



## Apprehensive Allies: India and Israel in the Obama Era

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**EXECUTIVE SUMMARY:** India and Israel seem to be up against a "pragmatic," non-ideological American administration under President Obama whose policy initiatives and proclivities have the potential to cause friction in their respective bilateral interactions, despite the best of intentions. Each of the two countries is suffering from a bout of "Bush Blues" since Obama took over in Washington. The issues in contention range from strategic concerns like Pakistan and Iran, to nuclear non-proliferation and economic factors like outsourcing of jobs. Given the huge stakes involved in the interactions among these three vibrant democracies, concerted efforts must be made to minimize the negative fallout of any differences they might have, while striving towards mutually acceptable solutions.

### Introduction

Having enjoyed a relative period of warmth (Israel) and extra-ordinary growth (India) in their respective bilateral relationships with the United States under a very ideological and "personal" President George W. Bush, India and Israel seem to be suffering from a bout of "Bush Blues" since President Obama took over the reins of power. Public and elite opinion in both the countries seems to have veered around to the view that India and Israel, respectively, are in for a hard time under this more "pragmatic" president, who does not always share the perspectives that privileged India and Israel under the former administration.

## **APPREHENSIVE ALLY 1: INDIA**

### **Bush and India: Ideological and Strategic Drivers**

The Bush administration followed favorable policies towards India and Israel for a variety of reasons. Just the fact that India is the world's largest democracy elicited a strong reaction from Bush and a different pecking order. Bush courted the country aggressively, so much so that his second Secretary of State Condoleezza Rice even promised active assistance to help India achieve great power "nirvana." These moves were geared towards configuring India to more effectively counter America's future competitor, the Chinese dragon, for dominance in Asia. New Delhi was however patently uncomfortable with such formulations, given its own burgeoning trade relations with its behemoth neighbor.

The "New Framework for the US-India Defense Relationship" signed on June 28, 2005, and the landmark Indo-US nuclear deal of July 18, 2005, are loud symbols of efforts to forge an enhanced strategic partnership between the two countries. The role played by the Indian-American community in pushing the deal through the various branches of the US government also signified the new-found status of one of the most vibrant, politically active, and economically affluent émigré community in the United States.

### **Obama and India: Issues of Contention and Concern**

The unwritten perception in India during the 2008 US presidential campaign once Hillary Clinton – perceived to be very pro-India – was knocked out of the Democratic Party nomination race, was that the Republican Senator John McCain was a better bet to continue Mr. Bush's favorable policies towards the country. (This among many other themes rings true for Israel as well). In the few months that President Obama has been in power, while the above strategic drivers continue to operate to varying degrees, certain "issues of contention" have been causing concern to Indian policy makers and public opinion. Prominent among these are listed below.

#### ***Outsourcing***

The economic crisis has brought to the fore issues regarding the effect that outsourcing of jobs to countries like India has on the domestic job market. Unveiling new tax reforms at an event at the White House on May 5, 2009, Obama noted that the current American system encouraged firms to pay "lower taxes if you create a job in Bangalore, India, than if you create one in Buffalo, New York." The strong Indian outsourcing industry, which had notched up exports worth over \$45 billion during 2008-09, is expected to grow to \$60 billion

by 2010 and be worth over \$200 billion by 2020 (according to McKinsey and Company). Given the fact that over 60 percent of its current exports are to the US, there has been justifiable concern over the likely negative impact of any protectionist measure by the Obama administration.

### *Pakistan*

The increased dependence on Islamabad by the US administration to prosecute its fight against al-Qaeda and the Taliban in Afghanistan and Pakistan has also been a cause of worry for India. Increased monetary support (exceeding \$1.5 billion per year), the supply of sophisticated weaponry (night vision equipment, laser-guided bombs for F-16 fighter jets) among other factors have brought heartburn to New Delhi, despite efforts by Washington to assuage India's concerns and continued high-level engagement, exemplified by the visit of Secretary Clinton in July.

President Obama's "AfPak" strategy finally recognizes the imperative of dealing with the terrorist safe havens inside Pakistan to have any measure of success in Afghanistan, given the tribal, ethnic and organic linkages with Islamic radicals operating with impunity on either side of the border. However, despite the Pakistani Army taking on extremist forces in certain parts of its territory, official instruments of the Pakistani state continue to bleed India using these same forces.

This is exemplified by the fact that cadres of the Lashkar-e-Taiba (LeT), chiefly responsible for the terrible Mumbai attacks of November 26, 2008, during which even a Jewish cultural center was attacked, could not have carried such an elaborate and daring attack with military-precision without the active support and connivance of the Pakistani military and intelligence agencies like the Inter-Services Intelligence (ISI). While the US on its part has repeatedly urged Pakistan to bring the perpetrators of the terror attacks to justice, the fact of the matter is that the chief of the LeT, Hafiz Saeed continues to be a free man, despite enormous evidence provided to Pakistan by India.

### *Climate Change*

Climate change, apart from nuclear non-proliferation and disarmament, are some of the key policy initiatives being vigorously pursued by the Obama administration. These issues have enormous potential to become contentious in the India-US bilateral relationship. On climate change for instance, India has repeatedly stated its inability to take on any legally-binding emissions reduction targets in a post-Kyoto framework, despite continued US pressure to do so. New Delhi has also pointed out that it has a minimal carbon footprint

(less than 4 percent of global emissions), one of the lowest per capita emissions in the world (less than 2 tons per annum) and that its developmental priorities are huge.

### *Nuclear Non-proliferation and Disarmament*

Like Israel, there is also the likelihood that India will come under increasing pressure to sign the nuclear non-proliferation treaty (NPT) ahead of the NPT Review Conference in May 2010. The statement by US Assistant Secretary of State Rose Goettmoeller on May 5, 2009 that "universal adherence to the NPT itself – including by India, Israel, Pakistan and North Korea, remains a fundamental objective of the United States" had both countries cued up.

Indian objections to the NPT however are huge, given its discriminatory nature and lack of effective mechanisms to prevent breakout states from achieving nuclear weapon capabilities, among other issues. Indian concerns regarding nuclear disarmament also remain. Achieving comprehensive and universal nuclear disarmament, which has been India's long-held objective instead of any regional or unilateralist measures, is still a long way from fruition, if at all. Continuing and robust nuclear force modernization programs of nuclear weapon states are also a huge stumbling block in any effort to convince New Delhi of the merits of arguments regarding FMCT and CTBT.

### **APPREHENSIVE ALLY II: ISRAEL**

#### **Bush and the Middle East: The "Mantra" of Forced Democratization**

President Bush pursued his democratization agenda in the Middle East vigorously. The war in Iraq was prosecuted as an effort to establish a functioning democracy in the heart of the Middle East, and was held as an example of what could potentially be achieved in the broader region. The dysfunctions of the region by the Bush administration were seen as symptomatic of the ills which aided disgruntled and relatively-educated young men to arm themselves with box cutters and hijack planes and fly them into symbols of American economic and military power, on September 11, 2001. These young men who died for the "holy" cause of *jihad* were of course followers of extreme Islamic radical ideology who diagnosed the origins of the ills facing their region in the policies of the world's only superpower, conveniently side-stepping the cruel lack of development of economic and human resources, the presence of autocratic and dictatorial regimes, lack of freedom and human rights, among other stark deficiencies. The alleged step-motherly treatment towards Israel and lack of progress on the issue of the Palestinian homeland was a prominent festering sore. The presence of Western

infidels, in the aftermath of the first Persian Gulf War, who violated their religion's sacred grounds, only added to the combustible mixture.

### **Bush and Israel: Belated Push for Peace and a "Long Leash"**

Caught up with the global "war" on terror and the attendant twin wars in Iraq and Afghanistan, the Bush administration became actively involved in nudging the protagonists towards a peace deal only in the later period of its second term. Its efforts accordingly did not meet with much success, despite the Annapolis process of November 2007 and Condoleezza Rice's belated hectic shuttle diplomacy.

The Bush administration was also seen as having given a long leash to Jerusalem on its defense and foreign policy agenda, be it in the Lebanon War of 2006 or the Gaza offensive, Operation "Cast Lead," which began in late December 2008, in the dying moments of the Bush presidency. Analysts noted that the 22-day offensive, which was wound down exactly a day before Barack Obama was sworn in as the new US president, was geared towards utilizing the goodwill of the previous administration as well as starting on a clean page for an administration whose policy proclivities could not be pre-judged.

### **Obama and Israel: Positive Vibes but Strong Concerns**

#### ***West Bank Settlements and a Palestinian State***

Mr. Obama, in his campaign speeches and in his pronouncements after taking over, has reiterated the importance of the relationship with Israel and his administration's desire to maintain and strengthen it. In the Cairo speech of June 4, 2009 for instance, Obama pointed out the "unbreakable" bond shared with Israel, based upon cultural and historical ties. Despite these positive vibes however, the administration's "strong" messages regarding the construction of settlements in the West Bank and the establishment of a Palestinian state and "rapprochement" moves towards Tehran have generated concerns in Jerusalem that Obama may be veering away from a pro-Israel stand on issues of strategic interest to it.

The government of Prime Minister Benjamin Netanyahu on its part has not entertained American pressures on a complete freeze to the settlement building activity. In his landmark speech at the BESA Center on June 14, 2009, Mr. Netanyahu opposed a total freeze on the settlements but for the first time accepted the imperative of the establishment of a Palestinian state, though one which will necessarily have to be demilitarized. He also reiterated that it was imperative that the Palestinians and the Arabs recognize Israel as a Jewish

nation-state, and asserted that an undivided Jerusalem will have to be the capital of the Jewish state.

Mr. Obama's Special Envoy to the region George Mitchell meanwhile has been actively involved in hammering out differences and trying to fashion a mutually acceptable platform around which all sides in the dispute could come together. As of this writing however, there seem to be more imponderables than hope. These include the continued disarray in the Palestinian ranks and uncertainties regarding the prospective role of Hamas, whose constitution continues to call for the destruction of the Jewish State.

### *Iran*

In his path-breaking direct appeal to the Iranian people of March 20, 2009 for instance, Obama held out the prospect of "engagement that is honest and grounded in mutual respect." The reactions from the Iranian leadership to that offer have however not been positive. The re-elected Iranian President Mahmoud Ahmadinejad and other officials have not only rejected these overtures but have pointed out the difficulties involved in coming to terms with the long history of ill will and hatred shared between the two countries. US officials on their part have been insisting that crucial areas in which Washington could have a constructive interaction with Iran was on the need to stabilize Iran's western as well as its eastern neighbors – Iraq and Afghanistan, the latter currently being America's primary foreign policy priority.

Despite Israel's strong concerns about Tehran's nuclear program, Washington has proved to be a less than interested party in actively pursuing a military solution. Though President Obama and his officials have stated that no options were off the table in dealing with Tehran's nuclear ambitions, his administration has privileged efforts at finding a negotiated solution to the impasse, and has called for "tough but direct diplomacy" to convince Iran to forgo its nuclear option, much to Jerusalem's chagrin. Secretary Clinton has even suggested that American nuclear umbrella was sufficient to protect its allies in the Middle East in the event of Iran acquiring the nuclear bomb. While the efficacy of extended nuclear deterrence is open to debate, Israel, despite its strong diplomatic offensive (and possible covert attempts) to pre-empt a possible Iranian nuclear bomb, has been taking steps to ensure that it has robust deterrence capabilities.

### **An Assessment**

As the above discussion indicates, on issues of strategic concern to both the countries, Israel and India seem to be on the same boat, fighting against a

strong "Obama current" (or rather, different boats but up against the same "problematic" current). Given the huge stakes involved, these three vibrant, multi-faceted, functioning democracies and pluralistic societies should strive towards mutually-acceptable solutions on issues of concern in their bilateral interactions sooner than later. Only then will the full potentialities of their bilateral relationships be achieved for each other's mutual benefit and for ensuring regional stability.

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