

# Terror at the border

The terrorist attack on civilians and a police station in Gurdaspur district might have been the first such serious incident in Punjab in the last two decades, but it is of a piece with the recent violence from across the border in the Jammu region. The border district is situated close to Jammu, and the attackers would have found it a soft target. Any part of India close to the Jammu region could just as easily have been their target. After security was stepped up in the border areas of Jammu and Kashmir, militants operating from across the border appear to have been forced to take other routes close to Jammu to carry out assaults. Of late, terrorists have targeted not only army camps but also civilians in Hindu-majority Jammu. Although Pakistan-based militants would like to keep the focus on Jammu and Kashmir, any attack close to the Jammu region would serve their purpose. The Uri-Jalandhar highway runs close to the border with Pakistan at Pathankot near Gurdaspur, and provides access to the Jammu region from a section of the border that is not as heavily guarded as stretches in Jammu and Kashmir. If the Gurdaspur attack signifies anything, it is that militants are ready to shift their targets, and make a mockery of India's efforts to secure the border districts.

For Punjab Chief Minister Parkash Singh Badal, the immediate challenge it seemed was to counter the impression that the attack had something to do with the demand for Khalistan. That the militants were suicide attackers who were intent on fighting till the very end, unlike the Khalistani militants in the 1980s who predominantly adopted hit-and-run tactics, allowed him to assert that the attack was not an indication of any revival of terrorism in the State. Also, the attackers were reported to have shouted Islamist slogans. However, irrespective of these facts, intelligence agencies have been warning of a rise in pro-Khalistan activity. Last month, the Research and Analysis Wing had sent a report to the Union Home Ministry and the Prime Minister's Office on the "Khalistan liberation movement" finding support in Pakistan, as also in the U.S., the U.K., Germany, France and the Maldives. The government needs to take threats from this quarter also seriously. The dastardly attack in Gurdaspur is a major setback to the confidence-building process initiated by Prime Minister Narendra Modi and his Pakistani counterpart Nawaz Sharif during their meeting in Ufa earlier this month. There can be no let-up on India's part in countering acts of aggression from across the border. But attacks such as the latest one should not deter efforts to engage Pakistan in talks. It is crucial that Pakistan be made to realise the futility of nurturing militants on its soil as a strategy against India.

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# Positive turn in Bangladesh

The Bangladesh Nationalist Party's (BNP) decision to drop its demand for the formation of a caretaker government under whose charge parliamentary elections would be held, offers a fresh opportunity to resolve an extended political

deadlock. Bangladesh has seen a political crisis since the re-election of the Sheikh Hasina-led Awami League government in January 2014. The Khaleda Zia-led BNP and other opposition parties boycotted the poll after their demand for elections under a neutral caretaker was rejected. As a result, the election became a one-horse race, raising questions about the government's democratic credentials. Since then, the BNP and its hardline Islamist ally Jamaat-e-Islami had been fighting street battles. Too often since the authoritarian H.M. Ershad era, Bangladesh has seen political instability due to the game of one-upmanship between the two leading political parties, with election and Parliament boycotts and incessant agitations becoming all too common. Nearly 19 months after the controversial election, perhaps having realised that the non-parliamentary oppositional politics was weakening the party, Ms. Zia indicated that she was ready for a compromise.

The animosity and mistrust between the two main parties have cost Bangladesh dear. While the BNP and the Jamaat resorted to violent protests, the government responded in a determined manner to crush the opposition. Political violence has been steadily on the rise since the last election, while many have criticised the undemocratic bent of the Hasina government. The situation remains volatile with forces opposed to secularism and democracy waiting to grab any opportunity to push their agenda. It is no secret that the Islamists have been aggressively trying to capitalise from the political mess. The Jamaat in particular has been at odds with the Sheikh Hasina government after two of its leaders were hanged for "crimes against humanity" committed during the 1971 Liberation War. Moreover, there was the real danger of the military finding a pretext for another political intervention if the law and order situation had worsened. It is against this background that the BNP has signalled a softening of its position. The Sheikh Hasina government should seize this opportunity and break the impasse, adopting a more conciliatory approach ahead of elections. The BNP should rethink its alliance with the Jamaat, and abandon the tactics it has been resorting to. Reinforcing secular democratic principles, on the basis of which Sheikh Mujibur Rahman led Bangladesh to freedom, should be the way forward. A proper concert of an effective government and an opposition in Parliament is an imperative for a democracy, especially for a fledgling one such as this.

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## **India-US Nuclear Deal: Only Half Realised After a Decade (IR, IDSA)**

A decade has gone by since President George W. Bush and Prime Minister Manmohan Singh issued the 18 July 2005 joint statement announcing an extraordinary deal – that the United States will facilitate India's access to global nuclear commerce, in return for India's commitment to play a major role in global non-proliferation efforts as well as harmonize its civilian nuclear programme with the norms of the nuclear non-proliferation regime. The deal was a

defining moment for the non-proliferation regime, embodying its structural realignment wherein a perceived 'outlier' was being assimilated into the system through a process that was seen by different sections as having the prospect of strengthening as well as unravelling it.

Accordingly, India, which is not a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), was to be allowed to participate in nuclear trade despite not subscribing to the International Atomic Energy Agency's (IAEA) full-scope or comprehensive safeguards as required by the 1992 (Warsaw) guidelines of the Nuclear Suppliers Group (NSG). Many Indian observers termed the deal as marking the country's return to the non-proliferation mainstream, even as some sections alleged a compromise of national interests by submitting a 'self-reliant' programme to international scrutiny. On the other hand, critics across the globe questioned the privileged treatment to one country by transcending the NPT framework, which, they felt, could weaken the Treaty. A decade later, the jury is still out on whether the intended objectives of the India-US nuclear deal have been fulfilled, the projected gains accrued and apprehensions validated.

The promise of participation in global nuclear trade, facilitated by the September 2008 India-specific waiver from the guidelines of the Nuclear Suppliers Group (NSG), entailed three major outcomes for India: (a) uninterrupted flow of uranium for its reactors, (b) introduction of advanced reactor technologies to expand its nuclear energy programme, and (c) the strategic spin-off of gaining a seat at the high-tables of the non-proliferation regime.

### **An uneasy start**

That the NSG passed by consensus the India-specific waiver, despite initial reservations of many supplier nations, could be testament to the fact that the fledgling Indian nuclear energy market was a clear allurements for many countries to support the deal. This was evident from the avidness of early birds like France, Russia and Kazakhstan in signing nuclear cooperation agreements with India as well as in the belated policy shifts effected by Canada and Australia, which discarded their initial reservations to tap this vibrant market. This surge had largely translated into a steady stream of uranium flow into Indian reactors,<sup>1</sup> which, in fact, is the most significant gain attained so far. This trend is likely to continue going by the renewal of contract with Kazakhstan early this month, and the supplies expected from Canada and Australia in coming months. However, the failure to proceed towards contracts for nuclear power projects designated to be constructed with foreign assistance – Jaitapur (Areva), Mithi Viridi (Westinghouse), Kovvada (General Electric) and Haripur (Rosatom) – underlines the struggle in opening up a hitherto autarkic programme to external engagement.

India's attempt to synchronise with international liability covenants through the Civil Liability for *Nuclear Damage* Act (CLNDA) of 2010 was met with stiff resistance, primarily for its stringent supplier liabilities. Disagreements on administrative arrangements<sup>2</sup> pertaining to tracking and accounting of imported material (and demands for additional bilateral safeguards) further delayed the implementation of some of these nuclear agreements even as suppliers like Japan continued to weigh on greater non-proliferation obligations as a condition for nuclear partnership. On the other hand, the feasibility of the colossal nuclear parks to be constructed with foreign technological support is facing increasing resistance from local populaces and anti-nuclear groups, riding on the paranoia caused by the Fukushima incident. Like in the case of the Kudankulam Nuclear Power Project (KKNPP), organised local protests, if they intensify at other project sites, could further delay or even force a change of plans for some of these projects.<sup>3</sup>

### **A still-born renaissance?**

While the first watt of power from foreign-aided projects may take many years to come, the 10th anniversary coincides with major transformations in India's indigenous programme. The grand promise that the Indian leadership provided to the polity to justify the nuclear deal was that it will lead to a massive expansion of the nuclear energy infrastructure. Though at no point was this projected as an alternative to the snail-paced indigenous programme, many Indian critics of the deal sought to highlight it as a contest of two parallel routes seeking to fulfil India's initial nuclear energy target of 20,000 MW (revised to 10,000 MW). This debate now attains relevance, with both the routes, howsoever complementary or competing, being impeded by various reasons.

Since the 1960s, India has striven to set up an indigenous nuclear energy infrastructure driven by Homi Bhabha's vision of a three-stage programme.<sup>4</sup> According to this plan, the first

stage was to be populated by a Pressurized Heavy Water Reactor (PHWR) ecosystem running on natural uranium. The plutonium reprocessed from the spent fuel was to feed the Fast Breeder Reactors (FBRs) for a closed fuel-cycle of the second stage. The FBRs were to produce more plutonium through transmutation of uranium (U238) thus giving more fuel than consumed along with power generation. The FBRs were also to convert fertile thorium to fissile U-233, which could power the Advanced Heavy Water Reactor (AHWR) in the third-stage.<sup>5</sup> While the PHWR-driven first stage has managed to set up a capacity of over 5780 MW as of today,<sup>6</sup> efforts to progress to the second-stage have overshoot the initially envisaged timeline many times over. Though a 500-MW Prototype Fast Breeder Reactor (PFBR) at Kalpakkam is expected to go critical by September,<sup>7</sup> actual transition to a FBR-driven ecosystem might take many more years. Similarly, the ambitious plan to exploit abundant thorium resources heavily hinges upon the successful development of the AHWR for the third stage.

While the general perception is that the second-stage will formally begin with the commissioning of the PFBR, the actual scenario may be different. The PFBR, work on which began after the Fast Breeder Test Reactor went critical in 1985, may undergo the pre-heating and core loading processes in coming weeks after approval from the Atomic Energy Regulatory Board (AERB).<sup>8</sup> The progress towards attaining higher power operations, criticality and eventual commissioning may depend on the functioning of the reactor during the pre-heating process and final approval from the AERB. While the PFBR fuel cycle is expected to run till 2021, construction of commercial FBRs (initially 1&2) is slated to start in 2023-24, with an expected completion time of three to five years for each facility, implying that commercial power generation may happen only by 2030. Further, sources in the nuclear establishment also suggest that the prospects of introducing the thorium blanket to generate fissile U233 for the AHWRs will only follow the successful commercialization of the FBRs.

India, meanwhile, will continue to rely on the PHWR infrastructure, which will gallop to a capacity of 9580 MW in the next few years (nearing the 10,000 MW target) with the addition of 3800 MW from the five ongoing projects (KKNPP-II, Kakrapar 3 & 4 and RAPS 7 & 8).<sup>9</sup> Assuming that at least some of the projects earmarked under international cooperation are contracted in the next few years, actual construction may take a subsequent decade to operationalize (going by Areva's current record). This is based on the assumption that construction of at least some units in Jaitapur, Mithi Viridi and Kudankulam (III&IV) may not be impeded by local protests or other factors. While new projects planned by the Nuclear Power Corporation of India Limited (NPCIL),<sup>10</sup> like in Gorakhpur, Haryana and the project planned with the Nuclear Thermal Power Corporation (NTPC) in Madhya Pradesh, may also take off during this period, the fate of the projects in Haripur and Kovvada are still unpredictable. Nonetheless, most of these projects can be expected to produce power only in the latter half of the next decade when construction on the FBRs may be in full swing.

This being the realistic picture, dependence on a single route may not satiate the goal of massive nuclear expansion or initiating a nuclear energy renaissance. Rather, the leadership has been geared towards a synergy of indigenous development and external technological support to meet the original 20,000 MW target and progress further beyond. A testament to this is the claims from the nuclear establishment that India will build a capacity of around 600 GW by 2050.<sup>11</sup> A lot, hence, depends on how both routes could actually progress in material terms amid resistance and impediments from various quarters.

### **The integration question**

Notwithstanding these challenges, the nuclear deal was a clear strategic gain for India. With the NSG waiver, India became the only non-NPT state that can maintain its military and civilian nuclear programme even while accessing global nuclear trade, thus giving it near-parity with nuclear-weapon states, and yet not subjected to the obligations of non-weapon state-parties to the NPT. Further, the NSG waiver has opened the possibility of India's entry as a full member in the NSG as well as other export control sub-regimes like the Wassenaar Arrangement, Australia Group and Missile Technology Control Regime (MTCR). This will essentially imply India's metamorphosis from a recipient state to a supplier, and also marks an ideational departure from the time when India saw these groupings as denial regimes. It may though be premature to infer whether India could use these memberships to gain liberal access to enrichment and recycling technologies or be a supplier in the multilateral fuel-cycle initiatives, as the NPT continues to be a key determinant for these structures.

The NPT thus remains a key obstacle for India's complete access to the full range of rights

and benefits within the regime, which, in fact, was a prominent topic of debate during the nuclear deal. While the implications of the deal for the Treaty were vigorously highlighted by critics of the deal, some sections also wondered how India could be integrated with the regime while remaining outside the NPT. However, the fact that the Treaty has remained under severe stress since its indefinite extension in 1995 and had little hope or initiative for structural reforms, has only buttressed the ideational logic behind the nuclear deal – of finding solutions to strengthen the regime outside the NPT framework. Though proliferation risks have largely subsided in the last decade thanks to numerous initiatives pursued outside the NPT system, the diplomatic endeavours to deal with the lingering cases of deviance (Iran and North Korea) only embody a continuity of this trend.

The nuclear deal, therefore, has to be valued within this context of bringing a state with advanced nuclear capability within the regime's normative framework instead of allowing its autonomous existence with limited adherence to regime norms. Nonetheless, it needs to be seen how long India would be able to maintain this unique identity of an 'advanced state with nuclear technology' while maintaining a fine balance between the rights and duties of nuclear weapons states and non-weapon states, in its obligated endeavour of undertaking a "leading role in global non-proliferation efforts", as enshrined in the joint statement.

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## **The Modi factor in Central Asia (IR, IDSA)**

Prime Minister Narendra Modi's recently concluded visit to the five Central Asian countries – Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan and Kyrgyzstan – was not only symbolic but was also significant in terms of re-energizing Indian diplomacy in a strategically important region lying in the Indian backyard. The visit was also important for widening the strategic perimeter and imagination among our own people towards the region beyond Pakistan and China. Sadly, the media failed to bring that traction. Barring the state-owned channels, mainstream media remained muted simply because the visit lacked the scintillating "rock-star" image and the Diaspora patriotic fervour. The MEA itself is to be blamed.

Modi's visit took place against the backdrop of major global and regional developments: a) Russia's renewed assertion in Central Asia following its standoff with the West over Ukraine; b) China's fresh push for building connectivity infrastructure to link China with Europe via Central Asia under its Silk Road Economic Belt initiative; c) the prospects of Iran coming to the regional fore following its recent nuclear breakthrough with the major powers; and, d) the emerging situation in Afghanistan in the context of growing Afghanistan-Pakistan proximity to rehabilitate the Taliban. The importance of touching base with the region was therefore critical and the Prime Minister's visit may have imparted the necessary momentum to India's ties with these countries.

Modi's activism is welcomed in Central Asian countries, though they know that India has already missed the bus and it has a lot of catching up to do. Central Asians had high expectations from New Delhi from the beginning, but India lacked sufficient efforts and skill to understand the importance of Silk Route dynamics as compared to the focused attention paid by China and others. China's trade with the region is over USD 50 billion compared to India's paltry USD 1.4 billion. China is transporting energy from the region. Many Indian analysts viewed the visit as an important opportunity to counterbalance China. But this could be a flawed assessment.

The prime minister's visit had a strong cultural connotation though the past links with Central Asia have not yet given the desired results. Importantly, he touched upon the shared Islamic heritage and Sufi traditions. One, however, wonders whether the Kubrawiya, Nurbakhshi and Yasavi Sufi traditions are still preserved in India. Modi gifted a reproduction of Khamsa-i-Khusrau to Islam Karimov. Hopefully, the Uzbek dictator liked the gift. Linguistic links with the Tajiks were also invoked by Modi. Clearly, the visit entailed a strong joint socio-cultural rhetoric – references to Yoga, Hindi, Sufism, IT, among others, added substance to India's soft power.

Of course, there were no big ticket items to turn the spotlight, but the Prime Minister's own strong presence seems to have created a huge excitement, perhaps no less than the marks that Raj Kapoor, Indira Gandhi and Mithun Chakraborty had earlier made on the people's imaginations. Modi has become a factor in Central Asia and this is important. In fact, it has been decades since any popular Indian leader visited these countries and they felt nice about it. Such a visit was long desired; as one friend of this author put it, we needed such a thing because Indian leaders have always appealed to everyone in Central Asia.

Combating terrorism, cementing defence, economic and energy ties and enhancing connectivity were recurring themes in the Prime Minister's discussions with the leaders of these countries. In all, the 21 bilateral agreements signed with the five countries were desirable, although they have already been in practice for the last two decades with little or no success. The reasons are numerous and intrinsic – they are hard to triumph over.

The connectivity issue, i.e., the International North South Transport Corridor (INSTC), has been discussed since 2000. Crores have been spent on Bandar Abbas and now on the Chabahar Port option. But accessing Central Asia via the Indian Ocean is a flawed approach that has proved unviable and has not worked so far. During the visit, Modi mooted the idea of bypassing Afghanistan to link with Central Asia through surface, digital and air connectivity. Many wonder whether his visit was linked to India's growing disenchantment with Afghanistan's increasing closeness with Pakistan.

The flurry of agreements on defence and security are largely symbolic and they have been there for quite some time though without much significance. Take the case of Ayni airbase in Tajikistan that India acquired post-Kargil and IC-814 hijacking. India refurbished the base at a cost of USD 70 million in 2007, yet we do not know whether it is really using the base. There is no mention in this regard in the official statements. However, Modi's visit to the newly built military hospital at Farkhor was widely tweeted.

Defence co-operation with Kyrgyzstan has been going on for a few years but with little benefits to India. Kyrgyzstan has far closer military ties with China. The DRDO setting up a Mountain Bio-Medical Research Centre in Kyrgyzstan's mountains is meaningless when the Himalayas offer far greater high-altitude conditions for research.

Combating terrorism especially the threat posed by the Islamic State gained prominence, suggesting that it is a "threat without borders". But Central Asia, despite being located in the proximity of the main source of terrorism, is not a hotbed of terrorism. There are no records of the Taliban and Al Qaeda having set gained a footing in the region. Terror threats are often used by the regimes in the region as a ploy to tighten domestic control and gain external legitimacy. The threat from the Islamic State is a new tool to garner global support. The West has raised eye brows over crackdowns and curbing of rights of even children in the name of countering the Islamic State threat. This needed to be taken with a pinch of salt.

Nothing substantive featured with Kyrgyzstan except to reinforce each other's commitment to work together once the India – Eurasian Economic Union (EEU) Free Trade Agreement came into effect. Inking of a MoU for co-operation between the Indian and Kyrgyz Election Commissions is significant, though the Kyrgyz have been looking to Western countries for democratic experience.

The contract with Uzbekistan for the supply of 2,000 metric tonnes of uranium signed in 2014 is important, but it needs to be seen how it gets implemented finally.

Three path-breaking developments deserve attention. Firstly, Nazarbayev's daring decision to sign a major contract for a renewed long term supply of 5,000 Metric tonnes (MT) of uranium to India during the next five years is the most significant takeaway of the Prime Minister's visit. This is in fact proving more promising than achievements on the hydrocarbons side.

Secondly, India's ONGC-Videsh Ltd (OVL) has finally made its first breakthrough when Modi launched the drilling operations for oil exploration in the Satpayev block on 7 July 2015. Thirdly, the Ufa Summit and Modi's visit to Turkmenistan may also have possibly shown the way finally even for the TAPI pipeline to see the light of day. In Ashgabat, the Prime Minister called the TAPI project a "key pillar" and pushed for its realization "quickly".

Central Asian oil and gas reserves offer alluring possibilities for India. However, the OVL's pursuits have been anything but simple as the Kazakh authorities repeatedly cold-shouldered its bidding efforts. The drilling operation in Satpayev is a good success but one has to wait to see whether the OVL is left with any stamina for pursuing further oil exploration in Kazakh fields.

Make no mistake, Russia is and will remain an important factor for India's ability to do business in Central Asia. The countries of the region are still integrated with Russia. They do not have complete freedom of manoeuvre to conduct foreign relations without having a concord with Russia. Russia still favours India as a countervailing measure against China's monopoly on Kazakhstan's uranium exports. As long as India's fuel imports remain modest and ties with Kazakhstan do not get deeper, a major hurdle is unlikely. But, given growing Russia-China convergence, India's nuclear ties with Kazakhstan will be conditioned by changes in the geopolitical climate just as geopolitics decisively undermine the import of hydrocarbons from Central Asia.

India's premature discounting of Russia was a mistake. In fact, such a policy line has not only delayed India's success but also made its diplomacy in Central Asia a more arduous exercise. India's energy requirements in Central Asia suggest a continuing positive relationship with Russia.

Central Asians undeniably consider India to be a reliable, trustworthy and predictable partner. But at the same time they do not consider India to be a good performer. Many have argued that New Delhi's indecisiveness always influenced Nazarbayev against energy deals with India. Even though Kazakhs realize the importance of engaging India, they also know well that it is only China that can fit the bill ultimately. Hopefully, the SCO can provide India with the opportunity of working together with Russia and the Central Asian republics. It could help resolve at least some problems.

India faces financial limitations when it comes to competing with other powers in Central Asia. Indian investment is dismal and the current engagement policy does not have vitality for spurring economic interdependence with these countries. Geography is not the only factor in this regard. Even private Indian companies with deep pockets have not shown the necessary interest in the region. They too have tended to take shelter under the government patronized schemes abroad.

A lack of understanding and scholarship is another handicap. India does not have the depth of knowledge on the region's historical, political, linguistic, and above all the intricate socio-tribal structural underpinnings, for instance, the function and relationship among Kazakh *zhus* (hordes) that ultimately regulate the decision making process. As a result, the official and diplomatic channels often used do not necessarily yield the desired results. This style of approach over a period of time has led to a distortion in overall relations –the reason why the depth of India-Central Asia ties have always remained in question.

For India, the problem has never been about sourcing energy resources but about routing them. And this is less to do with distance than India becoming the victim of a denial strategy. The situation is unlikely to change in the foreseeable future. From India's perspective traversing a gas pipeline through Pakistan will remain a risky proposition especially when the revenue that Pakistan will earn on transit fee from India could be redirected to sustain terrorism against India. This apart, by letting the pipeline come through Pakistan, India will consciously close its options for military strikes, thus allowing its adversary into blackmailing India in perpetuity. It is equally unlikely that India will forsake Kashmir for the sake of gas supplies.

This is not to suggest India will have no other option. It should find other innovative ways such as joining international energy consortiums for exploration, opting for LNG purchases from the region, etc. Central Asia could become another Middle East for Indian engineers, management experts, and skilled and semi-skilled workers to find employment. They could earn huge amounts of foreign exchange from the region's energy service sector. Indian companies

could participate in the ancillary and drilling sectors of the oil and gas industry, which is rapidly growing in the Caspian region.

Prime Minister Modi has seized the opportunity for setting the agenda, for he knows that the continuous denial of access to affordable gas also means that India will continue to rely on domestic coal that poses a threat to the global environment.

Importantly, the Modi government seems to have realized that India's internal issues including Kashmir, energy security, connectivity and above all problems with Pakistan are linked to the larger balance of power game. They are interlinked and hence cannot be treated in isolation.

The attempts made in the past to resolve the Kashmir issue, Indo-Pak conflict and enlarging interests in Central Asia failed to get off the ground. It is here that the Modi-led government is trying to broaden the scope of geopolitical engagement. Modi's meeting Putin and Nawaz Sharif in Ufa, followed by his visit to Ashgabat, cannot be without a well thought-out strategy.

The geopolitical and corporate games around pipeline projects have greatly changed following the Ukraine crisis and the ensuing Russia-West standoff. As India's energy demands increase, it will find itself in the centre of important geopolitical and energy relationships. Things are also likely to become more complex after the recent breakthrough between Iran and the Western powers.

All these underline the point that the global and regional power balance is more sharply impacting upon India's policy directions and perhaps in a more positive and realistic way. In fact, it is not terrorism but energy factor that may have influenced India-Pakistan talks in Ufa. Global politics and the role of Russia in this are conspicuous whether one likes it or not. Russia may be attempting to nudge both India and Pakistan towards cooperation, especially in terms of working on the energy pipeline. The relevance of the Prime Minister attending BRICS and SCO summits in Ufa, his visit to Central Asian states, talks with Presidents Putin and Xi and Prime Nawaz Sharif etc., are all part of this growing trend.

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## Iran Nuclear deal: Impact on India (IR)





# Iran Nuclear deal: Impact on India

Iran and US have deep mutual suspicions. The 14 Jul 2015 deal has not changed this. Prudence suggests that Iran is likely to abide by her side of the deal and give up nuclear weapon ambitions and benefit from lifting of the sanctions and experience rapid economic growth. US showed great urgency in reaching this agreement not because of any concern for Iran's suffering population (because of the sanctions), but the threat of ISIS.

## Noteworthy facts about Iran

Iran with a population of 77million and is one of the most populous countries in the Middle East. It is a Shia dominated country with strong links with Shias in Iraq. Her role is essential in eliminating the threat of ISIS (Sunni Terrorist organisation) from the world. 64% of the population is below 35 years. Iran has a literacy rate of 98%. Urbanisation rate is one of the fastest globally, rising from 27% to 71% in the last 50 years. English is widely taught in schools, and there is a high Ph.D. rate. Sixty percent of university students are women. Thus the country is set to progress fast and offers great investment opportunities.

The deal has a great positive impact on India. Let us examine the strategic and economic benefits.

### ***Iran Nuclear deal: Impact on India: Strategic***

The withdrawal of US led NATO forces from Afghanistan is an imminent reality. The future of Afghanistan appears to be under control of Pakistan supported Taliban. This is not a desirable future for the US, EU, India and Iran. Thus our security and strategic concerns converge. India is developing the Iranian port of Chabahar, on the Gulf of Oman, that would open up a new trade route to Afghanistan and Central Asia. India has built a 200 km road linking the Iranian town of Zaranj to Delaram in Afghanistan. This will be of strategic benefit to US, EU and India. It will reduce US' & EU's dependence upon Pakistan for operations in Afghanistan. This will also lower Pakistan's blackmailing power with the West. This future scenario is beneficial for India.

India would also like to see the elimination of the threat of ISIS, in

which Iran is likely to play a major role.

## ***Iran Nuclear deal: Impact on India: Economic***

### **Petroleum & Gas**

The lifting of sanctions will bring Iranian crude oil into the world market causing further lowering of prices. Since India imports 80% of crude oil, it will reduce our import bill, improve balance of trade position and reduce fiscal deficit.

Our bilateral trade with Iran last year was about \$ 8.96bn imports, (primarily crude oil) and \$4.2bn exports. We benefited in that we paid in Rs till now, but will have to pay in \$ in future. This disadvantage will be more than offset by the gain due to lowered prices of crude oil.

ONGC- 'Videsh' had discovered 12.8 trillion cubic feet Farzad-B gas field in the Persian Gulf in 2008. It is keen to develop the site. It is however learnt that our proposal has been rejected and Iran is seeking international bids. It will be difficult for Indian companies to compete with French, US and Chinese oil firms having abundant resources and the latest technology. Irrespective of the status of the ONGC deal, we would be able to import gas from Iran and Central Asia. It would be sensible to plan on an underwater gas pipeline from Iran and give up the idea of the much discussed 'Iran-Pakistan-India Gas Pipeline'.

### **General Trade**

- India had signed a \$233m contract to supply more than 150,000 tonnes of rail tracks to develop Iran's railways. Iran now wants to renegotiate the deal to bring down the price because the euro has declined against the dollar.
- Iran paid a premium of up to 20 percent over global prices to buy basmati rice, soya meal, sugar, barley and meat from India. Iran may shift to other suppliers like South American countries who supply at much lower prices compared to India.
- There are expected to be good opportunities for pharmaceutical, IT and

commodity firms.

- India may lose some engineering exports, but new opportunities could come up for products currently covered under sanctions.
- Importing goods or sending shipments to Iran is currently expensive because of high shipping charges. This is expected to reduce, thus favouring increased trade.

## Conclusion

India has had good relations with Iran in the past. We need to further strengthen our strategic and economic ties for mutual benefit. We may suffer some short term business losses due to competition from other countries, but in the long run we stand to gain from mutual cooperation.

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# India And The U.S. Partnering To Shape The 21st Century (MEA, IR)



This month marks the 10-year anniversary of the landmark U.S.-India Civil Nuclear Cooperation Initiative that transformed our bilateral relationship into a strategic partnership built on mutual trust and natural affinity. As

two ambassadors named in recent months, we've seen firsthand the promise of the U.S.-India partnership. The historic visits of Prime Minister Modi to the United States and President Obama to India helped our relationship soar, moving us past old disagreements and paving the way forward for even more ambitious new collaborations.

Since President Obama's January visit to India, we are now working on new initiatives from the outer reaches of space to the depths of the oceans. We have reenergized some 30 different dialogues and working groups to ensure close collaboration on issues like cyber and homeland security, women's empowerment, counter-terrorism cooperation and global health security.

In a world filled with complex security and economic challenges, this relationship matters more now than ever before. That's why our leaders have aggressively set out to increase our defense cooperation, create greater economic opportunities for our people and work more closely on climate change. Our national interests are converging on the vital issues of the day.

Our two countries, for example, have become indispensable partners in the Asia-Pacific and the Indian Ocean regions, whether our navies are conducting anti-piracy patrols off the Horn of Africa, responding to the latest humanitarian crises or participating in an ever-growing array of military exercises. Last month we signed a new 10-year agreement on defense cooperation and launched two new defense projects for co-development and co-production.

Our commercial ties similarly continue to deepen and enrich the lives of millions in both our countries. Two-way trade between our economies increased fivefold over the past decade to reach more than \$100 billion today. Our leaders are committed to accelerating bilateral trade another fivefold. U.S. infrastructure and technology firms are ready to bring their expertise to Prime Minister Modi's ambitious plan to build 100 smart cities by 2020. And Indian firms and investors are increasingly present in the United States to help power America's growth and to create jobs. Ultimately, through our shared values of free enterprise and the rule of law, sustained and inclusive economic growth in both our countries can help continue to lift and empower those who need it the most.

Beyond the strategic and economic ties, our people continue to bring us closer together. More than a million Americans traveled to India in 2013, and more than 4,000 Indians applied for student visas at U.S. diplomatic facilities in India on a single day in May. These statistics attest to the strength of our people-to-people ties. Indian students account for the second-largest group of foreign students in the United States, with more than 100,000 students studying in the United States during the past academic year. The Indian diaspora has also made enormous contributions to every facet of American society, contributing its talents and ingenuity at the tech start-ups of Silicon Valley, the lecture halls and labs of premier

educational institutions, the board rooms of Fortune 500 companies, and the corridors of power in Washington and in state capitols across the nation. And now, they are increasingly giving back to their ancestral home, as well.

In India, Americans and Indians are working closely together to spur advances in medicine, science and technology, helping to power India's growth and improving the lives of ordinary Indian citizens. India and the United States are also increasingly cooperating to meet development challenges in India and around the world, working together in vital areas such as agricultural research, combating HIV/AIDS, and sharing Indian innovations and expertise with other countries from Afghanistan to Africa to East Asia.

As U.S.-India ties continue to blossom, the true test of our defining partnership for the 21st century will be how it benefits not just our common citizens but also the global commons. Our leaders' vision of a rules-based international order where disputes between states are settled peacefully, trade flows more freely and clean energy reduces the threat of climate change offers the best promise of a more peaceful, prosperous and sustainable century than the past one.

The fact is, we are stronger when we work together, and our close collaboration in the years ahead can have a big impact upon global peace and prosperity. Given our shared democratic values, multicultural traditions, robust people-to-people ties and convergent economic and security interests, we are natural partners, and indeed on a course to be best partners. Serving as our governments' highest representatives in our respective capitals, we are resolute in our determination to ensure we remain on this course, and we are optimistic about our future partnership together.

*Arun Singh is the Indian Ambassador to the United States. Richard Verma is the United States Ambassador to India.*

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## **Talking Heads: Modi in Ufa (IDSA ,IR GS paper 2 )**

It seems clear that India, along with Pakistan, Iran and Mongolia, would be made full members of the Shanghai Cooperation Organization (SCO) unless there is a last minute political hitch.

A formal announcement in this regard is expected on July 10 in Ufa.

Prime Minister Modi will be attending the Ufa Summit of the six-nation SCO, after the BRICS Summit. Earlier, Prime Minister Manmohan Singh had attended the BRICS and SCO summits in Yekaterinburg in 2009, albeit as an Observer. Unless Modi has been assured of full SCO membership for India, he would not have agreed to stay back after the BRICS Summit.

So far, the delay in granting full membership to India and the other observers was caused by several factors. The grouping had always entertained some reservations about the entry of South Asian countries. China in particular has retained its ability to prevent something that it does not approve of either directly or through others. In addition, UN sanctions prevented the SCO from admitting Iran as a member.

India and Pakistan will be joining the SCO when the grouping has consolidated its strength more effectively. In Ufa, Russia would be able to showcase its diplomatic strength. Putin will invite leaders of 12 nations at the 'BRICS outreach session', comprising SCO members and observers, members of the Eurasian Economic Union, Azerbaijan and Turkmenistan. For its part, China is upbeat about the way in which its blueprint for Eurasia, the One-Belt-One-Road (OBOR), is progressing.

More importantly, Beijing and Moscow have finally achieved complete entente after a prolonged and tenuous balance, if not an undercurrent of competition, within the SCO. The May 2015 Putin-Xi joint statement on the amalgamation of China's Silk Road Economic Belt (SREB) and Russia's Eurasian Economic Union (EEU) initiatives within the SCO framework has altered the game. A plan to set up a dialogue mechanism to bring synergy between the two big projects would probably form the "SCO Development Strategy Towards 2015". Clearly, the aim is to establish a common economic space equivalent to the Asia-Pacific. Make no mistake: this is China's counterpoise to the US "Pivot" to Asia. The synergy would cover every aspect, including connectivity, trade, energy, agriculture and raw material production.

Amidst Western sanctions, Moscow is unlikely to resist the idea of the SCO Development Bank. Instead, it is seeking more banking business from China. The SREB-EEU convergence is likely to combine the Russian-Kazakh Eurasian Bank, the SCO Development Bank and the Asian Infrastructure Investment Bank (AIIB). To be sure, China is aware of the challenges ahead but it also knows that the priority of the West now is to corner Russia rather than to counter China's grand chess move in Eurasia.

For China, the biggest strategic challenge until now has been to replace the Soviet-built standardized railway tracks in Eurasia. Moscow has been resisting China's offer of its narrow gauge tracks for security reasons. But Uzbekistan and even Kyrgyzstan seem to be willing to change the rail gauge to meet the Chinese standard. Moscow's resistance becomes meaningless, when a common gauge system would bring more Chinese investment, development opportunities and economic benefits to Russia. Does Russia have a choice now?

China welcomed India into the SCO during Prime Minister Modi's Beijing visit. However, the Chinese would be still assessing whether India under Narendra Modi is a friend of Russia, a non-aligned country, or an ally of the United States.

For his part, Modi would find the Eurasian dynamics at odds with his vision of containing China along with the United States. The SCO is essentially a counterweight to the West. For Modi to play an ancillary role of offsetting the United States is tricky. Recall that Natwar Singh faced problems after he displayed activism at the 2005 SCO Summit in Astana.

Modi has not shown much enthusiasm for China's Silk Route initiative either. Instead, India has resented China's plans for an economic corridor through Pakistan-occupied Kashmir. Herein lies a potential problem for India as a member of the SCO.

India's imperatives are looming security concerns such as the spread of terrorism, the Afghan fallout and the growing footprint of ISIS in Central Asia. It is fearful that the SCO could possibly become a forum for inimical forces to drum up anti-India voices. Thus, staying outside cannot be to India's advantage. At the same time, India could benefit from SCO's Regional Anti-Terrorist Structure (RATS) and also learn from its counter-terror exercises. Being part of the SCO means that opportunity would also open for India to cooperate in soft-political areas of the region that it knows little about.

But the question is whether joining SCO could help India get out of the current tight

geopolitical spot it finds itself wedged in – between a wall of Pakistani hostility and fear of cooperating with China. Ironically, Pakistan, not a full member as yet, seems already geared up to fully operate in SCO coordination efforts. Already, Russia's confidence in Pakistan seems to have increased after the Inter-Services Intelligence agency selectively eliminated or handed over Chechen or Central Asian terrorists fomenting trouble in the Commonwealth of Independent States (CIS). Consequently, the acceptance of Pakistan in Eurasia as a partner has already advanced.

On countering terrorism, the SCO's key anchor, China, has decided to block India's bid to seek action against Pakistan at the United Nations on the issue of bail to 26/11 mastermind Zaki-ur-Rehman Lakhvi. To India's shock and disbelief, its good friend Russia took a stand at a Brisbane meet on anti-terror financing against the Indian demand for censuring Pakistan for its inaction against the Jamaat-ud-Dawa and Lashkar-e-Taiba.

It needs to be underscored that Russians and Central Asians often exaggerate terror threats as a ploy to tighten domestic control as well to gain external help and legitimacy. In this regard, the threat from ISIS is a new tool to garner global support. The West has raised eye brows over crackdowns and the curbing of rights of even children in the name of countering ISIS threat.

But Central Asians know what pleases Indians and make their demands accordingly. India has already decided to appoint former IB chief Asif Ibrahim as a special envoy to liaise with governments in the region and assist them in counter-terror technology and training. India should take Central Asian concerns about radicalization with the proverbial pinch of salt.

On Afghanistan, these countries have sufficient mechanisms in place under the Collective Security Treaty Organisation to counter the threats along the Afghanistan-CIS borders. With Pakistan in, any plan to create a Northern-Alliances-type counter group for countering the Taliban is unlikely to fructify.

How the SCO will enable the fructification of Indian energy and connectivity projects, including TAPI, is a curious question. Some fresh news are in the offing, that the 1,078-mile long TAPI pipeline will transport 38 million cubic metres of gas from the Caspian Sea resort of Avaza to India. But for India, dealing with tricky authoritarian leaders plus the challenge of getting the energy supplies to India has been insurmountable. The issue has never been about the source of energy but about transporting it.

In Ufa, Modi will have to display pragmatism for building greater convergence with China and Russia. The SCO sees itself as an ideal forum to bring about a serious thaw between India and Pakistan. Chinese vice Foreign Minister Cheng Guoping had reportedly said that "India and Pakistan's admission will play an important role in the SCO's development. It will play a constructive role in pushing for the improvement of their bilateral relations." Hopefully, the SCO would prove useful in getting Modi and Nawaz Sharif together.

*Author is a former Ambassador to Kyrgyzstan.*

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# India gets full membership of Shanghai Cooperation

# Organisation (IR)

Shanghai Cooperation Organisation (SCO) today decided to include India as a full member, prompting Prime Minister Narendra Modi to offer to work with the six-member grouping to enhance connectivity, combat terror and create an environment for boosting trade by easing barriers.

India, which has an Observer status for the past 10 years, will technically become the member by next year after completion of certain procedures.

Beijing-based SCO currently has China, Russia, Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan as members.

Along with India, the process to include Pakistan as a member was also initiated here today.

"I convey our deep sense of gratitude to the members of SCO for accepting India as a full member," Modi said after the announcement was made at the Summit, attended by leaders like Russian President Vladimir Putin, Chinese President Xi Jinping and Pakistan Prime Minister Nawaz Sharif.

"Our membership of Shanghai Cooperation Organisation is a natural extension" of the relationships that India has with member countries "and mirrors the region's place in India's future", he said.

Noting that India's membership "reflects the natural links of history", he said, "It will also promote peace and prosperity in this vast region that has often been called the pivot of human history."

Modi said the membership also advances the shared vision to reconnect and integrate Eurasia's different region.

India was made an Observer in the SCO in 2005 and it made an application last year for full membership of the grouping whose focus is on connectivity, counter-terrorism cooperation, bolstering cooperation in energy sector, enhancing trade and dealing with drug trafficking.

"We will work with SCO to combat terrorism and extremism that is a rising threat to the entire region. A stable and peaceful Afghanistan is a future that the Afghan people richly deserve, but it will also advance peace, stability and prosperity in the region," the Prime Minister said.

"As we look forward, we would lend our support to improving transportation and communication networks in the region. We can create a vast network of physical and digital connectivity that extends from Eurasia's northern corner to Asia's southern shores. The International North South Transportation Corridor is a step in that direction," he said.

Modi, who attended the SCO Summit soon after his bilateral meeting with Sharif, congratulated Pakistan for joining the SCO.

"I also take this opportunity to congratulate Pakistan on joining the SCO," he said.



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# India, Kazakhstan sign five key agreements ( Hindu, IR)

India and Kazakhstan on Wednesday inked five key agreements including a defence pact to enhance military cooperation and a contract for supply of uranium.

Prime Minister Narendra Modi and Kazakh President Nursultan Nazarbayev decided to actively engage in the fight against terrorism and extremism.

Mr. Modi, who held restricted as well as delegation-level talks with Mr. Nazarbayev, noted that they also agreed to work closely to expand bi-lateral trade by addressing structural impediments between India and hydrocarbon-rich Kazakhstan.

“We have shared perspectives on many international issues, including regional peace, connectivity and integration; reforms in the United Nations; and, combating terrorism,” the Prime Minister said at a joint press event in Astana with Mr. Nazarbayev.

Noting that the defence and security cooperation was an important dimension of strategic partnership between the two countries, Mr. Modi said, “We both want to make it stronger, including in defence manufacturing. We welcome the new Memorandum of Understanding on defence cooperation.”

The MoU would further widen the scope of bilateral defence cooperation including regular exchange of visits, consultations, training of military personnel, military – technical cooperation, joint exercises, special forces exchanges and cooperation in U.N. peacekeeping operations.

Welcoming the signing of a contract between NC “KazAtomProm”

JSC and Nuclear Power Corporation of India Limited (NPCIL) for a renewed long-term supply of natural uranium to India to meet its energy requirements, Mr. Modi said, "Kazakhstan was one of the first countries with which we launched civil nuclear cooperation through a uranium purchase contract. We are pleased to have a much larger second contract now. We intend to expand cooperation in other minerals, as well".

A joint statement 'Tej kadam' was also released after talks which said the leaders noted the rising challenge posed by terrorism in their immediate region.

"They agreed to continue their active engagement in the fight against terrorism and extremism including exchange of information," it said.

Keywords: India-Kazakhstan ties, Nursultan Nazarbayev, Tej kadam, Modi in Kazakhstan

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## **Barack Obama's Indian summer? (IR )**

Given the constraints all U.S. Presidents operate under, and given the additional burden Barack Obama carries because of his race, his recent winning streak is both unusual and likely temporary. It would be churlish to grudge him his moment of success.

In India, every now and often, there emerges a passionate debate about the virtues of the Presidential system.

Frustrated by coalition governments, hung Parliaments and ineffective Prime Ministers, we look longingly toward what we think of as a dynamic and effective alternative. In our imagination, Presidents can choose their equivalent of our

cabinet of ministers from a pool of expert candidates not beholden to the political party of the President, or even involved in politics.

As any observer of American politics will attest, the reality is quite otherwise. Hamstrung by a Constitution that – in the words of one of my feisty professors in graduate school – “separated the hell out of the powers”, Presidents of the United States have had to constantly battle the other two branches of government – the judiciary and the legislative – to get anything done, not to mention working a system way more genuinely federal than India’s still centralised polity. Recent decades have seen a constant politics of gridlock as the two main parties have found it impossible to collaborate, and the Republican party, in particular, has moved ideologically so far to the right that bipartisanship is very much the exception than the rule.

Far from the tyrannical majority the founding fathers feared in constructing their elaborate system of checks and balances, it often seems that U.S. politics – and Presidents – are continually stymied by intransigent, but powerful, minority interests. This has been particularly true during the second term of recent Presidents, with neither Mr. Bill Clinton nor Mr. George W. Bush being able to accomplish much of anything as their Presidencies ground towards the end steeped in scandal in one instance and the quagmire of war in the other.

### Highlights of a legacy

With over a year remaining in his second term, it seemed very likely that President Barack Obama was headed for a very similar fate. Yet, a fortuitous set of events in recent weeks raises the possibility that he may yet evade that ignominy. First, by a 6-3 vote the Supreme Court struck down an important challenge to the Affordable Care Act (ACA) – more commonly referred to as Obamacare by its critics – thus leaving in place a crucial part of the President’s legacy.

Second, with the support of Republicans (and despite the desertion of a handful of Democrats), the President's efforts to create the equivalent of the North American Free Trade Agreement in the form of the Trans-Pacific Partnership (TPP) with Pacific Rim countries, and eventually with the European Union, survived passage through Congress. Third, the United States Supreme Court legalised same sex marriage all across the nation. And finally, amidst the tragedy of the church massacre in Charleston, SC – where the first shots of the Civil War were fired over a 150 years ago – Mr. Obama's eulogy for the slain pastor Clementa Pinckney showed his oratory, intelligence and compassion to stunning effect.

### Battle for health care

Passed in March 2010, the ACA came after decades of failed efforts to establish a health-care system that covered most of the population. In its brief tenure, the ACA has provided coverage to 16 million formerly uninsured citizens with the latter dropping from 52 million a few years ago to just over 35 million today. These numbers would have been even more impressive had it not been for another judgment by the Supreme Court back in 2012. That judgment, on the one hand, upheld the Constitutionality of the ACA but, on the other, enabled individual states to block its effective implementation.

As many as 22 states currently are cutting their noses to spite their faces: they are willing to forego billions of dollars in federal funds – funnelled through an expansion of Medicaid – to thwart the ACA. Many of them were part of the slave-owning Confederacy and they would, even today, forego federal monies rather than see health care reach the largely African-American underclass in their own states; 36 states, 29 of them controlled by Republicans, have refused to establish exchanges where their citizens can buy health insurance through the ACA – forcing that burden back on the Federal government.

If these problems of implementation have to do with the persistence of racism and mainly Republican intransigence, the larger problems with the ACA owe to the way capitalism operates in the U.S. Unlike Western Europe or Canada, with their public health-care systems and universal coverage irrespective of means, the U.S. insists that everything be mediated through the private sector. The ACA essentially requires individuals to purchase their health insurance from private providers – but through subsidies provided by the government. Needless to say, the ACA has received the support of the private health insurance industry, whose stocks showed a sharp uptick in the wake of the Supreme Court's decision upholding these subsidies recently.

These same insurance companies, interested as they are in their bottom lines, have high deductibles, deny coverage on many pretexts, and are likely to increase their premiums whenever feasible. The ACA is better than having no health insurance at all, but for all too many poor people, that is not saying very much. This insistence on providing necessary and vital public or collective goods through the private sector – one can think of school vouchers in this context – often ensures outcomes are suboptimal for the consumer even if they are very profitable to corporate America.

Yet, one can argue, as many have, that it's precisely this government subsidisation of the health insurance providers that enabled the ACA to be passed in the first place, and allowed Mr. Obama to succeed where a long line of Presidents from Truman through Mr. Clinton had failed. It possibly also accounts for why it has been upheld by the Supreme Court, why it evinces the support of corporate America, and why it is likely to survive into the future. The incredibly strong private-sector oriented capitalism of the U.S. exercises a strong restraint on what Presidents can do in domains such as health care.

Free trade pact

In a similar vein, the passage of the TPP is a success only for those who believe in the alleged benefits of free trade and expanded markets. For American workers and corporations worried about the export of jobs and loss of markets to areas with cheaper labour and laxer regulations, the benefits are dubious at best. More importantly, the legislation to pass the TPP (or specifically its eventual expansion to the European Union) introduced a provision that restricted it to companies that do not support BDS – the movement to Boycott, Divest and Sanction companies and institutions that have any truck with Israel. Some liberal groups are outraged that a trade deal with the EU includes a provision that will benefit Israel and penalise Palestine.

## On rights

On the right to same-sex marriage, Mr. Obama was definitely a latecomer, joining that bandwagon in 2012 and even that only after Vice-President Joe Biden forged ahead on the issue. Though the White House was bathed in the rainbow colours signifying gay pride after the Supreme Court's judgment, the reality is that nearly 2 out of 3 Americans support the rights of gays to same-sex marriage as do a majority of the states. For many of the militant segments of the queer movement, the "victory" represented the triumph of effective lobbying by affluent professionals among gays to gain access to the same benefits and provisions as their straight counterparts in (largely) corporate America. In their view, securing the right to marriage from the government inescapably underwrites conformist and conservative institutions such as government and marriage, and it belies the radical and revolutionary reimagining of society that a genuinely queer perspective ought to entail. Yet, Mr. Obama will undoubtedly get some credit as the Supreme Court legalised the matter during his watch.

Which brings us to Mr. Obama's speech in Charleston at Rev. Pinckney's funeral. With its superb analysis and measured

condemnation of America's legacy and present racism; its careful delineation of the disproportionate incarceration of African-Americans, the punitive sentences and murderous police violence visited on them, and the more subtle discriminations in hiring and economic opportunities in general; its exasperation with America's love affair with guns, and in its celebration of the Christian spirit of grace and forgiveness, the speech oscillated between an excoriating analysis of racism and a careful avoidance of extremism. You can see an extraordinarily intelligent and passionate man rein in every semblance of anger, knowing that change in his country was going to be slow, painfully and excruciatingly slow. Any display of anger by a black President would only prove to be counterproductive and energise the already inflamed lunatic fringe – which is of course worryingly more than just a fringe.

As one weighs Mr. Obama's accomplishments in recent weeks and months, one has to assess them against what is possible in a society where many states and their governors would rather deny their poor access to health care if it means a lot of African-Americans might benefit; where every government initiative must redound to the benefit of the corporate sector if it has to stand any chance of being passed by Congress or withstand scrutiny in the courts; and where bipartisanship is so uncommon. Given the constraints all U.S. Presidents operate under, and given the additional burden Mr. Obama carries because of his race, his recent winning streak is both unusual and likely temporary. It would be churlish to grudge him his moment of success – so long as one also remembers that his every success is weighed down by the limitations of the society he leads.

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Keywords: US President Barack Obama, Obama Indian Summer, health care scheme, Presidential system, European Union, North

American Free Trade Agreement, FTP