



US And us

Self-help is the best option for India, regardless of the Obama-Romney fight's outcome

By Kallol Bhattacharjee - October 22, 2012

Offices, restaurants, supermarkets—Indians seem to be everywhere in Washington, DC. During office hours, Indian employees of the World Bank, International Monetary Fund and many multinational corporations can be seen scurrying with their lunch packets to cafes at the Dupont Circle, where a number of Indian eateries make brisk business. Despite such visible Indian presence in the US capital, the presidential campaigns of Barack Obama and Mitt Romney have so far not discussed India directly, even though several issues that concern India will steer the outcome of the election.

To begin with, the election is going to determine the future of the wars in Afghanistan and Iraq. Policymakers here are discussing how India would react once the US pulls out of Afghanistan. India is perceived to be getting cosy with Iran to secure its interests after the US departure.

But, for the moment, a drawdown is not happening in Afghanistan. After the debate in Florida, President Obama will return to Washington to see off the 4th Stryker Brigade, 2nd Infantry Division, to Afghanistan, just before the Halloween spirit ends in the US. The 4th Strykers' Facebook page is flooded with good wishes as the families prepare to send their men away.

The deployment comes at a time when there are calls for bringing soldiers home. There are discussions in the American capital about whether the US can disengage from Afghanistan without triggering a greater bonhomie between India and Iran, which could be a major embarrassment.

According to Dr Christopher Preble of Cato Institute, a Washington-based think-tank, this sensitivity comes because “every policymaker in Washington understands that India does not want a client state of Pakistan in Afghanistan, which can then be used by

Pakistan to torment India. Pakistan, in turn, does not want an Indian client state in Afghanistan. So they are aware of the balancing that the US is expected to do in Afghanistan while drawing down.”

Clearly, India's necessities have been intuitively accepted by the American policymakers. But Obama has vowed to bring the troops home from Afghanistan, while Romney, whose focus is on the security of Israel, is yet to state a clear stand. That means a US withdrawal from Afghanistan cannot be ruled out.

Besides security, the issue of immigration and jobs in the tech sector, where desis are in demand, also concern India. Initially, Obama had taken a dim view of jobs going to India and China; but later, he made positive references to India, perhaps to steer clear of international disputes.

Preble says the US is in a dilemma regarding immigration. According to him, immigrants are part of the economic solution to unemployment and the housing crisis. Because of the glut, he says, many assets are lying vacant, not allowing the housing market to stabilise. “If more immigrants come in, the housing market will benefit and, in turn, as immigrants get new houses, the economy will recover,” says Preble.

But here lies another problem: Obama and Romney have taken different approaches to the immigration and housing issues. Romney prefers free trade and stricter control of unskilled or low-skill jobs, which go to Central American immigrants. Obama says immigration will be allowed, but trade will be turned in favour of the US. Even as US policymakers maintain that both candidates mean no harm to Indian interests, the Indian community has doubts about Obama's position.

One area where the US feels the helpful hand of India is in its decision to permit foreign direct investment in the retail sector. Regular customers say US retail giant Walmart has increased prices in recent months. But they are talking about how accessibility to new markets would help Walmart boost its image and lower the prices. In the matter of market reforms in India, both sides have avoided any disagreement, mainly because of the UPA government's policies.

While the financial world offers a common ground for both countries, the fields of energy and security cause worry. There is widespread awareness that military action against Iran will impact the economies of India and China. That is one reason why the US has not shown the zeal to attack Iran despite Israel's prodding.

Mira Kamdar of New York-based Asia Society predicts that the US economy will flounder

if Romney comes to power. She echoes the Iran-related concerns of India, in case the US goes for the military option in the Persian Gulf.

Hillary Mann Leverett of Jackson Institute of Global Affairs, Yale University, says the Obama administration's tinkering with the non-proliferation treaty (NPT) while tackling Iran's nuclear energy plans is of concern to all countries. At the UN General Assembly on September 23, Obama said, "We respect the right of nations to access peaceful nuclear power, but one of the purposes of the United States is to see that we harness that power for peace."

Obama's interpretation of the NPT shows the surprising elasticity of the American policy establishment, says Leverett. "Signatories to the NPT have the right to pursue nuclear power for peaceful generation of energy. Period," she says. According to her, this tinkering does not augur well for the world, because rising pressure on Iran will slow economic growth in countries like China and India, where growth has already become an issue. "We need diplomatic solutions and not armed escalation of disputes at this critical juncture in the international financial structure to avoid any collapse of the system," she says.

In terms of formulating an aggressive policy towards Iran, she says, both Obama and Romney are in the same boat. "Romney is more vocal than Obama on campaign podiums, but Obama's laying down of the new interpretation of the NPT on the UN's podium tells us that he is no less aggressive. So both are working for interests separate from the interest of the global common good. This is a negative trend for the larger international community's, including India's, interests in the Persian Gulf," she says.

Leverett's view connects with the thoughts of Neelam Deo and Akshay Mathur of Gateway House, an international relations think-tank based in Delhi. In June, Deo and Mathur had written a widely appreciated commentary on the impact of the US's Iran policy on economies in the BRICS grouping. The article had pointed out that though BRICS was a larger energy-consuming block than the crisis-ridden European Union, its members India, Brazil and South Africa were not part of the dialogue over Iran, and that sanctions on Iran had started slowing energy trade with these countries.

Deo, a former Indian ambassador, and Mathur had gone as far to suggest that the sanctions that strangle Iran today can be used to strangle other countries should their geopolitics be irksome to the US. "Iran today can be Russia or Brazil tomorrow," they wrote.

The article attracted the attention of US policy wonks, who noted that "if 25 countries of

Europe could come together to contain Russia, certainly five countries of BRICS can come together to ensure their geo-economic future.”

Analysts say that one of the reasons for the slowing growth of the leading economies of BRICS is the prolonged sanctions on Iran and uncertainties in the global energy market. There is no independent assessment of the total loss incurred in delayed payments and bottlenecks that arose as rounds of sanctions were imposed by Obama.

As major powers scramble for energy across the world, it appears that self-help will remain the best option for India, regardless of who becomes the next US president.

Stance @ a glance

Economy

Obama: *Added jobs in the past two years; aims to cut projected deficits by \$4 trillion over 10 years, by raising capital gains tax and household earnings tax.*

Romney: *Promises to cut \$500 billion per year from federal spending by 2016; will replace job benefits with unemployment savings account; intends to increase military expenditure and trade deals to spur growth.*

Energy and Environment

Obama: *Emission of greenhouse gases and mercury pollution regulated; renewable energy production increased; aims to halve oil imports by 2020; backs tax credit for wind energy industry.*

Romney: *Promises to make the US independent of foreign energy sources by 2020, with aggressive drilling and maximum utilisation of natural resources; opposes the tax credit.*

Foreign policy

Obama: *Military strike on Iran to be the last option; opposes the use of air power in Syria; opposes Israel's encroachment of disputed areas and wants it to hold peace talks with Palestine; will impose penalties against China for unfair trade.*

Romney: *Wants to issue clear threat to Iran; will support military action against Syrian government, but would not get involved directly; brands Russia “No.1 geopolitical foe” and believes China is a currency manipulator.*

Immigration

Obama: *Introduced deferred action policy, which allowed deportation deferral and work permits to illegal immigrants who came to the US as minors; wants to exempt those enrolled in colleges and armed forces.*

Romney: *Opposes education benefits and legal status to illegal immigrants; wants to end visa caps on spouses and children of legal immigrants; wants to introduce a comprehensive immigration plan.*