

DEC 29, 2014

Obama's Passage to India

CAMBRIDGE – Indian Prime Minister Narendra Modi's vigorous foreign policy in the seven months since he took office has surprised observers. After inviting the leaders of Pakistan and other neighboring countries to his inauguration, he embarked on trips to China, Australia, and the United States. More recently, he welcomed Russian President Vladimir Putin to New Delhi and signed a large number of [trade deals and orders](#) to import Russian nuclear reactors. India, Modi is telling his fellow citizens, is strong and well regarded around the world.

Next month, US President Barack Obama will travel to New Delhi as Modi's special guest at events commemorating Republic Day, India's national holiday – just three months after the two leaders held substantive talks in Washington, DC. The visit should thus be regarded as a clear signal of Obama's desire, no less than Modi's, to strengthen US-India relations.

So what is likely to be on Obama's mind when he meets his Indian counterpart again, and what does he think can be done to cement bilateral ties? Three issues stand out – beginning with trade, which is as important politically as it is economically.

Obama hopes that the [Trans-Pacific Partnership](#) will be concluded in 2015 and ratified by the US Senate. The TPP will not be as powerful a free-trade agreement as originally intended, owing to exclusions and a very long phase-in period. But it will tie the US and 11 other Pacific Rim countries (including Japan but excluding China) together in a new economic bloc. Obama should be eager to stress that India's exclusion from the TPP is a matter solely of geography – India does not abut the Pacific – and that the US wants to increase bilateral trade and direct investment by American firms.

The second issue is terrorism. The US authorities are worried that American citizens who have been fighting with the Islamic State and Al Qaeda in the Middle East will return home to commit terrorist acts. India has experienced horrific acts of terrorism on its own territory. Continued cooperation between the US and Indian intelligence agencies can help both countries prevent future incidents.

Terrorism includes not just physical violence, but also assaults in cyberspace. China, Russia, and Iran have been the source of frequent cyber attacks on banks, companies, and government agencies; North Korea, the US alleges, was behind the recent breach of Sony Pictures' computers. Though Obama presented evidence to Chinese President Xi Jinping of technology theft by hackers based in China, the Chinese authorities continue to deny it. More recently, Russia and others have been [planting malware](#) in the control systems of the US power grid and other sensitive networks.

Looking ahead, the US worries about cyber attacks by non-state actors like the Islamic State and Al Qaeda. Although these groups' members may lack the sophistication to commit such acts, they may try to hire individuals with the necessary skills. India has a large number of talented computer engineers, including some who might be sympathetic to the Islamist cause. The US and India could both benefit from cooperating to prevent and disrupt such recruitment efforts.

The third issue on Obama's mind is bound to be China's asserted goal of dominating Asia and excluding the US from the region. Chinese hegemonic ambition runs counter to India's strategic interests as well – reason enough for Modi's eagerness to strengthen his country's relations with its neighbors as well as with the US. Obama has already made it clear that the US understands that Modi's willingness to cooperate with Russia, despite Western sanctions imposed on the country, stems from India's desire to discourage a Sino-Russian alliance against it.

Modi won a landslide victory in an election that reflected the Indian public's disappointment with the policies and performance of the previous government, led by the Indian National Congress. Though India had experienced [annual real GDP growth](#) of more than 8% for several years, growth has slowed since 2010, to less than 5% in 2013, owing to a populist shift in policies dictated by Congress party leader Sonia Gandhi.

By contrast, the Modi government plans to pursue a pro-growth agenda that includes reducing bureaucratic delays, increasing infrastructure investment, stimulating manufacturing activity, and shifting to a simpler unified tax system. Modi's agenda also evidently includes an active foreign policy – as it should.

Cultivating India as a reliable partner in the global economy and in international affairs is a high priority for the US as well. Obama's visit to India can help to realize that relationship's potential.

Read more at <http://www.project-syndicate.org/commentary/obama-modi-january-visit-by-martin-feldstein-2014-12#5P3Q13GT2TeK2grr.99>