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POLICY ESSAY

Global Swing States: Deepening Partnerships with India and Indonesia

Ted Osius

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NOTE ≈ The views in this essay are the author's own and do not necessarily reflect those of the National Defense University or the U.S. State Department. This essay draws on several works written by the author while serving as a senior visiting State Department fellow with the Center for Strategic and International Studies (CSIS) from August 2012 to August 2013. See Karl F. Inderfurth and Ted Osius, "India's 'Look East' and America's 'Asia Pivot': Converging Interests," CSIS, U.S.-India Insight, March 2013; Ted Osius and C. Raja Mohan, Enhancing India-ASEAN Connectivity (Washington, D.C., and Lanham, MD: CSIS/Rowman & Littlefield, 2013); and Murray Hiebert, Ted Osius, and Gregory B. Poling, A U.S.-Indonesia Partnership for 2020: Recommendations for Forging a 21st Century Relationship (Washington, D.C.: CSIS, 2013).

KEYWORDS: UNITED STATES; INDIA; INDONESIA; FOREIGN POLICY

EXECUTIVE SUMMARY

Drawing lessons from a decade of partnership-building with India and Indonesia—Asia’s most populous democracies—this essay examines ways to deepen those partnerships and describes their importance to the U.S.

MAIN ARGUMENT

As the global center of gravity shifts toward Asia, strengthening U.S. partnerships with the region’s largest democracies becomes ever more critical. The security, diplomatic, and economic interests of the U.S., India, and Indonesia increasingly converge. All three Indo-Pacific powers share concerns about a rising China and the need to preserve a liberal regional and global order. With strong traditions of nonalignment, India and Indonesia are unlikely to take direction and conform their policies to those of the U.S., even when Washington is willing and able to pay a high price. But by following a few guidelines, the U.S. can now step up collaboration with these democracies on key challenges. On some endeavors—educational exchanges, private-sector engagement, health, and environmental cooperation—governments need not carry the greatest burden, though they can help clear a path to success.

POLICY IMPLICATIONS

- U.S. economic engagement with both India and Indonesia is below its potential. With regard to India, Washington should establish an ambitious ten-year “New Framework for U.S.-India Economic Cooperation” and synchronize trade policy with its strategic priorities for the Indo-Pacific. With regard to Indonesia, the U.S. should deepen economic ties through direct flights and infrastructure and energy investment.
- India and Indonesia should honor their G-20 trade and investment commitments.
- Enhancing people-to-people collaboration is critical for deepening U.S. partnerships with these key swing states. The U.S. should work to boost Indian and Indonesian educational exchanges in order to enhance mutual understanding and strengthen each country’s capacity to address today’s complex challenges.

As the global economy's center of gravity shifts more decidedly toward Asia, partnerships with the region's most populous democracies are becoming increasingly critical to the United States. India and Indonesia are not U.S. allies, nor are they likely to become ones. With strong traditions of nonalignment, the world's largest and third-largest democracies are unlikely to take direction from the United States and conform their policies to its wishes, even when the United States is willing and able to pay a high price for their support. With growing economies, these two nations do not want donor-client relationships but rather equal partnerships. Early in her tenure as secretary of state, Hillary Clinton provided a clear rationale for building such partnerships with emerging democracies, including India and Indonesia. She said, "These states are vital to achieving solutions to the shared problems and advancing our priorities—nonproliferation, counterterrorism, economic growth, climate change, among others."¹ To advance its interests with key global swing states, the United States should take a long-term approach and show respect for its democratic partners while working with them to promote common interests.

In a report entitled "Global Swing States: Brazil, India, Indonesia, Turkey, and the Future of International Order," Daniel Kliman and Richard Fontaine make a compelling argument for prioritizing and deepening U.S. engagement with leading democracies.² Just as Mitt Romney and Barack Obama focused their resources on key states in the 2012 election, so the United States should focus its diplomatic resources on those nations that will make the biggest difference in shaping the kind of world we leave for future generations. Kliman and Fontaine urge Washington to focus on four states that—along with established powers such as the United States, China, and Japan—will shape the future if they "swing" in the direction of a liberal international order that values democracy, human rights, free trade, and nonproliferation: Brazil, India, Indonesia, and Turkey. These states require the United States' sustained attention and a healthy allotment of limited resources.

As a senior U.S. diplomat who helped develop partnerships with India and Indonesia, I wish to offer seven brief lessons from the past decade that will show how the United States and these partners built trust and laid a foundation for further engagement. I will then look forward to what

¹ Hillary Rodham Clinton, "Foreign Policy Address to the Council on Foreign Relations," U.S. Department of State, July 15, 2009 ~ <http://www.state.gov/secretary/rm/2009a/july/126071.htm>.

² Daniel M. Kliman and Richard Fontaine, "Global Swing States: Brazil, India, Indonesia, Turkey and the Future of International Order," Center for a New American Security and German Marshall Fund of the United States, November 2012 ~ <http://www.gmfus.org/archives/global-swing-states-brazil-india-indonesia-turkey-and-the-future-of-international-order>.

the United States can do next in the areas of political-security, trade and economic, and people-to-people ties to deepen its partnerships with these two key swing states. The lessons of the past and my prescriptions for deepening relations suggest that such partnerships must be wide-ranging and comprehensive to endure.

DEVELOPING PARTNERSHIPS WITH GLOBAL SWING STATES INDIA AND INDONESIA

What lessons did the United States learn while developing new, productive partnerships with the swing states India and Indonesia? How did it create trust and establish the foundations for further engagement? This section examines the history and dynamics of these partnerships and draws seven lessons to guide future efforts to deepen relationships with these important swing states.

Lesson 1: Unpack Historical Baggage

In both countries, building trust required clearing away obstacles from the past. The United States and India were on opposite sides during the Cold War. Then, in 1998, India defied the international community by testing a nuclear weapon. Starting from that low point in their relationship, New Delhi and Washington signaled their intent to engage through a series of dialogues between Strobe Talbott and Jaswant Singh. Later, during the George W. Bush administration, the two sides developed a civil-nuclear initiative to end India's nuclear isolation and bring the country into the global nonproliferation system.

By contrast, the United States and Indonesia were security partners during the Cold War. They had a falling out, however, during East Timor's quest for independence toward the end of the Suharto regime. In 2005 the United States re-engaged with Indonesia's military and, five years later, with its special forces, which had been isolated following human rights abuses in the late 1990s. In both cases, progress in other areas would not have been possible without these initiatives—the civil-nuclear agreement with India and the re-establishment of security ties with Indonesia—each requiring a U.S. administration to stand up to strong and vocal domestic constituencies and expend political capital with Congress.

These efforts also compelled Indian and Indonesian leaders to take significant risks. Prime Minister Manmohan Singh gambled his future on the civil-nuclear initiative's success. He faced heavy resistance from the

Communist Party of India, formerly part of the Congress Party coalition, which joined with the opposition in an attempt to bring down Singh's government. In Indonesia, rapprochement with the United States required skilful handling of the still-powerful Indonesian National Armed Forces (Tentara Nasional Indonesia, or TNI). As only the second civilian to direct the TNI, Defense Minister Purnomo Yusgiantoro pledged to hold soldiers accountable for abuses going forward if the United States would resume exchanges with the special forces.

Lesson 2: Create New Patterns of Cooperation via Apolitical Initiatives

Over the past ten years, the United States learned in India and Indonesia that states cannot jump from a cold start to a warm embrace overnight. Instead, U.S. officials worked with their counterparts to systematically reinvigorate educational ties, strengthen cooperation on science and technology, and jointly address environmental and health challenges. Also in collaboration with India and Indonesia, the United States energized Fulbright commissions and facilitated student exchanges, signed and implemented agreements on science and technology, and paved the way for expanded trade and investment. By focusing on initiatives important to its partners, Washington showed respect for New Delhi's and Jakarta's priorities.

In addition, intensive health collaboration with India enabled joint work on combating infectious disease, while direct flights between India and the United States boosted private-sector, educational, and tourist exchanges. Similarly, eliminating a travel warning on Indonesia and making it easier to obtain visas both increased the United States' appeal and opened a space for more people-to-people exchanges. After a 45-year absence, the Peace Corps returned to Indonesia. As a result of bilateral environmental efforts, Indonesia's constructive leadership took steps aimed at addressing the global challenge of climate change.

Lesson 3: Create a New Architecture for Collaboration

Through systematic diplomatic efforts at very senior levels of government, the United States, India, and Indonesia reversed decades of estrangement and began to collaborate. Because all three nations are democracies, extensive and protracted communication through official and unofficial channels on multiple levels was critical. Top-level visits culminated in framework agreements—for example, the Strategic Dialogue and New Framework for Defense Cooperation

with India and the Comprehensive Partnership with Indonesia, as well as the establishment of working groups for both partnerships.

Specific initiatives and events—such as the civil-nuclear agreement with India and the U.S. military’s post-tsunami relief work in Aceh, followed by the election of a U.S. president who attended school in Indonesia—helped create conditions under which officials in these nonaligned countries no longer harmed their careers by cooperating with the United States but rather saw benefit to their countries and themselves from pursuing joint endeavors with Washington.

Lesson 4: Create Space for Strategic and Security Partnerships

After the November 2008 terrorist attacks in Mumbai, the United States deepened ties with Indian law enforcement and shared best practices for cutting across bureaucratic divisions and more effectively tracking terrorists. Likewise, since the Bali bombings in 2002, the United States and Australia provided behind-the-scenes support for Indonesia’s law enforcement and intelligence officials as they worked to neutralize terror cells and debilitate terrorist networks in Indonesia.

With both countries, the United States built trust by sharing information and showing itself to be a reliable supplier of military equipment. As a result, cumulative defense sales to India jumped from zero a decade ago to over \$8 billion, and now India has the second-largest fleet of C-17 aircraft in the world.³ The United States provided an integrated maritime surveillance system that enables Indonesia to monitor ship movements across its vast archipelago and assisted in the major overhaul of Indonesia’s fleet of C-130s. Through the Excess Defense Articles Program, the United States also provided more than two dozen F-16s, which Indonesia paid to refurbish, thereby increasing the capabilities of its air force to respond to crises and protect the country’s airspace. Overall, since 2005 the United States and Indonesia have increased bilateral military interactions from only a few to nearly two hundred annually.⁴

³ S. Amer Latif and Karl F. Inderfurth, “U.S.-India Defense Trade: Opportunities for Deepening the Partnership,” Center for Strategic and International Studies (CSIS), U.S.-India Insight, July 2012 ~ http://csis.org/files/publication/120713_WadhwaniChair_USIndiaInsight.pdf.

⁴ Murray Hiebert, Ted Osius, and Gregory B. Poling, *A U.S.-Indonesia Partnership for 2020: Recommendations for Forging a 21st Century Relationship* (Washington, D.C.: CSIS, 2013) ~ http://csis.org/files/publication/130917_Hiebert_USIndonesiaPartnership_WEB.pdf.

Lesson 5: Visionary Leaders Can Show the Way

U.S. presidents Bill Clinton, George W. Bush, and Barack Obama saw the advantages of developing a strategic relationship with India. After the success of the Talbott-Singh initiative, Indian prime minister Atal Bihari Vajpayee made an initial outreach to the George W. Bush administration. Manmohan Singh later built on his predecessor's initiative. On the U.S. side, Secretary of State Condoleezza Rice, Under Secretaries Nicholas Burns and William Burns, and Ambassadors Robert Blackwill and David Mulford pursued this vision with their counterparts, including Foreign Minister Pranab Mukherjee, Foreign Secretaries Shyam Saran and Shivshankar Menon, National Security Advisor M.K. Narayanan, and Joint Secretaries S. Jaishankar and Gaitri Kumar.

In Indonesia, U.S.-educated president Susilo Bambang Yudhoyono made early overtures to the brand-new Obama administration. Even before President Obama's election, Indonesian foreign minister Hassan Wirajuda, U.S. ambassador Cameron Hume, and Indonesian director general Retno Marsudi outlined the benefits to each country of a real partnership. President Obama, Secretary Clinton, and Assistant Secretary Kurt Campbell saw the strategic opportunities of a shift toward Asia, with Indonesia being a key part of that shift, and encouraged Hume and his successor, Ambassador Scot Marciel, as they pursued initiatives with counterparts such as Ambassadors Marsudi and Dino Patti Djalal. Secretary Clinton and Foreign Minister Marty Natalegawa developed strong ties based on regular consultation.

Lesson 6: Temper Expectations and Expect a Few Setbacks

While public and official views of U.S. relations with India and Indonesia have improved, there have been and will be setbacks. India and the United States, for example, have not resolved differences over India's nuclear liability legislation, and U.S. businesses complain of unfair tax treatment and regulatory barriers to trade and investment. Likewise, U.S. companies wishing to do business with Indonesia are unhappy about economic nationalism and protectionism in that country. Nationalist sentiment, along with misunderstandings on both sides, led to the closure of a 40-year biomedical research program, Naval Medical Research Unit 2 (NAMRU-2). Moreover, despite expanding ties with Washington, neither India nor Indonesia votes regularly with the United States in the UN General Assembly.

Given their colonial and nonaligned pasts, as well as years of estrangement, India and Indonesia expect respectful treatment by the United States and react testily to U.S. criticism. When Americans, officially or privately, chastise

either nation for human rights abuses or military transgressions, the result is usually a sharp nationalistic reaction. Lecturing by the United States leads both governments to harden their positions rather than accommodate and risk being accused of kowtowing to U.S. wishes. American interlocutors, however, often see these reactions as obstacles to be overcome rather than signs of failure indicating the need for a more consultative approach. It is important to keep in mind that recent gains in both relationships are reversible. Continued deepening of security ties cannot be assured, nor can increasing economic and people-to-people collaboration be taken for granted.

Lesson 7: Involve Other Stakeholders

The private sector, NGOs, educational institutions, and foundations play a central role in building partnerships with India and Indonesia, with governments serving as a catalyst. U.S. universities have begun to invest in India, while foundations in all three countries provide scholarships and loans that facilitate educational exchanges. Think tanks likewise pave the way for an exchange of ideas. Entrepreneurial networks are beginning to link the United States with both countries, and business associations and individual corporations, through investments and efforts to increase corporate social responsibility, strengthen these linkages. An influential Indian diaspora community in the United States plays a dynamic and positive role; for example, the Indian-American business community was instrumental in persuading the U.S. Congress to approve the Bush administration's civil-nuclear initiative.

In sum, where nongovernment partnerships are healthy and active, relations are strongest. But it is not always easy for governments to facilitate partnerships and then get out of the way. Once they have created mechanisms for facilitating communication and fostering relationships, government representatives become attached to those structures. In fact, government-led mechanisms can outlive their usefulness; thus, at an appropriate point, it is important for officials to ease up on the reins and let private-sector or civil-society leaders take over.

HOW CAN THE UNITED STATES DEEPEN THESE IMPORTANT PARTNERSHIPS?

In the past decade the United States, India, and Indonesia have created new, positive relationship dynamics from which all three partners learn and benefit. Especially in a time of decreasing budgets, the United States needs

these partnerships; India and Indonesia need them as well. The security interests of the world's largest democracies increasingly converge: all three benefit from preserving stability and keeping the world's sea lanes open. With some exceptions, diplomatic interests also converge: India and Indonesia are undeniably central to the U.S. "rebalance" toward Asia. The United States seeks partners who share an interest in preserving a liberal regional and global order, while India and Indonesia benefit from strategic partnerships with the world's dominant technological, military, economic, and knowledge power.

Some observers see the Indo-Pacific as inevitably the next theater of great-power conflict. While the United States, India, and Indonesia no doubt share concerns about a rising China, it is not accurate to describe U.S. efforts to develop partnerships with these key nations as part of a strategy to encircle or contain China. India and Indonesia are hugely important in their own right, and China also benefits from their growing prosperity, as well as from global goods such as secure and open sea lanes. Trade and social connections are not zero-sum games, and neither should regional security be zero sum.

The economic interests of these three nations also overlap significantly. With growing confidence and economic clout, India and Indonesia can contribute to the U.S. economic recovery, and they in turn can benefit from increased economic interaction with the United States. On key endeavors—e.g., educational exchanges, private-sector engagement, and health and environmental cooperation—governments do not need to carry the biggest burdens, though they can clear a path to success. As the United States, India, and Indonesia, along with other countries, deal with dangerously stressed human and natural systems, they need innovative partners and creative collaboration to address domestic and international challenges. These partnerships, however, will not develop to their full potential without an ambitious shared agenda for the joint pursuit of common interests. The following section considers concrete measures that the U.S. agenda might include.

Diplomacy and Security

Collaborate with India on the U.S. drawdown from Afghanistan and, together, build a foundation for regional economic integration. The United States has invested significant blood and treasure in Afghanistan, the site of the longest war in U.S. history. After the United States and NATO's International Security Assistance Force reduce their troop presence, Afghanistan's neighbors, including India, will still need regional stability to pursue their national goals and must cope with the fragile Afghan state left

behind. The U.S.-India relationship can be strengthened during this process, but only if Washington and New Delhi collaborate effectively. Specifically, the two sides need to share information and maintain a close dialogue in which the United States takes India's concerns into account.

Former secretary of state Clinton recognized that only with India's involvement can there be a responsible political solution in Afghanistan. She said, "Reconciliation, achieving it, and maintaining it, will depend on the participation of all of Afghanistan's neighbors, including both Pakistan and India.... [W]e have to be committed to a common vision of a stable, independent Afghanistan rid of the insurgency and a region free from al-Qaida."⁵ While difficult to achieve, this goal requires collaboration between the United States and India. A key priority should be ensuring that the Afghan elections—both for the presidency in 2014 and for parliament in 2015—are free and fair in order to consolidate democracy and give the new leadership a real mandate. As India's former foreign secretary Shyam Saran has noted, "it is also important for India to use its strong political links with the Pashtun and non-Pashtun ethnic groups, so that a genuine inter-ethnic coalition not only survives but is consolidated in the course of the electoral process."⁶

In addition, deepened economic integration is key to a stable South Asia. Historically, South and Central Asia served as the hub of trade routes linking Europe, East Asia, and the Middle East. As it prepares to withdraw forces from Afghanistan, the United States has pursued a new Silk Road strategy to reintegrate South Asia economically, making investments to improve the region's infrastructure, water, and transportation with an eye toward enhancing interstate linkages. A U.S. Agency for International Development (USAID) program, the South Asia Regional Initiative for Energy, promotes the integration of regional power markets. The Asian Development Bank has also facilitated the Central Asian Regional Economic Cooperation program, which has implemented over one hundred projects, worth \$17 billion, focused on transportation, trade facilitation, trade policy, customs improvements, trade-expediting measures, and energy.⁷ By connecting Turkmenistan's energy reserves with the markets of South Asia, the proposed Turkmenistan-Afghanistan-Pakistan-India pipeline holds the

⁵ Hillary Rodham Clinton, "Remarks on India and the United States: A Vision for the 21st Century," U.S. Department of State, July 20, 2011 ~ <http://www.state.gov/secretary/rm/2011/07/168840.htm>.

⁶ Shyam Saran, "Managing Transition in Afghanistan," *Business Standard*, April 15, 2013 ~ http://www.business-standard.com/article/opinion/managing-transition-in-afghanistan-113041500577_1.html.

⁷ Robert D. Hormats, "State's Hormats on Asian Regional Economic Integration," U.S. Department of State, Bureau of International Information Programs, January 30, 2013 ~ <http://iipdigital.usembassy.gov/st/english/texttrans/2013/01/20130131141800.html#axzz2QeohPye>.

potential to transform the region. As Afghanistan is surrounded by some of the world's most dynamic economies, including India and China, it is possible to envision regional growth providing the basis for the stability and prosperity that has for so long eluded Afghanistan.

Already 29% of Afghanistan's trade occurs with India, and two-way trade should reach \$1 billion in 2013.⁸ The Afghanistan-Pakistan Transit Trade Agreement—paired with progress by India and Pakistan toward normalizing trade—also might prove an enabling vehicle for boosting trade throughout the region.⁹ Foreign assistance can be useful for short-term stability but is not the long-term answer to Afghanistan's economic challenges. While the Indian government has provided \$2 billion in assistance to Afghanistan, far greater potential exists in the private sector. Indian companies have already made substantial investments in infrastructure and resource extraction, agribusiness, construction, logistics, banking, telecommunications, real estate, health, and education.¹⁰

Finally, it will be important to strengthen the Afghan National Security Forces, with India providing additional assistance, training, and support. As C. Raja Mohan argues, a consultative mechanism is needed between the Indian government and the International Security Assistance Force to increase the effectiveness of both entities' security assistance programs to Afghanistan.¹¹

“Look East” with India with a view toward enhancing connectivity with Southeast Asia and developing stronger ties with Japan. Twenty years ago, India launched its Look East policy. For most of those twenty years, Myanmar's isolation, mistrust between India and its neighbors, and poor infrastructure hindered the development of links between South and Southeast Asia. With Myanmar's tentative opening and improved relations between India and Bangladesh, an opportunity now exists for New Delhi to boost trade and security relations with mainland and maritime Southeast Asia.¹² At the same time, the United States, during President Obama's second term, is committed

⁸ Hormats, “State's Hormats on Asian Regional Economic Integration.”

⁹ Geoffrey Pyatt, “U.S.-South Asia Relations: A Vision for the Future” (conference keynote speech at the IISS-NESA South Asia Security Conference, Muscat, Oman, November 29, 2012) ~ <http://www.iiss.org/programmes/south-asia-security/events/conferences-and-seminars/iiss-nesa-south-asia-security-conference-2012/geoffrey-pyatt>.

¹⁰ Ashley J. Tellis, “Opportunities Unbound: Sustaining the Transformation in U.S.-Indian Relations,” Carnegie Endowment for International Peace, January 7, 2013, 31.

¹¹ C. Raja Mohan et al., “Toward Convergence: An Agenda for U.S.-India Cooperation in Afghanistan,” Center for American Progress, May 2013.

¹² For further discussion of these issues, see Karl F. Inderfurth and Ted Osius, “India's ‘Look East’ and America's ‘Asia Pivot’: Converging Interests,” CSIS, U.S.-India Insight, March 2013 ~ <http://csis.org/publication/indias-look-east-and-americas-asia-pivot-converging-interests>.

to rebalancing toward Asia, with India playing a pivotal role in this initiative. Former national security adviser Thomas Donilon reaffirmed Washington's support for New Delhi's efforts in this regard, adding that "U.S. and Indian interests powerfully converge in the Asia-Pacific, where India has much to give and much to gain."¹³

Looking, acting, and engaging eastward is a core interest for India and an area of long-term strategic convergence with the United States. East Asia currently accounts for one-third of India's external trade—a share that is increasing. India and Southeast Asia together constitute one-fourth of the world's population and have a combined GDP of \$3.8 trillion. India seeks to expand trade with the Association of Southeast Asian Nations (ASEAN) from the current level of \$80 billion to \$100 billion by 2015 and to \$200 billion by 2022.¹⁴ ASEAN, too, views India as an indispensable security and trade partner. Because of India's vast market, ASEAN nations see opportunities to diversify their economic relations by engaging to the west. India and ASEAN, moreover, both want U.S. involvement in regional affairs.

The development of infrastructure and energy ties is critical to improving India-ASEAN connectivity. To create better land links, plans are underway to complete the India-Myanmar-Thailand trilateral highway, which will not only boost incomes in the region but also help solidify Myanmar's shift toward democracy. For greater sea connectivity, major port projects such as the \$8.6 billion Dawei deep-sea port and industrial estate, if financed, could link east and northeast India to Myanmar, Thailand, and beyond. India is also building a sea link via the \$120 million Sittwe port that, combined with road and rail upgrades, will directly connect India and the Myanmar coast. To offer one example of the importance of infrastructure investment, an Indo-Pacific corridor would allow cars made in Chennai to reach Ho Chi Minh City through a variety of transport means across the Bay of Bengal, Burma, Thailand, Cambodia, and Vietnam. Bangladesh could also be part of this connectivity process and become linked to India's markets and those of the rest of Asia.

In terms of energy security, India, ASEAN, and the United States should begin creating a "super grid," stretching from India to Southeast Asia, so that power from one nation can be transmitted to another in the case of blackouts

¹³ Thomas Donilon, "The United States and the Asia-Pacific in 2013" (remarks at the Asia Society, New York, March 11, 2013).

¹⁴ Hemant K. Singh et al., *Asia's Arc of Advantage* (New Delhi: Indian Council for Research on International Economic Relations, 2013), 123.

and shortages, which are persistent problems in the Indo-Pacific region.¹⁵ All three actors could also take steps to address regional energy price inequality. Working together—in a formal, regular gathering if necessary—regional partners could promote energy collaboration based on three principles: (1) greater energy diversity in the types of fuels used, (2) more geographic diversity in the sourcing of energy, and (3) a more multifaceted network of energy transport and distribution supported by improved ports, roads, pipelines, transmission lines, and liquefied natural gas terminals. Such cooperation would reduce risk, promote competition, and reduce excessive dependence on a single energy source. The U.S.–Asia Pacific Comprehensive Energy Partnership, launched in 2012 by the United States, Indonesia, and Brunei, provides a mechanism and basic funding for such an initiative.

As veteran U.S. diplomat Geoffrey Pyatt has described, connectivity has elements that are akin to “hardware,” such as roads, bridges, ports, and electrical grids. Other elements constitute the “software” of systems, including the customs codes, trade facilitation, regulatory regimes, training, and capacity-building that facilitate the passage of goods, ideas, technology, and individuals between nations. Software can also involve strengthening people-to-people ties. As stated in lesson 7 above, governments should involve other stakeholders. Given that civil society and the private sector play key roles in connectivity, the United States, India, and ASEAN members must develop an ambitious agenda that facilitates collaborative action at all levels. This agenda should include cooperation on education, health, the rule of law, water security, climate change, the environment, science and technology, trafficking, and food security, including fisheries.¹⁶

India’s Look East policy extends beyond ASEAN to Northeast Asia as well. During his June 2013 visit to Tokyo, Prime Minister Singh declared that India views Japan as “a natural and indispensable partner in [its] quest for stability and peace in Asia.”¹⁷ For four years, India, Japan, and the United States have conducted strategic trilateral meetings, which provide an opportunity to synchronize efforts to enhance maritime security and address other regional and global challenges. The three nations complement one

¹⁵ Nobuo Tanaka, “Asia’s Tangled Power Lines,” *Foreign Affairs*, August 1, 2012 ~ <http://www.foreignaffairs.com/articles/137806/nobuo-tanaka/asias-tangled-power-lines>.

¹⁶ For further discussion of these issues, see Ted Osius and C. Raja Mohan, *Enhancing India-ASEAN Connectivity* (Washington, D.C., and Lanham, MD: CSIS/Rowman & Littlefield, 2013), 54 ~ <http://csis.org/publication/enhancing-india-asean-connectivity>. The report offers 42 concrete recommendations for enhancing India-ASEAN connectivity.

¹⁷ Manmohan Singh, “PM’s Statement to the Media after Meeting the Prime Minister of Japan,” Government of India ~ <http://pmindia.nic.in/speech-details.php?nodeid=1320>.

another: Japan's commitment to infrastructure investment, U.S. innovation, and India's manpower create opportunities for mutually beneficial joint projects.

Engage in triangular collaboration with Indonesia on regional challenges, as well as on Egypt, Afghanistan, and beyond. Indonesia treasures its long tradition of "free and active" diplomacy that steers clear of too tight an embrace by any great power and understands its own interests to be aligned with those of the developing world. More recently, Indonesia has adopted a mantra of "a thousand friends and zero enemies," enshrining a long-practiced diplomatic style of avoiding confrontation with or public lecturing to any country, including what the United States would regard as rogue actors. However, in the past few years, as its democracy consolidates, Indonesia has also begun to assume a greater international leadership role commensurate with its economic growth and rising self-confidence. It has resumed its pre-1998 role as the diplomatic heavyweight within ASEAN, helping broker a resolution to the Thai-Cambodian border dispute and providing leadership on South China Sea issues. During his May 2013 visit to the United States, Indonesian foreign minister Marty Natalegawa boldly proposed a treaty of amity and cooperation not just for ASEAN but for all the nations of the Indo-Pacific.

In its own low-key and nonconfrontational style, Indonesia often espouses values and policies consistent with U.S. priorities. Through the Bali Democracy Forum, which in 2012 held its fifth annual meeting, Indonesia quietly promotes democratic values. It collaborated closely with the United States during its ASEAN and East Asia Summit chairmanship in 2011, in part to increase ASEAN's leverage vis-à-vis China on territorial disputes in the South China Sea. Indonesia is also actively sharing its experiences of democratic transformation with Arab Spring countries. A number of retired Indonesian officials, including former foreign minister Hassan Wirajuda and reformist general Agus Widjojo, visited Egypt to discuss its democratic transition, while the head of Egypt's election body visited Indonesia. Indonesia has also supported Afghanistan's transition by training Afghan police.

With regard to Myanmar's transition, former Indonesian vice president Jusuf Kalla engaged helpfully on the Rohingya issue, and Foreign Minister Natalegawa visited Rakhine State to promote national reconciliation.¹⁸

¹⁸ A Muslim community living on both sides of the Bangladesh-Myanmar border, the Rohingya are the subject of discord between Bangladesh and Myanmar. Each country blames the other for failing to patrol the border and claims that the Rohingya are illegal migrants who originated on the other side. There has been significant anti-Rohingya violence in Myanmar, whose government does not consider the 750,000 Rohingya living in Rakhine State to be its citizens.

In addition, Indonesia's Foreign Ministry hosted the Burmese National Human Rights Committee and the Burmese Women's and Children's Committee. A delegation including members of Myanmar's electoral commission also observed Jakarta's 2012 gubernatorial election. The military in Myanmar likewise looks to Indonesia as a model for how it can ease out of politics and still remain relevant. To support this endeavor, the United States and Indonesia could collaborate in training the Burmese military in such areas as human rights and rules of engagement with civilians. Indonesian journalists are also assisting with the country's democratic transition by helping train journalists in Myanmar. Indonesia's ability to contribute to capacity-building in new democracies would be enhanced if supported through technical means or financially by the United States.

These constitute examples of triangular cooperation made possible by converging interests and the common values of two large, diverse, and pluralistic democracies. It is likely that Indonesia and the United States will formalize such efforts under the rubric of the Comprehensive Partnership, and this cooperation may become a powerful focus of the two nations' common interest in strengthening ties. Indonesia's increasing regional leadership and its prominence among members of the Non-Aligned Movement and the Organization for Islamic Cooperation make it an ideal partner for the United States in many parts of the world. The goal is not full agreement or alliance but rather closer collaboration between the two countries on international issues through consultations, full and open discussions, and, over time, burden-sharing.

Expand security ties with India and Indonesia. During the Cold War, India was an ally of the Soviet Union, suspicious of and distant from the United States. Therefore, the security relationship that began in earnest with the 2005 New Framework for the U.S.-India Defense Relationship is indeed new. Since then, U.S.-India military ties have developed rapidly, as noted in lesson 4 above. To unleash the full potential of this new security relationship, it will be necessary to continue building confidence via defense-industrial collaboration. As Amer Latif has argued, coproduction and codevelopment projects will foster familiarity between Indian and U.S. R&D establishments.¹⁹ Early possibilities might include coproducing the training aircraft selected as the U.S. Air Force replacement for the T-38 or codeveloping counter-improvised explosive-device technology. Other

¹⁹ S. Amer Latif, *U.S.-India Military Engagement: Steady as They Go* (Washington, D.C.: CSIS, 2012), 31 $\approx$ http://csis.org/files/publication/121213_Latif_USIndiaMilEngage_Web.pdf.

possibilities include joint research on defense systems against chemical and biological weapons, on missile defense systems, or on individual soldier capabilities. While military-to-military exchanges have increased, the United States and India should seize opportunities for additional training, especially by further training Indian Special Forces and honing airborne antisubmarine and integrated anti-air warfare skills.²⁰

By contrast with India, Indonesia was a close U.S. security partner through the Cold War, until differences over East Timor's independence and Suharto's repressive measures in the mid-1990s caused a rupture in the relationship. Therefore, security ties between the two countries, which have improved dramatically since 2005, are a restoration of an older relationship. The past eight years have seen a surge in high-level visits and military exchanges and an initial U.S. re-engagement with Indonesian Special Forces. The United States is moving ahead with the transfer of refurbished F-16s to Indonesia, which boosts Indonesia's defense capabilities. The Yudhoyono administration mounted a vigorous defense in parliament of its \$750 million expenditure for refurbishing the F-16s.²¹ Since then, the United States has committed to providing the nation with Apache helicopters, Javelin missiles, and other defense systems. Engagement supports the increasing professionalism of the Indonesian military and gives Washington the ability to press for greater accountability. The goal of this activity is increased interdependence and a professional relationship between the two militaries, based on confidence and mutual respect.

Since the Bali bombings, U.S. counterterrorism cooperation with Indonesia has also grown. Not only have the United States and Australia provided low-key support to Indonesian law-enforcement agencies working to dismantle terror cells and bring terrorists to justice, but Indonesia has also chosen to share its lessons in counterterrorism with other nations. The recent training of Afghan police at an Indonesian facility in Semarang is but one example.

Indo-Pacific collaboration should also deepen in the realm of maritime security, and the littoral nations of the Indo-Pacific should strengthen their commitment to freedom of navigation. As over 90% of the region's trade is seaborne, it will be necessary to intensify bilateral security engagement and multilateral efforts to create a maritime security regime that provides mutual

²⁰ Tellis, "Opportunities Unbound," 34.

²¹ "Indonesia's Military Modernization," *Asian Military Review*, November 1, 2012. ~
<http://www.asianmilitaryreview.com/indonesias-military-modernization>.

reassurance to all Asian nations. With this goal in mind, Kliman and Fontaine recommend that the United States work with India and Indonesia on developing an affordable, long-range unmanned system for maritime domain awareness, which would help track the movements of pirates, terrorists, and traffickers in the Indo-Pacific region.²² Consistent with this recommendation, an open, inclusive, transparent, and balanced agreement between the countries to address piracy, mishaps at sea, humanitarian assistance and disaster relief, energy security, and ocean management—particularly in the Bay of Bengal and South China Sea—would be far preferable to a potentially competitive naval buildup.

Trade and Investment

Reignite U.S.-India economic and trade relations by establishing an ambitious ten-year “New Framework for U.S.-India Economic Cooperation.” The U.S.-India economic and trade relationship is one of the most important aspects of the two countries’ strategic partnership. Total bilateral trade exceeded \$92 billion in 2012.²³ However, as India increasingly diversifies its portfolio of trading partners, the U.S. share of global trade and investment with India is declining. Other nations are increasing their economic engagement with India, and today it has investment agreements with over 80 countries, including all major European nations, ASEAN, Japan, and South Korea. A comprehensive free trade agreement with Canada could also conclude soon. The United States should bolster the economic partnership with India, lest it cede ground to India’s other trading partners and fail to realize the full potential of a truly defining partnership.

A key lesson of the civil-nuclear deal was that when U.S. and Indian leaders aim high, they can bring along critical elements of both democracies and keep the two governments and societies engaging at multiple levels. It is therefore important to maintain an ambitious economic agenda in order to reignite the bilateral relationship. Ambassador Karl Inderfurth and his Wadhvani Chair colleagues at the Center for Strategic and International Studies proposed a ten-year “New Framework for U.S.-India Economic Cooperation,” with interim steps leading ultimately to a free trade agreement.²⁴ As suggested by Inderfurth, “such

²² Kliman and Fontaine, “Global Swing States,” 39–40.

²³ White House “The United States and India—Strategic and Global Partners,” Fact Sheet, September 27, 2013 ~ <http://www.whitehouse.gov/the-press-office/2013/09/27/fact-sheet-united-states-and-india-strategic-and-global-partners>.

²⁴ See the chapter on India in Michael J. Green et al., “Crafting Asia Economic Strategy in 2013,” CSIS, January 2013, 10 ~ <http://csis.org/publication/crafting-asia-economic-strategy-2013>.

a framework would serve as the organizing principle for bilateral discussions and negotiations at the highest levels.”²⁵ It could also set out a roadmap for the two countries to follow, with elements including a high-standard bilateral investment treaty, priority attention to the infrastructure debt fund, sectoral agreements, regulatory reform, greater movement of high-skill professionals, and the target of \$500 billion in two-way trade by 2020.

Four additional recommendations add up to an ambitious agenda for strengthened economic engagement: (1) restart the Trade Policy Forum and establish a tax forum, (2) reinvigorate the CEO Forum and initiate a small and medium-sized enterprise (SME) forum, (3) look to U.S. and Indian states as laboratories for progress and reform, and (4) actively engage the U.S. Congress and Indian Parliament, including opposition members.²⁶ For its part, India must continue to liberalize its economy.

The United States has supported India’s involvement in many global institutions, including the UN Security Council, the group of twenty (G-20), and four multilateral nonproliferation regimes. Inviting India to join the Asia-Pacific Economic Cooperation (APEC) forum would enable it to take part in the trade-facilitation conversations that the region needs and also help Indian officials adopt improved economic and trade standards that could bring long-term benefits to the U.S.-India bilateral trade relationship. Daniel Twining argued in congressional testimony in March 2013:

Although India is part of Asia’s security architecture, it is not a part of Asia’s economic architecture. This disjuncture makes little sense for a country that sits in the middle of Asia, is an important partner to countries like America and Japan, and has an economy that, according to the OECD, could comprise nearly 20% of global GDP by 2060.²⁷

The key with a rambunctious democracy such as India’s, and indeed with the United States’ own, is to remain patient and persistent and to play a long game. The economic and strategic benefits will be worth the wait.

²⁵ Green et al., “Crafting Asia Economic Strategy in 2013,” 10.

²⁶ A Track 1.5 CEO forum emerged from President Bush and Prime Minister Singh’s July 2005 talks. Driven by the CEOs of large corporations, the forum makes policy recommendations to the U.S. and Indian governments aimed at boosting trade and investment between the two countries. An SME forum would be a complementary mechanism centered on the needs of innovative SMEs providing much of the economic growth and innovation in India and the United States. To learn more about these recommendations, see Green et al., “Crafting Asia Economic Strategy in 2013.”

²⁷ Daniel Twining, “Prepared Remarks of Daniel Twining, Senior Fellow for Asia, the German Marshall Fund of the United States, before the House Ways and Means Committee’s Trade Subcommittee,” testimony before the U.S. House of Representatives, Subcommittee on Trade ~ <http://docs.house.gov/meetings/WM/WM04/20130313/100516/HHRG-113-WM04-Wstate-TwiningD-20130313.pdf>.

Deepen the economic relationship with Indonesia through direct flights and investment in infrastructure and energy, and synchronize U.S. trade policy with global priorities. Indonesia's economy has been growing at a rate of more than 6% annually. With a per capita income of \$3,500 and rising, the country is home to a fast-growing middle class of more than 120 million people hungry for consumer goods.²⁸ It also has a stable banking and financing system that supplies credit to these consumers, and domestic consumption accounts for almost 60% of GDP.²⁹ Indonesia will chair the 2013 APEC summit and is a member of the G-20. Unfortunately, however, except for a small number of U.S. companies, the United States has yet to play a key part in Indonesia's economic success story.

One area where the United States can deepen this economic relationship is aviation. Observing what direct flights did for U.S. relations with India, Washington should prioritize facilitating direct flights between the United States and Indonesia. Indonesia is already upgrading its aviation-safety oversight to realize this goal in collaboration with the U.S. Federal Aviation Administration. After Indonesia's regulatory authority passes an international aviation-safety assessment, direct flights can resume. It will then be a business decision whether these routes will be profitable.

In 2011, Indonesia launched an ambitious master plan for acceleration and economic development—a fifteen-year, \$1 trillion infrastructure development plan that includes public-private partnership tenders and will require almost \$700 billion in private-sector financing.³⁰ U.S. ambassador to Indonesia Scot Marciel noted that Jakarta's economic ministers, in soliciting foreign investment for the plan, visited Beijing, Seoul, and Tokyo but not the United States. When Marciel asked why the United States was omitted, Indonesian leaders replied that they did not expect U.S. companies to be interested. After all, Chinese, Japanese, and Korean companies lead the way in infrastructure development.

The United States cannot afford to be absent from this vital sector. Thus, a U.S. embassy team embarked on a project to highlight infrastructure investment opportunities in Indonesia's second-tier cities. U.S. companies seemed reluctant to venture out of Jakarta, but the embassy made it easier

²⁸ U.S. Department of State (Embassy of Jakarta), "2012 Indonesia Provincial Commercial Business Opportunities," June 26, 2012, 1; and U.S. Commercial Service, "Doing Business in Indonesia: 2012 Commercial Guide for U.S. Companies," 2012 http://export.gov/indonesia/static/2012%20CCG%20Indonesia_Latest_eg_id_050874.pdf.

²⁹ U.S. Department of State (Embassy of Jakarta), "2012 Indonesia Provincial Commercial Business Opportunities," 1.

³⁰ For further information about Indonesia's master plan and other business opportunities, see *ibid.*

by providing context and connections for potential investors. This measure led to a 2012 agreement between Indonesia's Ministry of Industry and the U.S. State Department for cooperation on infrastructure development for industrial purposes. Soon after, a Texas company, Celanese, and Indonesia's state oil company, Pertamina, formed a joint venture to build a \$2 billion coal-ethanol plant that will result in \$500 million in U.S. exports.³¹

Indonesia's master plan for infrastructure development includes more than five hundred projects throughout the country and six development corridors aimed at establishing economic clusters in various industrial sectors. Implementation of the plan has been slow, and project groundbreakings a year after its launch represented just 10% of the total projected value.³² Nonetheless, support exists within the government for almost any infrastructure-related project. The plan recognizes that development is needed off the island of Java, where Jakarta is located and where 60% of the country's population lives. At the same time, innovation in Indonesia often comes from dynamic local entities outside the capital, such as those found in South Sumatra and East Kalimantan.

A number of U.S. companies, especially those willing to invest in training and education, are doing quite well in Indonesia. Cargill, Caterpillar, Cisco, Conoco, General Electric, Goodyear, and Mattel, among others, have achieved important successes. Their experience suggests a few general lessons on doing business in Indonesia, which involve building strong relationships, showing respect and giving back to the local community, and adhering to the principles of the Foreign Corrupt Practices Act on clean corporate governance.³³ At the same time, Indonesia must do its part by resisting protectionist impulses and vigorously prosecuting those officials who seek personal financial benefit from foreign investment.

The Trans-Pacific Partnership (TPP) does not include either India or Indonesia, or for that matter the ASEAN member states Myanmar, Cambodia, and Laos, and a clear path must be articulated for them to join. Because it divides ASEAN and distances the United States from key Indo-Pacific partners, current U.S. trade policy is out of sync with Washington's strategic goals for the region. The U.S.-ASEAN Expanding Economic Engagement Initiative, launched in November 2012, acknowledges that the United States

³¹ Hiebert, Osius, and Poling, *A U.S.-Indonesia Partnership for 2020*.

³² Ibid.

³³ See Ted Osius (presentation at the CSIS conference "APEC: Challenges & Opportunities of Infrastructure Investment," Washington, D.C., March 11, 2013) ~ <http://csis.org/event/infrastructure-investment-apec-region>.

will ultimately benefit from full engagement both with ASEAN's quick starters and with members that are moving more slowly toward economic openness.

People-to-People Collaboration

Seize opportunities for educational exchanges. Educational exchanges between India and the United States are already vibrant, with 100,000 Indian students enrolled at U.S. universities. The next logical area for expanding cooperation is through the creation of community colleges, workforce development (i.e., vocational training), and distance-learning opportunities.³⁴

Community colleges are critical for providing a pathway to a four-year degree and equipping a large youth population with skills relevant for flourishing industries. As a result, India's Ministry of Human Resource Development and the U.S. University Grants Commission have launched a project to establish an additional two hundred community colleges in India.³⁵ The goal of the program is to reach 40 million students, especially those studying to enter such professions as healthcare, hospitality, and the automotive industry.

Further, keeping in mind lesson 7 above, governments should continue to facilitate partnerships between universities, the private sector, and civil society. For example, the local government in Madhya Pradesh provides land to the Reliance Group to operate the Dhirubhai Ambani Institute of Information and Communication Technology in Bhopal. Likewise, Spice Group has launched Digital University in Uttar Pradesh, while the University of Mumbai and Hindustan Coca-Cola are creating four new community colleges with free tuition. Workforce development is also paramount, and governments will need to facilitate partnerships with the private sector and nongovernmental institutions in order to produce real results in this area.

Developing educational exchanges with Indonesia at an appropriate scale is a steeper uphill climb. To begin, there are fewer Indonesian students with strong English-language capabilities. In 2009 the number of Indonesian students in the United States had declined steadily from 1998, hitting a low of less than seven thousand per year.³⁶ By increasing the number of scholarships,

³⁴ For further discussion of this point, see Osius and Mohan, *Enhancing India-ASEAN Connectivity*, 36–37.

³⁵ Tara Sonenshine, "Remarks at the International Community College Conference," U.S. Department of State, February 6, 2013 ~ <http://translations.state.gov/st/english/texttrans/2013/02/20130206142165.html#axzz2QeoMsU5i>.

³⁶ Institute of International Education, "Open Doors Fact Sheet: Indonesia," available at <http://www.iie.org/Research-and-Publications/Open-Doors/Data>.

simplifying the student visa application, holding an education summit, and creating dozens of university-to-university partnerships, the two governments have been able to reverse this decline. The number of student exchanges is now increasing each year, although the number of U.S. students in Indonesia remains very low.

Indonesia's Putera Sampoerna Foundation has taken a creative approach to accelerating educational exchanges with the United States. Sampoerna University (Universitas Siswa Bangsa Internasional) has partnered with the Lone Star College System in Texas, opening a path to U.S. higher education that is cheaper and more accessible to Indonesian students.³⁷ This effort should be scaled up, and one mechanism for doing this is USAID's Development Credit Authority. A parallel effort to expand workforce development in Indonesia could also bear fruit. For example, in response to the devastating tsunami that flattened Aceh in 2004, Chevron partnered with local companies and USAID to create a polytechnic institute. Technology companies snap up the institute's graduates, whose success in their jobs is underscored by a 90% retention rate. Recently, Exxon-Mobil contracted with Sampoerna University and Lone Star College System to train technicians, an effort that may be expanded to include other companies such as Indonesia's state-owned Pertamina.

Deepen engagement on health, climate, and nontraditional security concerns. Lesson 2—build patterns of cooperation—is still relevant as U.S. partnerships with India and Indonesia deepen. While they enhance engagement on health, climate change, and scientific research, as well as on nontraditional threats such as food security, environmental challenges, and disaster relief, governments must look to private-sector and nongovernmental partnerships as force multipliers. These tasks are urgent: human and natural systems are already dangerously stressed. Addressing issues of sustainability and human capacity-building enhances all three countries' ability to deal with the region's strategic challenges, including poverty. According to a recent report from the Asian Development Bank, environmental degradation now threatens both Asia's economic growth prospects and hard-won gains to reduce poverty.³⁸ Economic growth in the region must include higher productivity growth, more innovation, strategies

³⁷ For further discussion of this and other initiatives see, Hiebert, Osius, and Poling, *A U.S.-Indonesia Partnership for 2020*, 46–47.

³⁸ Asian Development Bank, *Key Indicators for Asia and the Pacific 2012* (Mandaluyong City: Asian Development Bank, 2012).

for coping with rapid urbanization, and greater regional integration.³⁹ In this regard, knowledge transfer from the United States is highly beneficial, which is why educational exchange is of such paramount importance in relations with India and Indonesia.

It is likewise in the interest of India, Indonesia, and the United States to collaborate on addressing health challenges. Pandemic diseases often originate in South or Southeast Asia and, in an interconnected world, move quickly across borders. Despite the overall gains in health from globalization, inequities in healthcare access and quality throughout India and Indonesia have deepened and the disparities between rich and poor and urban and rural have grown. In addressing these challenges, today's technologies—including telemedicine—can prove useful in reaching underserved populations. Telemedicine, in particular, can help address the shortage of doctors in rural areas or bridge infrastructure barriers between patients and doctors. Telemedicine technologies can be used to improve reporting of infectious disease cases, map outbreaks, deploy health workers more efficiently, raise awareness about HIV and other communicable diseases, and deliver diagnoses and treatment advice to frontline healthcare providers. Additionally, telemedicine can provide continuing education for medical and paramedical staff via digital medical libraries, e-conferences, and distance learning. An Indian market research firm projects that the “global telemedicine market will grow at a compound annual growth rate (CAGR) of around 19% from 2010 to 2015.”⁴⁰ Further, a London-based market intelligence firm concluded in a 2009 report that Asia is home to the fastest-growing telemedicine market, with India and China leading the growth.⁴¹

Achieving a cooperative health relationship with Indonesia has not been simple. As noted in lesson 6 above, in 2010 Indonesia's health minister closed a 40-year biomedical research program, NAMRU-2, one of the few places in Indonesia sanctioned by the World Health Organization to test for pandemic diseases. Two years earlier, the health minister had defied international protocols by refusing to share Indonesian avian flu samples unless richer countries and drug manufacturers guaranteed that

³⁹ Rajat Nag, “Asia's Challenges: Beyond the Fast Lane, Ensuring Inclusive and Green Growth” (conference presentation, Institute of Technology Bombay, Mumbai, India, March 20, 2013).

⁴⁰ “Global Telemedicine Market Analysis,” RNCOS, January 2012 <http://www.rncos.com/Report/IM331.htm>.

⁴¹ Infiniti Research, “Global Telemedicine Market 2010–2014,” MarketResearch.com, August 15, 2011 <http://www.marketresearch.com/Infiniti-Research-Limited-v2680/Global-Telemedicine-6487057>. For further discussion of the benefits of telemedicine, see Osius and Mohan, *Enhancing India-ASEAN Connectivity*, 39–40.

developing countries would get access to affordable vaccines derived from those samples.⁴² Guided by then secretary of state Hillary Clinton's determination to rebuild a health relationship, U.S. officials worked to align priorities with those of Indonesia's health ministry. Today, Indonesia's new health minister chairs the Board of the Global Fund to Fight HIV/AIDS, Malaria and Tuberculosis, and the United States and Indonesia once again collaborate on maternal and child health. Likewise, the two countries work closely in international forums on avian and pandemic influenza programs and research, as they did in the past. Since 2005, USAID has devoted \$80–\$100 million annually to preventing, detecting, and containing pandemics (particularly those originating in animals) that pose a threat to human health, with more than 20% of those funds going to Indonesia.⁴³ These investments have already contributed to a reduction in the number of avian flu outbreaks.

With respect to engagement on the environment, the United States, India, and Indonesia share an interest in reducing carbon dioxide levels in Asia and mitigating the effects of climate change.⁴⁴ Despite this common ground, however, India and the United States have reached a stalemate in their discussions on the issue. A study by the Emerging Markets Forum shows the potential influence of developing nations on climate change.⁴⁵ Under a “business as usual” scenario, the average global temperature will rise by 4.9 degrees Centigrade by the year 2100, causing sea levels to rise by up to half a meter and exposing large coastal cities to major surge-induced floods. If only developed countries take action, that figure will drop to 4.4 degrees. But if developing countries also take action, the average rise in global temperature would be limited to 2.7 degrees.⁴⁶

Recognizing this threat, Indonesian president Yudhoyono broke with developing countries and in 2009 declared that Indonesia would take responsibility for reducing its greenhouse gas emissions by 26% by 2020 and

⁴² “Indonesia Limits Sharing of Bird Flu Samples,” Reuters, March 24, 2008 ~ <http://in.reuters.com/article/2008/03/24/idINIndia-32652520080324>. See also Murray Hiebert, “Indonesia Steps Up Health Diplomacy,” CSIS, July 2013 ~ <http://csis.org/publication/indonesia-steps-global-health-diplomacy>.

⁴³ Author's email correspondence with Irene Koek, USAID's health attaché at the U.S. embassy in Jakarta, October 22, 2013.

⁴⁴ Ernest Z. Bower and Prashanth Parameswaram, “Can India Transition from Looking East to Acting East with ASEAN's Help?” CSIS, June 2012 ~ <http://csis.org/publication/can-india-transition-looking-east-acting-east-aseans-help-commemorating-two-decades-asea>.

⁴⁵ Cameron Hepburn and John Ward, “Should Emerging Market Economies Act on Climate Change, or Wait?” Global Emerging Markets Forum, October 13, 2010 ~ http://www.emergingmarketsforum.org/wp-content/uploads/pdf/2010_EMF_Global_Hepburn_Ward_Climate_Change.pdf.

⁴⁶ *Ibid.*, 14.

by up to 41% with international support. Although initial progress toward these goals has been slow, the United States has invested roughly \$500 million and Norway has pledged \$1 billion to support efforts to promote low-carbon development and slow the rate of deforestation.⁴⁷

The main source of carbon dioxide from Indonesia, and Southeast Asia more generally, is deforestation. The region has lost 13% of its forest area—roughly the size of Vietnam—over the past twenty years.⁴⁸ Given this trend, the United Nations has prioritized reducing deforestation rates in ASEAN nations, with a stated goal of zero deforestation by 2020.⁴⁹ To this end, USAID is investing about \$50 million in forest conservation programs, and the United States and Indonesia have concluded two forest conservation debt-for-nature swaps. The U.S. Millennium Challenge Corporation’s commitment of \$332.5 million to environmental initiatives in Indonesia is primarily aimed at expanding access to renewable energy in underserved areas, improving the productivity and land-use practices of small farms, enhancing stewardship of forests and other natural resources, and improving the accuracy and transparency of district-level spatial planning.⁵⁰

CONCLUSION

With elections scheduled for 2014 in both India and Indonesia, one cannot predict how changes in the political landscape will affect either country’s ability to pursue initiatives to deepen its partnership with the United States. As discussed in lesson 5, strong political leadership will be crucial for developing these relationships. In the United States, government officials must learn and relearn how to lead with a view to the long term and not let their attention be dominated by the crises of the day. As Fontaine and Kliman have shown, swing states such as India and Indonesia will play an important role in determining the future of the global order; considering them “through a common framework will clarify Washington’s foreign

⁴⁷ U.S. Department of State, “U.S.-Indonesia Environment and Climate Cooperation,” Fact Sheet, November 18, 2011 ~ <http://www.state.gov/r/pa/prs/ps/2011/11/177385.htm>.

⁴⁸ Nag, “Asia’s Challenges,” 22.

⁴⁹ “UN Aims Zero Deforestation in ASEAN by 2020,” Green Diary, June 21, 2008 ~ <http://www.greendiary.com/un-aims-zero-deforestation-in-asean-by-2020.html>.

⁵⁰ For further discussion of additional areas for collaboration with Indonesia, including in the areas of science and technology, the environment, food security, and disaster relief, see Hiebert, Osius, and Poling, *A U.S.-Indonesia Partnership for 2020*.

policy priorities.”⁵¹ The United States has an opportunity to benefit directly and indirectly from its partnerships with these two Asian behemoths and allocate its resources accordingly. Trust will build, collaboration will become habit, and partnerships with two key swing states will deepen as, together with the United States, India and Indonesia take on some of the world’s greatest challenges. ♦

⁵¹ Richard Fontaine and Daniel M. Kliman, “International Order and Global Swing States,” *Washington Quarterly* 36, no. 1 (2013): 102.