.

We have indeed come a long way. We are at a very important juncture in a transformed India-US relationship. If we look at the world today and our relations, it is clear that never before has there been such a convergence of interests or a need for a coordinated approach between India and the USA on some of the

biggest challenges facing us: whether they are global, on economic revival, the challenge of terrorism, climate change, pandemics, etc. And this is also reflected in our strategic cooperation which today encompasses and provides for institutional dialogue mechanisms in several areas of convergence such as strategic issues; energy and climate change; education & development; economics, trade and agriculture and science, technology, health and innovation.

The transformation of India-US relations is best symbolized by the Civil Nuclear Energy Cooperation that the two sides are pursuing. The bilateral 123 Agreement concluded in July 2007 and the September 2008 NSG decision for full international cooperation in this area were forward looking and momentous decisions. These decisions were not only long overdue recognition of India's standing as a country with advanced nuclear technology and our responsible behavior in this regard, but also opened up significant opportunities for technical collaboration.

The new US Administration has, indeed, focused on continuity in the bilateral relationship. In this, is the inherent recognition of India's place in the world, our regional role, and our demonstrable economic strength and potential. There has been regular consultation on issues of mutual concern. In many ways, as Prime Minister Manmohan Singh has said, this is an essay in mutual comprehension. It is a partnership based both on principle and pragmatism that has become increasingly more durable and multi-faceted. There is a strong desire to work with each other on a number of issues of mutual concern and interest. During our Prime Minister's visit to Washington in November 2009, President Obama and Prime Minister Manmohan Singh agreed to provide added meaning and thrust to our relationship. Bipartisan support in the US Congress and Senate for a strong and durable relationship with India was evident throughout the visit. The discussions between President Obama and Prime Minister Singh on the regional situation, the problem and threat of terrorism in our region, Af-Pak issues, our respective relations with major regional players, the global financial situation, were all reflective of the trust, transparency and openness that increasingly marks our dialogue with each other.

An expanded, multi-faceted relationship between India and the United States would naturally entail a focus on military cooperation including joint visits and exercises, cooperation in the protection of sea lanes and the control of piracy – all areas which can work to our mutual advantage. We have been told by the U.S. Administration that they are engaged in efforts to bring significant reform to their export controls so as to free up opportunities for defense cooperation with India. We look forward to these outcomes. In our view, the removal of export controls on the supply of high technology and dual use items would inspire an even greater degree of confidence in our bilateral relationship and understanding.

On the regional situation, we appreciate the commitment of the United States to the stabilization of the situation in Afghanistan, to emphasize the need to grow Afghan capacity to deal with the problems in that country, to intensify efforts to eradicate terrorism so that the terrorist groups in both Afghanistan and Pakistan cannot have field days in the future. Our cooperation with the United States in counter-terrorism is an important dimension of our bilateral relationship and it has come into sharper focus in the wake of the Mumbai terror attack of November 26, 2008.

Let me elaborate on this theme. There are several other security related issues where greater cooperation and more frequent consultations between our two countries are necessary. These include the threat of international terrorism, the evolving security architecture in Asia, etc.

Terrorism in our immediate neighborhood and cross-border terrorism faced by India is a pivotal security challenge. There is a growing consensus that the increase in terrorist activities in Afghanistan is linked to the support and sanctuaries available in the contiguous areas of Pakistan. Increased terrorist violence in our neighborhood is a cause for grave concern. That these forces operate across boundaries with impunity was evident in the November 2008 terrorist attack on the city of Mumbai.

The phenomenon of cross border terrorism has also illustrated the difficulties that we face in dealing with Pakistan. We face hostile forces across our border with Pakistan, although we have consistently stressed our support for the advancement of democracy, the growth of civil society, and economic development in an atmosphere of peace, in Pakistan – goals that the United States also identifies with. The groups, who direct such attacks against India, have received the patronage of powerful forces and institutions within that country. It is vital that this support must stop forthwith. Any viable process of normalization of our relations with Pakistan is essentially dependent on this requirement since it is unrealistic to think otherwise.

The initiation of a coordinated AF-Pak strategy by the new U.S. Administration in a sense, highlights a situation that India has witnessed, and been affected by, for over two decades now. It is equally critical for the United States and the international community to pay adequate attention to and realize that the situation both in Afghanistan-Pakistan and the cross-border terrorism that emanates from Pakistan against India are manifestations of the use of terrorist ideologies to promote unscrupulous political or institutional agendas.

Pakistan's concerns of the perceived threat in the East and on Indian activities in Afghanistan need to be unequivocally rebutted. It is also essential to ensure that the international aid that Pakistan receives including that from the United States is not diverted for anti-India purposes as had happened in the past. We have reiterated a number of times that we harbor no aggressive designs on Pakistan. With regard to Afghanistan, India is an important neighbor and our focus there is on development activity with the aim to build indigenous Afghan capacities and institutions for an effective state system to improve delivery of goods and services to Afghan people. We are clear in our determination to work with the world to devise strategies to control terrorism, and to sensitize our friends and partners to the challenges that we have faced in tackling terrorism.

Turning to another country in our region - Myanmar - to understand our policy on Myanmar, you will have to understand the context. Myanmar is a close neighbor with which we have a border of more than 1640 kms. Consequently, it is important for India to ensure a peaceful periphery with Myanmar given the fact that we have several Indian Insurgent Groups which will take advantage of any instability on the border. Any political reform process in Myanmar should, therefore, be peaceful and not cause instability either within Myanmar or on our borders.

We have, therefore, followed a policy of engagement with Myanmar while, at the same time, emphasizing to the Government of Myanmar that the process of national reconciliation and political reform initiated by them should be taken forward expeditiously and should be broad-based to include all sections of the society, including various ethnic groups. It is in this context that we have fully supported the UN Secretary General Good Offices and the visits of his Senior Adviser Ibrahim Gambari to Myanmar - some of the visits we even helped facilitate.

Given the overall context of the situation, we believe that sanctions against Myanmar will not be useful and may well affect the very people they are designed to help and become counter-productive. It is therefore with interest that we have noted the recent review of Myanmar policy by the US Administration and the acknowledgement that US sanctions have not worked and that there is a need for the US to engage with the Government of Myanmar.

On the Iranian nuclear issue, India's position has been consistent. India supports the right of all states to the peaceful uses of nuclear energy consistent with the respective obligations that they have undertaken. As Iran is an NPT member, it has the right to use nuclear energy for peaceful purposes. At the same time, we also underline the importance of full and effective implementation of all safeguard obligations undertaken by Iran as member State of the IAEA.

While India has voted in favor of the recent IAEA resolution in end-November 2009, we do not believe that the adoption of this Resolution should divert the Parties away from dialogue. This Resolution should not be the basis for a renewed punitive approach or new sanctions. All concerned must expand the diplomatic space to satisfactorily address all outstanding issues.

Turning to Asia, it is clear that with the rapid rise of China and India, as two economic powerhouses in the region, there will be increasing opportunities for economic integration, as also a realignment of forces. With Japan we are developing the foundations of "strategic global partnership" with a strong economic and strategic content. Similarly with China, we have established a strategic and cooperative partnership. We have a multi-faceted relationship with China – it is now our largest trading partner, we consult with each other on global issues, and we share a common commitment to maintain peace and tranquility on our border. We have good working relations with all major countries in Asia. The key to ensuring long-term security and equilibrium in Asia will be best ensured by building mutual economic stakes in which people, goods, services and even, ideas, can travel with ease across borders. I believe that India's economic growth offers fresh opportunities for development and prosperity of the region. The rise of China is of course observed with close attention in our region. China's demonstrable economic strength and its growing military capabilities are a

matter of fact and we must incorporate such factors into our calculus of the emerging 21st century scenario in the Asia Pacific. This is where a mature and evolving dialogue between India and the United States will be of considerable relevance in clarifying approaches to the regional situation and the policy approaches of roles of our two countries in these new circumstances.

On the security architecture for the region, there is need for Asian countries and major non-Asian players in Asian security to interact and cooperate. The United States has a major presence in the region. We need to work together to evolve a balanced, open and inclusive framework. The ASEAN Regional Forum has provided a useful model of such interaction and cooperation based on dialogue and consensus in such areas as counter-terrorism, transnational crime, maritime security, disaster relief, pandemics and non-proliferation and disarmament.

Our two countries are cooperating in myriad ways that directly contribute to our development agenda. For example, food and nutritional security is critical for our development. India has emerged as a surplus food producer, and our ability to manage food security both in terms of availability and price level is recognized. We, however, cannot afford to slacken our efforts on this front. We have agreed to bring our scientists to work together towards improving weather forecasting and risk management for agriculture production. Our ongoing cooperation also focuses on research to increase food productivity, prolong the shelf life of the agricultural produce, capacity building, etc.

Similarly, we are working together towards establishment of a regional Disease Detection Centre in India to deal with the problem of pandemics and provide an impetus to research, capacity building and connectivity in the region.

Over the past few years, we have successfully collaborated on specific second and third generation bio-fuels, wind and solar energy pilot projects. This process to create adaptable and affordable technology would not only be relevant to us but would find resonance in several other countries in the region, Asia and Africa.

President Obama and Prime Minister Singh have launched the “Obama-Singh 21st Century Knowledge Initiative” to tap innovation and ideas of the two knowledge-based societies. Similarly the launch of the Women’s Empowerment Forum will provide an opportunity to share ideas and best practices in promoting women’s participation and equality in society.

On the issue of nuclear disarmament, we feel encouraged by some recent positive steps. President Obama’s administration has signaled US willingness to reduce the role of nuclear weapons in its nuclear strategy and to work towards a nuclear weapon free world. The renewed debate underway on this issue is in line with our long held positions on achieving a universal, non-discriminatory and verifiable nuclear disarmament.

We are today also faced with the challenges of nuclear terrorism and nuclear security. India has been affected by the clandestine nuclear proliferation in its neighborhood and given the challenges of terrorism in our region, we are naturally concerned about the possibility of nuclear terrorism. We welcome the initiative taken by the President Obama to host a summit on Nuclear Security in April 2010. India is working together with its international partners to ensure that this Summit would be an important milestone in our efforts to prevent nuclear terrorism.

Our civil nuclear energy cooperation is equally critical from the perspective of the twin challenges of meeting energy requirements of our rapidly growing economy and imperatives of dealing with climate change. From the latter perspective, nuclear energy is green energy.

We have been co-operating on the issue of climate change both bilaterally and multilaterally. India took an active part in the negotiation of the Copenhagen Accord in December 2009. The Copenhagen Accord reaffirmed the principle of common but differentiated responsibilities and respective capabilities. The Copenhagen Accord will undoubtedly serve as a significant input into the post-Copenhagen negotiating process leading up to CoP-16. It, however, cannot supplant the UN Framework Convention of Climate Change and the Kyoto Protocol.

We need to uphold the multilateral process, the principle of consensus, even while we take forward the key elements of the Accord into the ongoing UNFCCC negotiations. We also need to take note of the fact

that CoP-15 decided, by consensus, to continue multilateral negotiations on the two parallel tracks i.e. the Bali Action Plan and the Kyoto Protocol tracks, with no change in their mandates.

At the same time, irrespective of the outcome of the negotiations, India stands by its voluntary domestic target of reducing the energy intensity of its GDP growth by 20-25percent by 2020 in comparison to the level achieved in 2005. This reflects India's readiness to address the issue of climate change with commitment and focus, even as it seeks to meet the challenges of economic and social development and poverty eradication.

Reverting back to the topic of my address – ours is a relationship with boundless possibilities for mutual benefit. There are no real irritants in our relations. All indicators point to a strong desire to work with each other, in both countries. Through the surge in trade, services and investment that we have witnessed in both directions, our entrepreneurs and corporate have already demonstrated that India-US ties are creating jobs and benefits in both countries. Our governments are working to put in place a better enabling environment to facilitate movement of capital and human resources. And the role of the Indian American community in promoting the positive transformation of our relations must be acknowledged fulsomely.

To conclude, in an increasingly complex world, neither India nor the United States can achieve their goals on their own; nor will our partnership exclusively suffice to address our problems. But, our collaboration and cooperation will be indispensable for shaping the character of the 21st century. It is also natural that we will not always agree on everything. But, increasingly, I believe there is the maturity and confidence in our relationship to address areas of divergence with openness, and also promote convergences in our approaches to global challenges. We share common values and common strategic interests.

I look forward to the discussions this afternoon. I am certain that they would provide a useful input for policy makers.

Thank you.

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