

## India and the US: Embracing a New Paradigm

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Since 2000, the US and India have worked to fundamentally reorder the strategic underpinnings of their bilateral ties as well as the substance of their engagement. While US President Bill Clinton and Indian Prime Minister Atal Bihari Vajpayee initiated this transformation process, both leaders held orthogonal positions on the issue of India's nuclear weapons programme—even though both leaders understood the mutual value of more robust relations. India's nuclear tests in May 1998 enervated the 'Strategic Dialogue' that had Clinton launched to reach out to India.<sup>1</sup>

Ironically, those tests hastened a genuine strategic dialogue between New Delhi and Washington. In this dialogue, then Deputy Secretary of State Strobe Talbott represented the US and then Indian External Affairs Minister Jaswant Singh represented India. Talbot and Singh met 14 times in seven countries in an effort to resolve the extant bilateral differences over India's nuclear weapons programme and develop the means to manage those

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<sup>1</sup> For more details about the Strategic Dialogue, see C. Christine Fair, *The Counterterrorism Coalitions Cooperation with India and Pakistan*. (Santa Monica: RAND, 2004) and C. Christine Fair, 'Learning to Think the Unthinkable: Lessons from India's Nuclear Test', *India Review* 4:1 (January 2005), pp. 23–58.

differences that could not be resolved. The Talbott–Singh dialogue constituted what was at the time the most prolonged engagement between high-level American and Indian officials in their bilateral history. These meetings laid the foundation for the on-going evolution in US–India strategic relations.<sup>2</sup>

While Clinton and Vajpayee made tremendous progress in changing the structure and substance of the US–India relationship, Clinton’s commitment to global non-proliferation norms precluded elemental changes during his presidency. In contrast to Clinton, President George W. Bush’s administration prioritised getting the Indo-US relationship ‘right’ and, unhindered by the non-proliferation commitments of past presidencies, Bush embraced a new paradigm for relating to the major power in South Asia. Unlike past administrations that pursued policies towards India or Pakistan with an implicit calculation as to how the other would respond, under Bush the US sought to de-couple its relations with India and Pakistan, in a process that has become known as ‘de-phenation’ in New Delhi, Islamabad and Washington.

Ashley Tellis authored this new approach in an influential RAND (Research and Development) report for the new administration in 2000. In the report, he recommended that the Bush administration pursue a differentiated set of policies with respect to India and Pakistan and called for ‘deepened engagement with India’ and a ‘soft landing for Pakistan’.<sup>3</sup> According to this course, ‘US relations with each state [would be] governed by an objective assessment of the intrinsic value of each country to US interests rather than by fears of how US relations with one would affect relations with the other’. Moreover, it was Tellis’ view that ‘. . . India is on its way to becoming a major Asian power of some consequence and, therefore, that it warrants a level of engagement far greater than the previous norm and also an appreciation of its potential for both collaboration and resistance across a much larger canvas than simply South Asia’.<sup>4</sup>

<sup>2</sup> For Strobe Talbott’s account of this engagement, see Strobe Talbott, *Engaging India: Diplomacy, Democracy, and the Bomb* (Revised Edition) (Washington, DC: Brookings Institution Press, 2006).

<sup>3</sup> Ashley J. Tellis, ‘South Asia: US Policy Choices’, in Frank Carlucci, Robert Hunter and Zalmay Khalilzad, eds, *Taking Charge: A Bipartisan Report to the President-Elect on Foreign Policy and National Security—Discussion Papers* (Santa Monica: RAND, 2000), p. 88.

<sup>4</sup> *Ibid.*

Since early 2001, relations between India and the US have expanded both in terms of the kinds of engagements pursued and in terms of the depth of those engagements. They have made great strides in the areas of military-to-military engagement, civilian space and nuclear cooperation, and in high-technology exchanges and collaboration. Furthermore, while these areas have advanced faster than what the most optimistic observers had surmised possible, both countries have assembled a number of private sector ventures that have created important stakeholders with vested interests in the relationship. These bilateral efforts have been buttressed and even galvanised by the financially well-off and numerically strong Indo-American community.

Notwithstanding these important accomplishments, it is worth interrogating the durability of, and long-term prospects for, this bilateral partnership. This query animates the substance of this essay. Since the recent and distant history of the Indo-US relationship has been extensively covered elsewhere, it focusses on the contemporary dynamics of the Indo-US relationship, referencing the past only as it directly impinges upon the present.<sup>5</sup> To evaluate the robustness of this relationship, this essay poses and answers the following set of key questions:

- What do India and the US hope to achieve from their relations with states generally and from this dyad in particular? To what degree are these goals and objectives complementary?
- What are their threat perceptions and how do these perceptions complement or, alternatively, conflict with each other?
- How do they assess the costs and benefits of engaging each other?
- What import does these questions and concomitant answers have for a sustained US–India relations?

The remainder of this essay will attempt to answer each of these questions in its next six sections. Section two lays out the states’ expectations of their security relationships generally and their

<sup>5</sup> See, inter alia, Dennis Kux, *Estranged Democracies: India and the United States 1941–1991* (Washington, DC: National Defense University Press, 1993); Fair, *The Counterterrorism Coalitions Cooperation with India and Pakistan*, pp. 66–79; Satu Limaye, *US-Indian Relations: The Pursuit of Accommodation* (Boulder, CO: Westview Press, 1993).

bilateral ties in particular. Section three expounds New Delhi's main security challenges and section four examines the US evaluation and appreciation of those perceptions. This twin assessment yields some insight into the complementarity between Indian and US threat assessments in South Asia and beyond. It also explicates both states' expectations of security partnerships generally and of this dyad in particular. Section five lays out both states' cost-benefit calculus with respect to their bilateral ties. Section six, the final section, concludes with a discussion of the key challenges that both the states will confront as they forge ahead.

### INDIAN PERSPECTIVES ON STRATEGIC PARTNERSHIPS: WHAT ROLE FOR THE US-INDIA RELATIONSHIP?

India contends that it is the pre-eminent power in South Asia and an emergent global power. Consequently, New Delhi values those security partnerships that both confirm this world-view and increase the likelihood of the US and the wider international community accepting India's belief about its natural strategic role in the world.<sup>6</sup> The US occupies a privileged place within the Indian national security establishment because US assistance to India is critical to India's emergence as an extra-regional military power in a politically relevant timeframe. Strides in the Indo-US relationship have accelerated since July 2005, when the Bush administration explicitly stated its intention to further India's growth as a global power. Since then, the US has done much to make this happen.<sup>7</sup>

<sup>6</sup> See Fair, *The Counterterror Coalitions Cooperation with India and Pakistan*, pp. 86-89.

<sup>7</sup> Achievements of note include the March 2006 agreement on civilian nuclear cooperation; the July 2005 Joint Statement signed by President Bush and Prime Minister Manmohan Singh to establish a 'global partnership' as well as subsidiary commitments, including a ten-year defence framework agreement, the January 2004 Next Step Strategic Partnership, unprecedented military-to-military ties, technological sales and commitment to ballistic missile development. For details of these and other milestones, see Ashley J. Tellis, *India as a New Global Power: An Action Agenda for the United States* (Washington, DC: Carnegie Endowment for International Peace, 2005); Stephen J. Blank, *Natural Allies: Regional Security in Asia and Prospects for Indo-American Strategic Cooperation* (Carlisle, PA: Strategic Studies Institute, 2005); K. Alan Kronstadt, *US-India Bilateral Agreements*, in 2005 Congressional Research Service Report RL33072, September 8, 2005; C. Christine Fair, 'US-Indian Army-to-Army Relations', *Asian Security* 1:2 (April 2005), pp. 157-73

While US officials have proclaimed India's rise as a potential great power, Indian strategic thinkers have been slow to articulate what it means to be a regional or extra-regional military power and how this aspiration squares with Indian claim that its armed forces are not likely to be a conventionally-considered 'global power projection' military in the near future. While opacity persists around India's force projection objectives, it is moving towards consolidating its military presence outside its own borders (e.g., it now has access to two airfields in Tajikistan, and it has a military and intelligence presence in Iran and Afghanistan, among other locales). India's blue-water naval aspirations and the armed forces' participation in peace-keeping operations are notable exceptions, as is India's expected role in disaster relief (as witnessed during the 2005 Asian tsunami).

While India surely values its political and military engagement with the US, the most significant confirmation that Washington sees India differently is the former's willingness to sell high-end defence-related technologies to India and to grant India permission to produce such technologies under licence. More important yet is Washington's willingness to explore co-development of such technologies. Previous efforts by New Delhi and Washington to forge robust security ties failed time and again because they disagreed about the role of technology transfers in their nascent bilateral relations. Whereas Washington saw such transfers as the apex of a pyramidal structured bilateral relationship, sitting atop a robust base of political, diplomatic and economic ties, New Delhi, conditioned on the modalities of its relations with the former USSR, expected such transfers as an 'up front' commitment to a serious partnership.<sup>8</sup>

While New Delhi seeks relations with the US for reasons noted above, India has been very active over the last decade cultivating numerous significant relations with a complex mix of states—many of whom share adversarial relations with one another. India maintains a sophisticated portfolio of foreign policies with Israel, Iran, Saudi Arabia, China, Russia, the Central Asian Republics as well as

<sup>8</sup> See discussion of historical US-Indian relations in Fair, *The Counterterror Coalitions Cooperation with India and Pakistan*, pp. 66-79; and Satu Limaye, *US-Indian Relations: The Pursuit of Accommodation*.

several states in Southeast Asia (India's so-called 'look east' strategy).<sup>9</sup> Throughout India's extended strategic environment, New Delhi relies upon 'soft power' aspects of its military establishment, including the provision of military training to personnel of regional armies, contribution to peace-keeping forces as well as training peace-keepers. In addition, India trains police and paramilitary personnel from a number of countries throughout Africa and Asia, and believes that such training is a major tool for expanding its military and intelligence presence throughout its extended neighbourhood. While India focusses upon these softer aspects of power projection, in recent years it has established two airbases in Tajikistan, which is the foothold of India's military and intelligence presence in Central Asia.<sup>10</sup>

India's other important relationship is with Israel and their security ties predate formal diplomatic recognition in 1991. Recently, Israel has surpassed Russia and has become the largest arms supplier to India and this defence supply relationship will continue to grow in scope and sophistication of products. Israel is seen as a reliable supplier of affordable, high-quality equipment without moral or political strings attached, unlike the US.

Consonant with India's perception of itself as an extra-regional power and aspiring global power, it seeks alternatives to the current monopolar global power structure, in which the US is pre-eminent. Instead, New Delhi favours a multipolar structure that features India, China and the EU, as well the US. In the Ministry of Defence's *Annual Report 2005–06*, the government of India notes the success of this goal: 'Progress towards a truly multi-polar world, with India

<sup>9</sup> See Sushil J. Aaron, *Straddling Faultlines: India's Foreign Policy Towards the Greater Middle East*, Centre de Sciences Humaine, New Delhi, Occasional Paper No. 7, 2003; Frederic Grare and Amitabh Mattoo, eds, *India and ASEAN: The Politics of India's Look East Policy* (New Delhi: Manohar, 2001); Stephen Blank, 'India's Rising Profile in Central Asia', *Comparative Strategy* 22: 2 (April 2003), pp. 139–57. C. Christine Fair, 'Indo-Iranian Relations: Prospects for Bilateral Cooperation Post 9-11', in *The 'Strategic Partnership' Between India and Iran*, Woodrow Wilson International Center for Scholars, Asia Program Special Report No. 120; A.K. Pasha, 'India, Iran and the GCC States: Common Political and Strategic Concerns', in *India, Iran and the GCC States: Political Strategy and Foreign Policy* (New Delhi: Manas Publication, 2000), pp. 227–28.

<sup>10</sup> This is consonant with India's past coordination with Tajikistan on shared regional goals: India worked with Tajikistan (along with Iran and Russia) to provide military assistance and training to the Northern Alliance during the days of the Taliban.

as one of the poles has been slow but steady'.<sup>11</sup> It proceeds to describe, in obtuse terms, benchmarks of this success including 'China's emergence during the year as a major importer and influencing factor in the volatile energy markets and as a country that is looking to part its excess capital in various projects across the globe, including in the US, [which] have made an initial impact, especially in the US'.<sup>12</sup>

Concomitant with this self-image and aspirations, India contends that its national endowments and capacities justify a permanent seat on the UN Security Council, which New Delhi views as tantamount to 'a full recognition of India as a great power, something that the Indian elite still craves'.<sup>13</sup> India hopes that the US will eventually support this position in full.

Thus far, the US has been very reticent and even evasive about this issue, notwithstanding the unprecedented expansion in US–India ties. During the visit by the Indian Foreign Minister Natwar Singh in April 2005, the Secretary of State Condoleezza Rice was explicitly pressed on this issue. Rice demurred and explained that while the US supports the positive and expanding global role for India, any reform of the UN Security Council would take place within the context of UN reform writ large.<sup>14</sup> For non-proliferation proponents, a UN Security Council seat would reward India for becoming a de facto nuclear power and would present a wrong incentive structure to aspirant proliferators. India's aspiration to the UN Security Council is somewhat problematic for the US because it has a number of allies who have a more robust history of supporting the US than has India. Despite these concerns, there are growing numbers of high-level proponents of bringing India onto the UN Security Council: the architect of the current US–India

<sup>11</sup> See Ministry of Defence, *Annual Report Year 2005–2006* (New Delhi: Government of India), pp. 6–8, at <http://mod.nic.in/reports/> (accessed on April 20, 2006).

<sup>12</sup> *Ibid.*, pp. 2–3.

<sup>13</sup> Stephen Cohen, 'India and America: An Emerging Relationship', paper presented to the Conference on the Nation State System and Transnational Forces in South Asia, Kyoto Japan, December 8–10, 2000, p. 23.

<sup>14</sup> Secretary of State Condoleezza Rice, 'Remarks with Indian Minister of External Affairs Natwar Singh Following Meeting', Department of State, Washington DC, April 14, 2005, at [www.state.gov/secretary/rm/2005/44662.htm](http://www.state.gov/secretary/rm/2005/44662.htm) (accessed on November 8, 2007).

relationship, Ashley Tellis, has argued clearly for India's inclusion on the UN Security Council.<sup>15</sup>

## INDIA'S SECURITY PERCEPTIONS

Unlike the *National Security Strategy* that every American presidential administration is required to produce, India does not have a national security strategy document *per se*. For purposes of this inquiry, the most authoritative open-source document of India's security perceptions is the Ministry of Defence (MoD) *Annual Report*.<sup>16</sup> Recent annual reports identify several challenges that have remained constant over the last five years, with the intractable security competition with Pakistan figuring as the pre-eminent and enduring security challenge.<sup>17</sup> The *Report* also monitors developments elsewhere in the greater South Asian region, including the on-going efforts to stabilise and rehabilitate Afghanistan, the various developments in Nepal, the rise of 'Islamic [sic] fundamentalism' in Bangladesh and the attendant consequences for India's Northeast, and the stalled peace process in Sri Lanka between Tamil militants (the Liberation Tigers of Tamil Eelam) and the Sri Lankan government and concomitant slippage back into all-out, if undeclared, war.<sup>18</sup>

The MoD annual reports consistently identify China as its long-term security challenge. India's strategy is diversified and it

<sup>15</sup> Tellis, *India as a New Global Power: An Action Agenda for the United States*, pp. 34–36.

<sup>16</sup> While this document is the most authoritative proxy for a national security strategy document, as India has increasingly sought to situate itself as an important arm's buyer, this document has increasingly become more of tool for potential arms sellers. A perusal of several years of this document also indicates an awareness that this document is being used by persons outside of India and there is a concomitant transformation in the way in which the document is written and issues presented. A strong argument can be made that this document has become part of India's communication strategy with the world's capitals to manage international perceptions about India's interests and intents. The evolution of the way in which India's energy interests have been characterised serve as a strong example of this change.

<sup>17</sup> Ministry of Defence, *Annual Report Year 2005–2006* (New Delhi: Government of India), pp. 6–8, at <http://mod.nic.in/reports/> (accessed on April 20, 2006).

<sup>18</sup> *Ibid.*, pp. 8–9. See also C. Christine Fair, 'Faltering Sri Lankan Peace Process: Sri Lanka's Drift Back into War', *Journal of International Peace Operations* 2:3 (November–December, 2006), at [http://ipoaonline.org/journal/index.php?option=com\\_content&task=view&id=274&Itemid=28](http://ipoaonline.org/journal/index.php?option=com_content&task=view&id=274&Itemid=28) (accessed on May 4, 2008).

includes the pursuit of enhanced political, military, diplomatic and economic ties with Beijing to pre-empt any significant confrontation while increasing its readiness in the event of some kind of confrontation manifesting in the future.<sup>19</sup> Despite New Delhi's efforts to secure ever-improved relations with Beijing, New Delhi remains committed to mitigating China's capabilities to restrict India's movement and presence in its extended neighbourhood, which encompasses Southwest, Central, South and Southeast Asia. New Delhi's desire to exert itself vis-à-vis China animates many of the bilateral relations cultivated by India in its extended strategic environment.<sup>20</sup>

To project its regional and extra-regional equities, India makes astute use of regional frameworks such as South Asian Association for Regional Cooperation (SAARC) and the Association of Southeast Asian States (ASEAN), among others. Recently, New Delhi has secured entry as an observer to the Shanghai Cooperation Organisation and has taken a proactive role in the Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), which will serve as a regional bridge between South and Southeast Asia.<sup>21</sup>

The MoD annual defence report also details India's various internal security challenges. Insurgencies 'fanned by ethnic and tribal chauvinists' desire to achieve autonomy, left wing radicalism and extremism motivated by prevailing socio-economic deprivation and communal conflict encouraged by religious fundamentalism and caste conflict' are important security preoccupations.<sup>22</sup> These internal security challenges, as the MoD *Annual Report* notes, have forced the Indian army to remain engaged in high states of readiness throughout the country.<sup>23</sup>

The final security concern that merits discussion is India's energy security concerns, which have assumed prominence in recent years. While energy concerns have figured consistently in the MoD annual reports, the recent assessment departs from previous volumes in that it identifies energy supplies, in the guise of 'peaceful uses of nuclear energy', as a critical preoccupation for the Indian state. Rather than describing security aspects of energy supplies, the

<sup>19</sup> Ministry of Defence, *Annual Report Year 2005–2006*, pp. 9–10.

<sup>20</sup> *Ibid.*, pp. 10–11.

<sup>21</sup> *Ibid.*

<sup>22</sup> *Ibid.*, p. 11.

<sup>23</sup> *Ibid.*, pp. 10–11.

2005 report explicitly calls attention to India's 'deliberate mission to enlarge the scope of use of nuclear energy for peaceful purposes, including for generation of power' and the dialogue it has pursued with the US and the Nuclear Suppliers Groups for 'unhindered access to nuclear technology'.<sup>24</sup>

## WASHINGTON'S EVOLVING APPRECIATION OF INDIA'S THREAT ENVIRONMENT

Washington appreciates India's concerns regarding Pakistan's contributions to New Delhi's domestic woes and regional insecurity. However, Washington's relations with Pakistan remain principally focussed upon Islamabad's on-going 'collaboration' with the US in the Global War on Terrorism (GWOT). It can be argued that this concern supercedes other critical security matters such as nuclear proliferation, as evidenced by the relative US quiescence on on-going revelations about Pakistan's nuclear proliferation activities and the opacity surrounding Abdul Qadeer Khan's nuclear black market. Washington remains committed to the belief that there is no alternative to President Musharraf and has remained reluctant to push Musharraf harder on key issues such as cross-border insurgent activities in Indian-administered Kashmir and even in Afghanistan, where US and NATO troops are vulnerable to Taliban attacks. Throughout 2007, as Musharraf's missteps galvanised nation-wide calls for democracy, Washington felt the pressure to increase its calls for democracy. While Musharraf's imposition of what was tantamount to martial law on November 3, 2007 raised hackles in Washington, the Bush administration largely stayed course while encouraging President Musharraf to hold free and fair elections as promised.

Given that US policy towards Musharraf has not *yet* moved beyond these parameters, Washington's public statements about Pakistan's support for militancy in Indian-administered Kashmir

<sup>24</sup> It is worth noting that no previous Annual Reports (since 1999) included this issue as a part of its regional threat assessment. Rather, previous Annual Reports (1999–2000, 2000–01, 2001–02, 2002–03, 2003–04, 2004–05) dilated upon the need to secure fossil fuels. In contrast, the most recent report made no mention of fossil fuels, which is odd given that 90 per cent of India's oil comes from offshore oil fields or is transported via sea transport. See Ministry of Defence, *Annual Report Year 2005–2006*, pp. 10–11.

and in India continue to countervail those preferred by New Delhi who is increasingly concerned about its ever-more unstable neighbour.<sup>25</sup> However, Washington's position has begun to turn due, at least in part, to on-going reports that Taliban forces, who enjoy various forms of sanctuary in Pakistan, and the failure of Pakistan's various deals with militants in South and North Waziristan. To Washington's ire, following the most recent deal inked in September 2006 between the government and local Taliban, insurgent attacks in Afghanistan increased three-fold.<sup>26</sup>

The cumulative effect of these developments has been that many observers fundamentally and openly question Pakistan's intentions in the border areas.<sup>27</sup> Many people in the US government have begun to ask whether Pakistan is doing too little to prevent these attacks or whether there may even be open cooperation from elements within the Pakistan state, even if few are willing to say publicly that this policy is approved by President Musharraf.<sup>28</sup> Thus, in the future, differences in the US and Indian positions towards Pakistan's role in the region may narrow.

<sup>25</sup> See C. Christine Fair and Peter Chalk, *Fortifying Pakistan: The Role US Internal Security Assistance* (Washington, DC: USIP Press, 2006). For a personal account of this pressured decision, see Pervez Musharraf, *In the Line of Fire: A Memoir* (New York: Free Press, 2006).

<sup>26</sup> The author has obtained a copy of the deal signed in September 2006 in Urdu. Copies will be provided upon request. According to this deal, the first party is the political agent representing the administration of the Northwest Frontier Province. The second party identified is a collective of parties that include the Utmanzai tribal elders, the local mujahadeen, the Taliban, the ulema and the Utmanzai tribe.

<sup>27</sup> See Seth Jones, 'Pakistan's Dangerous Game', *Survival* 49:1 (Spring 2007), pp. 15–32.

<sup>28</sup> This view has been expressed during author's meetings with US officials in Islamabad in August 2005, with members of US military personnel who served in Afghanistan in November 2006. There have also been a number of editorials expressing concern about the structure of the US–Pakistan relationship. See 'Some Ally: Pakistan Has Sold Out Afghan and US Interests by Signing an Agreement with Tribesmen that Aids the Taliban', *The Los Angeles Times*, November 6, 2006; Alan Cowell, Carlotta Gall, 'Pakistan is Accused of Terror Ties and Abuses', *The New York Times*, September 29, 2006; Somini Sengupta, Scott Shane and David Rohde, 'Pakistan's Help in Averting a Terror Attack is a Double-Edged Sword', *The New York Times*, August 12, 2006; David Rohde, 'The Afghanistan Triangle', *The New York Times*, October 1, 2006; Rachel Morarjee, Farhan Bokhari and Jo Johnson, 'Pakistan "Not Involved" in Afghan Insurgency', *Financial Times*, September 7, 2006; Carlotta Gall, 'Musharraf Vows to Aid Afghanistan in Fighting Taliban', *The New York Times*, September 7, 2006; Syed Saleem Shahzad, 'Pakistan Reaches into Afghanistan', *The Asia Times*, October 3, 2006.

Nonetheless, Indian analysts have been restrained in criticising aspects of Washington's relations with Islamabad. Few Indian officials of any consequence have hectored Washington publicly for its on-going military alliance with Pakistan. This is in stark contrast to the past when Indian observers would loudly protest such ties. Instead, most Indian analysts and officials appreciate that the US is offering India an expansive strategic partnership that dwarfs the one available to Pakistan now or in the future.<sup>29</sup> Indian officials and commentators also understand that the US shares India's overall preference for Pakistan to become a peaceable democracy. However, there are many within the Indian establishment and, increasingly within the US government, who doubt the soundness of the US–Pakistan policy, which privileges the singular personality of Musharraf while being unprepared for the day when Musharraf is no longer relevant.

While the US and India disagree in some measure with respect to the optimal policy approaches to Pakistan, both have analogous visions for a rehabilitated Afghanistan—even if both states have a somewhat different set of preferred surrogates and partnerships to secure Afghanistan. New Delhi has made numerous contributions of its own to that effort, including more than \$500 million for infrastructure projects, humanitarian assistance, and institutional and human resource development.<sup>30</sup> These investments have paid off: Afghanistan sees India as its most important ally in the region. In general, India's role in Afghanistan has been welcomed by Washington even if there are negative externalities for other US policies resulting from this assistance, as is discussed later in this essay.

With regards to India's other regional concerns (e.g., Bangladesh, Nepal and Sri Lanka), the US does not have a ready plan of engagement. Instead, it pursues various ad hoc measures depending upon the perceived salience of these regional issues at any given moment. For example, severe developments such as the 2005

tsunami galvanised US action, as did the revolution in Nepal, which kick-started a more coherent—albeit brief—policy focus on Katmandu. Similarly, the US' effort to more effectively monitor Islamism and Islamist violence in Bangladesh intensified in the wake of the August 2005 bombings, which included more than 500 small bombs being detonated in 63 of 64 districts over the course of roughly an hour. Increasingly, US officials have publicly stated that it turns to India for guidance on these regional concerns.<sup>31</sup>

Turning to the inevitable ascendance of China and the need to maintain regional balance of power, many officials and analysts within the US government seek to cultivate India as a variously construed counterweight to China, either as a part of a containment policy or as a partner in managing China's ascent. Whether one holds a preference for containment or managed ascent, India is critical to those who view China's rise throughout Southwest, Central, South and Southeast Asia as a threat to US interests in Asia. India, it is hoped, will disrupt the unchecked expansion of Chinese strategic influence in Asia simply by asserting its own equities with greater strategic, diplomatic, political, commercial and military presence.<sup>32</sup> US officials in recent years have become increasingly sensitive to the fact that India publicly eschews becoming part of any formal effort to limit or manage China's growth. While administration officials go to great lengths to deny any efforts to use India in this manner, at least in part to accommodate India's concerns,<sup>33</sup> India's

<sup>29</sup> See for example, the comments of Under Secretary of State for Political Affairs, R. Nicholas Burns at a talk called 'US–India Relations: The Global Partnership', attended by the author on Tuesday 16, 2006. Audiofile available at <http://www.carnegieendowment.org/events/index.cfm?fa=eventDetail&id=884&&prog=zgp&proj=znpp,zsa,zusr> (accessed on May 31, 2006).

<sup>30</sup> For a good discussion of the utility of India in the US efforts to 'preserve the future balance of power in Asia', again see Tellis, *India as a New Global Power*.

<sup>31</sup> A good example of this is given by the comments of Under Secretary of State for Political Affairs, R. Nicholas Burns at a talk called 'US–India Relations: The Global Partnership', attended by the author on Tuesday 16, 2006. Audiofile available at <http://www.carnegieendowment.org/events/index.cfm?fa=eventDetail&id=884&&prog=zgp&proj=znpp,zsa,zusr> (accessed on May 31, 2006). In this discussion, Burns made it clear that the US interest in India is not motivated by a desire to contain China.

<sup>29</sup> Again, see Tellis' comparison of the relationship offered to both states in Tellis, *India as a New Global Power*.

<sup>30</sup> See Ministry of External Affairs, *Rebuilding Afghanistan: India at Work* (New Delhi: Government of India, 2005).

utility to the US becomes increasingly contingent upon China's future trajectories.<sup>34</sup>

Finally, one of the most important long-standing areas of US–India engagement since 2000 is on counterterrorism and law enforcement. After President Clinton visited New Delhi in 2000, the US and India founded the US–India Counterterrorism Joint Working Group. Both states point to their shared perceptions of the terrorist threat to explain the growing strategic consensus between India and the US, and both sides identify the importance of the working group in forging such consensus. While both partners define terrorism similarly in some areas such as sea-lanes of control, al Qaeda and the Taliban, there are notable issues about which New Delhi and Washington hold markedly different views of the threat and concomitant policy response. As noted, the US cannot yet take New Delhi's preferred approach to Pakistan—even if Washington agrees with New Delhi's fundamental assessment. Nor did India share the US contention that Iraq was a source of terrorism prior to onset of US military operations there, and India continues to resist US assertions about terrorism in Iran.

## THE COSTS AND BENEFITS OF EXPANDED US–INDIA RELATIONS

While there is little doubt that India and the US expect tremendous benefits from their evolving partnership, there are distinct

<sup>34</sup> See Tellis, *India as a New Global Power*, where Tellis argues that 'if the United States is serious about advancing its geopolitical objectives in Asia [read China, among other things], it would almost by definition help New Delhi develop its strategic capabilities' (p. 41). Elsewhere on p. 42, he cites former US Ambassador to New Delhi, Robert Blackwill, who asked rhetorically 'why should the US want to check India's missile capability in ways that could lead to China's permanent nuclear dominance over democratic India'. For other accounts, see Francine R. Frankel and Harry Harding, eds, *The India–China Relationship: What the United States Needs to Know* (New York: Columbia University Press, 2004); Esther Pan, 'India, China, and the United States: A Delicate Balance', Council for Foreign Relations, *Backgrounder*, February 27, 2006, at <http://www.cfr.org/publication/9962/> (accessed on October 11, 2006); Christopher Griffin, 'Containment with Chinese Characteristics: Beijing Hedges against the Rise of India', *Asian Outlook—AEI Online*, September 7, 2006, at [http://www.aei.org/publications/pubID.24873/pub\\_detail.asp](http://www.aei.org/publications/pubID.24873/pub_detail.asp) (accessed on October 11, 2006); Paul Richter, 'In Deal with India, Bush Has Eye on China', *The Los Angeles Times*, March 4, 2006; Michael T. Klare, 'Containing China: The US's Real Objective', *The Asia Times*, April 20, 2006.

costs—both direct and opportunity—that both states will endure as a consequence of the new terms of their engagement. Understanding the inputs into both sides' cost-benefit calculus yield some insights into the durability of this dyad. Thus, this section attempts to explicate these costs and benefits for both states, first from New Delhi's vantage point and then from that of Washington.

## India's Cost-Benefit Calculus

One of the principal benefits for India is the US' acknowledgement of India's strategic significance within Asia and its recognition of New Delhi's growing importance globally. The second benefit that India has enjoyed in the post-9/11 world is that its perception on terrorism generally has been accepted. Many observers have come to recognise and accept New Delhi's mantra of 'cross-border terrorism'. This has enabled New Delhi to marginalise Pakistan politically even though Pakistan remains an important ally of the US in the GWOT. However, India remains frustrated that the US still considers the 'terrorism' in Jammu and Kashmir as distinct from the terrorism committed by al Qaeda<sup>35</sup> even if, as noted above, recent reports suggest that the US' views of Pakistan generally, and of President Pervez Musharraf in particular, may be changing.

Second, India has benefited from the fast pace of military-to-military ties with its heavy emphasis upon joint training. India's ambitions to become a blue-water navy are significantly advanced by the on-going military cooperation with the US. However, with respect to military hardware and India's planned extensive military modernisation, the role of US-supplied hardware remains undetermined at this point.<sup>36</sup> Given the late 2006 Congressional

<sup>35</sup> This view was expressed by people interviewed by the author in the Indian Ministry of External Affairs in September 2002. It was also expressed during conversations with a wide array of Indian officials interviewed in June 2004 and most recently during interviews with high-level officials in the Ministry of External Affairs and the Home Ministry in August 2006.

<sup>36</sup> See 'Modernization Plans of the Indian Army', in Lt. Gen. R.K. Jasbir Singh, ed, *Indian Defence Yearbook 2005* (New Delhi: Natraj, 2005), pp. 206–25; 'Modernization of the Indian Navy Gathers Pace', in Lt. Gen. R.K. Jasbir Singh, ed, *Indian Defence Yearbook 2005*, pp. 226–40; 'Modernization of the Indian Air Force on Course', in Lt. Gen. R.K. Jasbir Singh, ed, *Indian Defence Yearbook 2005*, pp. 241–64.



passage of the civilian nuclear deal, India's confidence in the US as a 'reliable supplier' may increase. This assessment is not diminished by Prime Minister Singh's October 2007 decision to slow negotiations on the nuclear deal to placate the concerns of his leftist coalition partners.

Many in India, recalling Pakistan's infamous F-16 experience and the Pressler Amendment Sanctions, remain reluctant to buy large weapons systems or other high-end platforms from the US because spare parts availability and supplier-provided maintenance will be subject to US policy decisions without a change in law. In addition, India has a number of other countries that are vying for this huge market, including among others, Israel, Russia, France, Britain and Sweden. All of these countries are generally more competitive than the US on price and contracting time lines. The primary advantage that the US has over these other competitors is 'quality' and the prestige that US technology and weapons systems confer. But it is far from clear whether or not India will find the increase in quality to be worth the marginal expense, longer and more complex contracting processes, and potential political 'strings attached'.<sup>37</sup>

Conditioned by its experience with Russia, where India can produce systems under licence and even co-develop systems, India strongly prefers—and indeed insists upon—joint development of weapons system and other high-end technologies (such as space cooperation) with the US. India seeks such arrangements with Washington to minimise its vulnerability to shifts in US policy. Co-development also satisfies India's desire to be seen as an equal—not junior partner—in the US–India relationship. The US has made great strides in accommodating India in this regard. One notable success is the founding of the High-Technology Cooperation Group to explore

opportunities for joint research and development.<sup>38</sup> (US officials remain dubious about the potential for this group given the yawning gap between Indian and US current capabilities and capacities—particularly in defence-related technologies.)<sup>39</sup>

Even if India ultimately demurs from making large-scale acquisitions from US defence suppliers, India will be in the coveted position of declining these offers. The current US disposition towards India contrasts starkly with the remote past when India was denied such technologies as the Cray Supercomputer or General Electric engines for its indigenous Light Combat Aircraft system. The new US willingness to explore these arrangements has done much to undo past acrimony over denied access to desired technologies.<sup>40</sup>

While the benefits are significant and compelling, there are several important costs that potentially confront India as a result of its on-going relationship with the US. Some of these costs are domestic and are salient for the current governing coalition rather than the Indian state. Prime Minister Manmohan Singh's government is a coalition of the Congress Party and leftist parties, including the Communist Party of India (Marxist). The leftist elements are vocal critics of the US and Indo-US relations. Prime Minister Singh needs to keep these oppositional elements within the fold of his government and this ostensibly imposes constraints upon his engagement with the US. This was evidenced by Prime Minister Singh's decision to slow the pace of negotiations on the US–India nuclear deal in the fall of 2007 as Singh was unable to forge a consensus on this contentious issue with elements that are reflexively inimical to a bettered US–India relations.<sup>41</sup>

<sup>37</sup> See section titled 'Global Military Cooperation', especially Chapter 17 ('India's Military Ties with Israel Reach New Heights', pp. 283–305); Chapter 18 ('Indo-US Strategic and Military Ties Enter New Phase', pp. 306–322), Chapter 19 ('India and Russia Strengthen Defence Cooperation', pp. 323–337); Chapter 20 ('Large Indo-French Defence Contracts in the Offing', pp. 334–337), Chapter 22 ('Indo-South African Deals Enhance Defence Cooperation', pp. 343–345); Chapter 23 ('Indo-Polish Defence Industry Partnership', pp. 346–349) in Lt. General R.K. Jasbir Singh, ed, *Indian Defence Yearbook 2005*.

<sup>38</sup> See 'Indo-US Strategic and Military Ties Enter New Phase', in Lt. General R.K. Jasbir Singh, ed, *Indian Defence Yearbook 2005*, pp. 306–22.

<sup>39</sup> Author conversations with persons in the United States Department of Defence in May and June 2006.

<sup>40</sup> For a discussion of this past antagonism over high-end items such as the Cray super computer, engines for the Light Combat Aircraft and so forth, see Limaye, *US-Indian Relations: The Pursuit of Accommodation*.

<sup>41</sup> Lisa Curtis, 'The Costs of a Failed US–India Civil Nuclear Deal', Heritage Foundation WebMemo 1688, November 2, 2007, at [www.heritage.org/Research/AsiaandthePacific/wm1688.cfm](http://www.heritage.org/Research/AsiaandthePacific/wm1688.cfm) (accessed on November 8, 2007).

This need to balance his foreign policies with the demands of these domestic constituents may explain Prime Minister Singh's other activities such as a high-profile meeting with Fidel Castro at the Non-Aligned Movement (NAM) summit in Havana in September 2006 and his endorsement of the summit's final communiqué.<sup>42</sup> Yet despite this potentially provocative visit, US officials and commentators generally refrained from making disparaging observations about the Cuban summit, which suggests a growing appreciation within Washington of India's independent foreign policy and the binding constraints of India's complex coalition democracy.<sup>43</sup> Washington's silence about the Singh–Castro engagement also suggests that both states have developed a sense of reciprocity in their efforts to avoid hectoring the other when there is difference of opinion about policies pursued.

New Delhi's relationship with Washington may impose some costs upon the often-proclaimed independence of India's foreign relations, notwithstanding vociferous statements to the contrary. One important example of such restraint was exhibited throughout 2006 during which time the US Congress was asked to pass legislation enabling the controversial US–India civilian nuclear deal. Since 2005, Iran's nuclear ambitions have become increasingly indisputable and compelled a series of actions within UN Security Council. New Delhi's leadership understood that its failure to vote with the US and international community to refer Tehran to the UN

Security Council in September 2005 would imperil the deal, despite claims to the contrary by leadership on both sides.<sup>44</sup>

Another potential cost for India may be realised in its relationship with China. India's relevance to the US derives in part because of its utility in checking China's unchallenged rise in Asia. While the current US administration has adopted of a more conciliatory tone towards Beijing, future administrations may pursue a more aggressive posture that will challenge India to find ways of maintaining its own interests in China while retaining support from Washington.

India's challenge will be finding ways to fulfil some of the US' varied expectations and, more generally, making itself relevant to the US and its regional and extra-regional objectives—even if that requires making difficult decisions with repercussions on India's domestic and foreign policy-making.<sup>45</sup> The 2003 debate within India about sending troops to Iraq exemplifies such tough decision-making. Prime Minister Vajpayee's government seriously deliberated sending troops to Iraq, with the understanding that such a decision would be a 'crossing of the Rubicon' for US–India

<sup>42</sup> Prime Minister Singh's endorsement of the NAM summit's final communiqué, with its distinct anti-US elements, raised some questions in Washington about the expected benefits of its newfound relations with India. Indian analysts argued that Washington saw the benefits as India actively worked to make the communiqué less confrontational than it would have been otherwise. While President Musharraf traveled to the United States from Cuba, Prime Minister Manmohan Singh declined an offer to visit the United States and returned to India. Singh was one of only four leaders to meet with ailing Fidel Castro. See 'PM Recalls Memorable Meeting with Castro', *Times of India*, September 18, 2006, at <http://timesofindia.indiatimes.com/articleshow/2001758.cms> (accessed on October 9, 2006).

<sup>43</sup> For an alternative view, see Michael Krepon, 'India–US: partners of convenience', *Rediff.com*, September 25, 2006, at <http://in.rediff.com/news/2006/sep/25mk.htm> (accessed on October 9, 2006).

<sup>44</sup> The US Ambassador to India, David Mulford, publicly warned that India's failure to vote to send Iran to the UN Security Council would have a devastating impact for the US–India nuclear deal as the US Congress would 'simply stop considering the matter' and the initiative will 'die.' US officials later claimed that these remarks were inappropriate and did not reflect the views of the administration. Indian officials chafed at what amounted to Washington dictating Indian policy. Needless to say, Indian officials understood that Mulford's admonition reflected more truth than not. See the discussion in C. Christine Fair, 'Indo–Iranian Ties: Thicker than Oil', Working Paper, Non-proliferation Policy Education Center, May 22, 2006, at [http://www.npec-web.org/Essays/indo-iran\\_5\\_23\\_06.pdf](http://www.npec-web.org/Essays/indo-iran_5_23_06.pdf) (accessed on October 11, 2006). Also see Harsh V. Pant, 'The US–India Nuclear Deal: The End Game Begins', *Power and Interest News Report*, January 27, 2006, at [http://www.pinr.com/report.php?ac=view\\_report&report\\_id=428&language\\_id=1](http://www.pinr.com/report.php?ac=view_report&report_id=428&language_id=1) (accessed on October 11, 2006).

<sup>45</sup> Ashley Tellis also raises this issue and notes that while the United States has to determine how much resources it will devote to make India an important partner of the US, India will have to choose to make itself a relevant partner of Washington. See Ashley J. Tellis, 'South Asia: US Policy Choices', in Frank Carlucci, Robert Hunter, Zalmay Khalilzad, eds, *Taking Charge: A Bipartisan Report to the President-Elect on Foreign Policy and National Security—Discussion Papers* (Santa Monica: RAND, 2000), p. 88.

strategic relations. In the end, Vajpayee's electoral weakness and the need to satisfy the demands of a complex constituency—including some 150 million Muslims—ensured that India would not send a military contingent to Iraq. While Washington was disappointed, ultimately it understood New Delhi's concerns. Depending upon the nature and gravity of and motivation for future military contingencies, the US may not be as understanding of India's complex decision calculus. Indeed at some point in the future, US policy-makers may begin querying whether or when US investments in India will produce security dividends.

### US Cost-Benefit Calculus

Washington's primary expected benefit from this alliance is that India can be a partner that will support—either tacitly or explicitly—many or even most US positions in multi-lateral fora, such as the UN. Washington hopes that India will break with its past pattern of sermonising and hectoring when it disagrees with Washington. Certainly, India holds a reciprocal expectation that the US will exercise restraint when disagreements arise and, as noted, there is ample evidence of such mutual discipline. Importantly, New Delhi need not actively support US initiatives in order for Washington to extract value from the relationship: the US will benefit from its new-found alliance if India simply demurs from taking high-profile contrary positions.

The second potential benefit that Washington highly prizes is India's stake in ensuring a balance of power in Asia, as described above. The US neither expects nor requires that India adopt a confrontational posture in Asia. Rather, Washington understands that simply by virtue of pursuing its own interests through the varied domains of Asia with increasing degrees of strategic presence and military capabilities, India could be a serious competitor to China and pre-empt China's singular rise in the region.

Third, the US expects India to be a robust and reliable military partner that will assume an increasingly prominent role in securing sea-lanes of control, engaging in counterpiracy and counterterrorism activities, search and rescue, humanitarian disaster relief and peace operations. With US forces stretched thin, this potential benefit cannot be overestimated. Some analysts and policy-makers expect India to eventually consider contributing forces to some ad hoc 'coalitions of the willing'. Another desired benefit is some degree

of basing access for US aircraft and naval vessels as well as access to maintenance and refueling facilities for its ships and aircraft. In fact, the US Navy is already considering placing a ship repair unit in Kochi.<sup>46</sup>

Washington expects that the unprecedented expansion of military-to-military ties and other dimensions of the US–India relationship (e.g., the waylaid US–India nuclear and space deals) will increase commercial opportunities for US firms in India. Washington is hopeful about India's decision to retire its MiG-21, MiG-23 and MiG-25 fighter aircraft and commence the acquisition process for 126 multi-role fighters. Requests for information (RFIs) have been issued to France's Dassault Aviation for the Mirage 2000-9, SAAB of Sweden for the JAS-39C Gripen and the MiG Corporation of Russia for the MiG-29SMT MRCA. But, the US is optimistic that India will also consider Lockheed Martin's F-16C and F/A-18-E.<sup>47</sup>

Similarly, Secretary of State Rice, in her April 2006 testimony before the Senate Foreign Affairs Committee in support of the US–India civilian nuclear deal, argued that the deal will provide opportunities for US firms seeking to assist India in the construction of its planned slate of thermal power reactors. She also argued that participation in India's nuclear market will help make 'the American nuclear industry globally competitive, thereby benefiting our own domestic nuclear sector.... This deal will permit US companies to

<sup>46</sup> See 'Indo-US Strategic and Military Ties Enter New Phase', in Lt. Gen. R.K. Jasbir Singh, ed, *Indian Defence Yearbook 2005*, pp. 306–22.

<sup>47</sup> See 'Modernization of the Indian Air Force on Course', in Lt. Gen. R.K. Jasbir Singh, ed, *Indian Defence Yearbook 2005*, pp. 241–64. Irrespective of which vendor is most competitive, given the varied Indian cost and quality constraints, all vendors will have to deal with the legacy of the Bofors scandal of the 1980s. As a consequence of this scandal, few Indian bureaucrats are willing to be bold in their acquisitions. One retired Indian ambassador explained to me that it is the highest accomplishment when a secretary of defence can defer large-scale acquisitions. Such officials fear that such deals will be viewed as opportunities for payoffs. Once they are out of office they will be scrutinized for ill-gotten gains. As a consequence, Indian analysts opine that modernization of the armed forces have been hampered by a crippled acquisition process and risk-averse bureaucracy. Also see Inder Malhotra, 'After the tehelka bombshell: NDA government already a lame duck', *The Tribune* (Chandigarh), March 22, 2001, at <http://www.tribuneindia.com/2001/20010322/edit.htm> (accessed on October 11, 2006); John Cherian, 'The Deals in Question: A Look at the Defence Deals on the Table that have Figured in the Latest Scandal', *Frontline Magazine* (Delhi) 18:7, April 12, 2001.

enter the lucrative and growing Indian market—something they are currently prohibited from doing'.<sup>48</sup> Critics of this argument counter that such sales are not likely to happen as US companies are not competitive on cost compared to other hopeful suppliers and such projects are likely to be crippled by difficulties obtaining insurance for nuclear projects in India due to, inter alia, security concerns.

While the potential benefits to Washington are important, there are some noteworthy costs that it will likely countenance while advancing better ties with New Delhi. First and foremost is the fact that, in truth, the US cannot pursue relations with India completely independent of Pakistan until the underlying causes of the Indo-Pakistan security competition are resolved. Second, India's prosecution of its own interests will have—and, indeed, have had—negative impacts for important US regional interests. For example, increased US–India military and strategic ties will have negative externalities vis-à-vis Pakistan's behaviour in the region as will implicit recognition of—and even encouragement of—India's expanded presence throughout Central Asia and beyond. It will doubtlessly foster greater insecurity in Pakistan and will in all likelihood encourage risk taking in the region through continued reliance upon proxy elements (militant groups) operating in India and Afghanistan.

India's involvement in Afghanistan exemplifies this necrotic dynamics. The US welcomes India's extensive and largely constructive presence in Afghanistan, including the employment of the Border Roads Organisation to rebuild some sensitive roads in Afghanistan, development of critical infrastructure and the maintenance of some eight consulates.<sup>49</sup> However, Pakistan views New Delhi's footprint on its border warily. Fearing a stable Afghanistan firmly allied with India, Pakistan pursues destabilising policies in the former to diminish the prospects of such an outcome, with loss of life for US and coalition forces as well as Indian

personnel working in Afghanistan.<sup>50</sup> Similarly, Pakistan will find ways of mitigating any presumed military advantages that India will extract from the US–India civilian nuclear deal. This may mean that Pakistan will seek a parallel nuclear deal with China as a counterweight to both the nuclear deal and larger Indo-US strategic alliance. Pakistan may also increasingly turn to Saudi Arabia—in concert with China—to develop a hedging strategy against the US–India relationship.

Third, as the US imagines ever-expanding vistas for India's involvement globally, Washington's already anemic interests in India's domestic policies will diminish further. Washington has not been interventionist with respect to New Delhi's mismanagement of the on-going dispute with the varied peoples of the Jammu & Kashmir region and the concomitant long-standing record of human rights violations there.<sup>51</sup> Washington has also been insouciant about the rise of Hindutva and the ever-evolving existential debates about the place of India's Muslims within the Indian national project. Washington remained quiet about the massacres of thousands of Muslims in Gujarat in 2002 and has remained so despite the numerous failures of the justice system to address those crimes.

This insouciance persists despite some limited mandate for the US to be more interventionist on these issues. For example, the US Commission on International Religious Freedom, created by the International Religious Freedom Act of 1998, is charged with monitoring the status of freedom of thought, conscience and religion as defined by the Universal Declaration of Human Rights and related international instruments, and to give independent policy recommendation to the president, secretary of state and the US Congress. Every year, the commission publishes a comprehensive

<sup>48</sup> See 'Remarks of Secretary of State Condoleezza Rice at the Senate Foreign Relations Committee on the US–India Civil Nuclear Cooperation Initiative, Wednesday April 5, 2006, pp. 10–11, at <http://foreign.senate.gov/testimony/2006/RiceTestimony060405.pdf> (accessed on April 20, 2006).

<sup>49</sup> For a comprehensive account of India's involvement in Afghanistan, see Ministry of External Affairs, *Rebuilding Afghanistan: India at Work*.

<sup>50</sup> See the discussion about India's role in Afghanistan and its impacts upon Pakistani thinking in Barnett R. Rubin, *Afghanistan's Uncertain Transition from Turmoil to Normalcy*, Council Special Report No. 12, 2006; Barnett R. Rubin and Abubakar Siddique, *Resolving the Pakistan–Afghanistan Stalemate*, United States Institute of Peace Special Report No. 176, 2006.

<sup>51</sup> Human Rights Watch, 'Everyone Lives in Fear': *Patterns of Impunity in Jammu and Kashmir*, (New York and New Delhi: HRW, 2006), at <http://hrw.org/reports/2006/india0906/> (accessed on October 9, 2006). This report also details the abuses of the militant groups, which are in many cases backed and resourced by the Pakistan Army.

volume on all major countries, including India.<sup>52</sup> (Unlike Pakistan and Bangladesh, India refuses to give permission to Commission delegates to even visit India.)<sup>53</sup>

Second and more importantly, there are direct security implications for New Delhi's policies that impinge upon US interests. Notably, these decisions—as Indian analysts have opined—have likely fostered the increasing recruitment of Indian Muslims into groups such as the Pakistan-based Lashkar-e-Taiba, as evidenced by the involvement of Indian Muslims in the Mumbai subway attack in July 2006.<sup>54</sup> Policies that radicalise the second-largest population of Muslims in the world and galvanise their participation in the globalised political-militant Islamist project are bound to have adverse consequences certainly for India but also for US regional and extra-regional counter-terrorism interests as well.

Third, the US-India nuclear deal (approved by both the US House of Representatives and the Senate in late 2006 but stalled in India) is seen as being a positive development for advancing US-India strategic relations. However, the deal may impose critical trade-offs on other US counter-proliferation and non-proliferation objectives, as Michael Krepon, Leonard Spector and Robert Einhorn, among others, have argued. Proponents of the deal have rubbished many—if not all—of these arguments.<sup>55</sup> Nonetheless, it remains one

<sup>52</sup> See the website of the US Commission for International Religious Freedom at <http://www.uscifr.gov/home.html> (accessed on October 24, 2006).

<sup>53</sup> Author discussions with officials at the Commission during the spring of 2006 and with a Senate staff member in the same period.

<sup>54</sup> See Praveen Swami, 'The Spreading Tentacles of Terror', *The Hindu*, August 31, 2003; Stavan Desai, 'On Our List, Gujarat Cops Who Didn't Act: Terror Suspect', *The Indian Express*, July 27, 2006; Praveen Swami, 2006. 'New Evidence on Mumbai Blasts Shows Up', *The Hindu*, August 1, 2006; Praveen Swami, 'The Road to Unimaginable Horror', *The Hindu*, July 13, 2006; Stavan Desai, Anuradha Nagaraj, Sagnik Chowdhury, 'Cops Follow Aurangabad Arms Haul Trail, Arrest Four and Look For Key Lashkar Man on the Run', *The Indian Express*, July 15, 2006.

<sup>55</sup> See, among other notable refutations of extant concerns about the nuclear proliferation implications of the deal, the following debate between Gary Milhollin against Dishaw Mistry and Sumit Ganguly. For Mistry and Ganguly's argument, see Dinshaw Mistry and Sumit Ganguly, 'The US-India Nuclear Pact: A Good Deal', *Current-History* 105 (November 2006), pp. 375-78. For a countering view, see Gary Milhollin, 'The US-India Nuclear Pact: Bad for Security', *Current History* (November 2006), pp. 371-73; Sumit Ganguly and Dinshaw Mistry, 'The case for the US-India Nuclear Agreement', *World Policy Journal* 23:2 (Summer 2006), pp. 11-19. Also, see Ashley Tellis, 'Atoms for War?: US-Indian Nuclear Cooperation and India's Nuclear Arsenal', Washington, DC, Carnegie Endowment, 2006.

of the most popular criticisms waged against the deal. Despite the persistence of the critics of the deal in the US, opponents of the deal in India seemed to have prevailed at least in the short term.<sup>56</sup>

US critics of the nuclear deal discount the future reliability of India in fulfilling its commitments by reminding observers that India 'chose to totally disregard its commitments to Canada and, in 1974, detonated a nuclear device using plutonium reprocessed from spent fuel from the CIRUS reactor'.<sup>57</sup> India had pledged to the US and to Canada that the reactor, heavy water and any plutonium produced through their use would be used only for peaceful purposes. David Albright testified that plutonium currently used in the nuclear arsenal was produced in CIRUS.<sup>58</sup> India, however, refuses to acknowledge this transgression, which vexes critics of the deal and legitimises their dubiety about India's future conduct. State Department officials have also sought to diminish the import of this concern in their own efforts to secure Congressional acquiescence to the Bush administration's preferred policy.<sup>59</sup> Critics continue to argue that nothing would preclude India from abandoning its current commitment to the US when it ceases being beneficial, as

<sup>56</sup> Lisa Curtis, 'The Costs of a Failed US-India Civil Nuclear Deal'.

<sup>57</sup> Canadian Department of Foreign Affairs and International Trade, <http://www.dfait-maeci.gc.ca/nndi-agency/non-proliferation-en.asp> (accessed on November 8, 2007), cited by Leonard S. Spector, 'US Nuclear Cooperation with India', testimony before the International Relations Committee of the House of Representatives, October 26, 2005, p. 4.

<sup>58</sup> *Ibid.*, pp. 4-5.

<sup>59</sup> The State Department furnished responses to 82 questions posed by Richard Lugar, some of which addressed this issue. Senator Lugar asked about the 'status of India's violation of its peaceful use undertakings in the 1956 US heavy-water contract' and inquired whether these violations are 'on-going' or are they, as a result of the termination of US-Indian nuclear cooperation, no longer operative? Under Secretary Joseph replied, 'The outcome was that a conclusive answer was not possible due to both the factual uncertainty as to whether US-supplied heavy water contributed to the production of the plutonium used for the device and the lack of a mutual understanding of scope of the 1956 contract language.' While Under Secretary Joseph expressed the administration's interest in focusing on the future, not the past, he did concede that to date India does not acknowledge to the U.S. 'that it considered that its use of US-supplied heavy water was a violation of the 1956 contract'. See 'Questions for the Record Submitted to Under Secretary Robert Joseph by Chairman Richard G. Lugar', Senate Foreign Relations Committee (#1a), November 2, 2005.

was done with previous commitments to Canada and the US.<sup>60</sup> For those analysts and policy-makers, who view India through a fundamentally transformed lens, such questions are seen as irrelevant, jejune and unsophisticated.

Proponents of the deal enumerated the benefits that may actually accrue for the non-proliferation regime by bringing several Indian facilities under the nuclear safeguards umbrella and by diminishing the possibility of horizontal proliferation from India. But even proponents of the deal must concede that the deal *is* inherently 'bomb friendly', in the words of Michael Krepon, in that it does not currently secure any restraint on India's nuclear weapons programme and in no way limits fissile material production for military purposes. This allows India to retain the option of re-optimising the size and structure of its arsenal as New Delhi sees fit.

Secretary Rice, in her congressional testimony, denied this characterisation although she conceded that the deal does *not* in any way seek to limit India's ability to process highly enriched fuel for its weapons programme. Rice flatly dismissed the concerns that this deal will allow India to expand its nuclear arsenal significantly by arguing,

This is just not the case. The initiative does not cap Indian nuclear weapons production, but nothing under this initiative will directly enhance its military capability or add to its military stockpile. India could already build additional weapons within the limits of its capabilities if it is so desired, with or without this deal. But the Indian

<sup>60</sup> For a critique of the assumptions undergirding this deal, see George Perkovich, 'Faulty Promises: The US-India Nuclear Deal', Carnegie Endowment for International Peace Policy Outlook No. 21, September, 2005; Michael Krepon, 'Are the Basic Assumptions Behind the Bush Administration's Nuclear Deal with India Sound?', Henry L. Stimson Center, March 15, 2006, at <http://www.stimson.org/pub.cfm?id=276> (accessed on April 20, 2006); See Michael Krepon, 'The US-India Nuclear Deal: Another Wrong Turn in the War on Terror', Henry L. Stimson Center, March 29, 2006, at <http://www.stimson.org/pub.cfm?id=283> (accessed on April 20, 2006); Leonard S. Spector, 'US Nuclear Cooperation with India', testimony before the International Relations Committee of the House of Representatives, October 26, 2005; Robert J. Einhorn, 'The US-India Nuclear Deal', testimony before the International Relations Committee of the House of Representatives, October 26, 2005.

government has repeatedly confirmed in public that it intends to expand only its civil nuclear energy capability.<sup>61</sup>

Ashley Tellis also argued against the contention that India seeks to dramatically expand its military stockpile.<sup>62</sup> These arguments fail to mollify critics who believe that New Delhi's military intentions are belied by the details of this deal (the designation of the fast breeder reactor as a military asset) and who believe that there is no reason to assume that India's expanded interest in civilian nuclear activities preclude expanding military interests.

Perhaps the most persuasive potential cost of the deal derives from the requirement that the US must convince the international community to change the rules of the game and the Nuclear Suppliers Group to allow nuclear commerce for India. This task is not likely to be difficult given that the International Atomic Energy Agency chief Mohammad El Baradei has blessed the deal and given that several countries would be interested in selling nuclear technology and fissile material to India.<sup>63</sup> The challenge may come from the India-specific nature of these changes. Critics ask what would stop China from seeking a similar deal for its ally Pakistan. The Bush administration defends the India-specific nature of the policy rather than a criterion-based policy according to which such deals could be made with other deserving states. The Bush administration defines the sin of proliferation not by the deed, but by the nature of the regime. But even solid proponents of the deal acknowledge that it raises questions of precedent and process in that Washington is simultaneously asking the international

<sup>61</sup> See 'Remarks of Secretary of State Condoleezza Rice at the Senate Foreign Relations Committee on the US-India Civil Nuclear Cooperation Initiative', Wednesday, April 5, 2006, p.13, at <http://foreign.senate.gov/testimony/2006/RiceTestimony060405.pdf> (accessed on April 20, 2006).

<sup>62</sup> Ashley Tellis, *Atoms for War?*

<sup>63</sup> See Sridhar Krishnaswami, 'Indo-US N-deal "Win-Win": IAEA Chief', *Rediff.com*, May 25, 2006, at <http://ia.rediff.com/news/2006/may/25nddeal.htm> (accessed on October 24, 2006).

community to take harsher measures against Iran and North Korea while encouraging leniency towards India.<sup>64</sup>

## CONCLUDING THOUGHTS: POTENTIAL IMPEDIMENTS

Recent years have witnessed a fundamental restructuring of US–India relations and hitherto unexpected progress has been made,<sup>65</sup> but there are a few areas of potential concern that merit some attention. Given the pace of Indo-US relations and the rhetoric on both sides about the nature and consequence of the relationship, both sides will have to manage or calibrate carefully their expectations of each other. For Washington's part, there is a belief that India will be the next 'Australia' or 'United Kingdom'. US officials have reached this conclusion in part because of India's vast assets: its army is one of the world's largest and its personnel are competent, its navy and air force are also assessed to be high-quality and India has a solid track record in UN peace-keeping operations under Chapter VI (aka 'Blue Helmet' or 'peace-keeping') mandate.<sup>66</sup>

US officials, while appreciating these assets, need to keep in mind what India hopes to achieve with these assets and the complex electoral constraints that bind New Delhi's decision-making. With the possible exception of its hopes for a blue-water navy, India has not yet articulated a global force projection strategy. As one Indian official explained to this author in 2003, apart from 'sorting out a neighbour' Indian forces leave India only for Blue Helmet missions.<sup>67</sup> The US must calibrate its expectations for India's participation in any future ad hoc military coalition without a UN mandate, unless New Delhi's national security interests were at stake.<sup>68</sup> There is no reason to believe that India sees military coalitions as a fundamental element of strategic partnerships without an obvious and compelling threat to India's security interests.

Nor should the US presume that India's vision of its force posture will remain static. New Delhi's assessments of its optimal force projection is evolving, consonant with the role that it wants to establish for itself in Asia and beyond.<sup>69</sup> For example, it understands

<sup>67</sup> See Fair, *The Counterterror Coalitions Cooperation with India and Pakistan*; and Fair, 'US-Indian Army-to-Army Relations'.

<sup>68</sup> Indian operations in Sri Lanka in the late 1980s and early 1990s and Indian operations in the Maldives were not UN missions. In fact, the debacle of Sri Lanka (often compared to as India's 'Viet Nam') is pointed to as compelling reasons why India should not engage in such missions without a UN mandate. It must be understood clearly that decisions to participate in such coalitions of the willing is a policy decision that in the civilian institutions with little or no consideration of military interests or equities. In fact, military personnel interviewed by the author had hoped that the Indian decision making apparatus would decide to send troops to Iraq because they saw it as an opportunity to serve along side the world's pre-eminent army. Notably, the Indian armed forces are deliberately excluded from the apex decision-making bodies. While the previous (BJP-led) government under Vajpayee sought to bring the military into the corridors of power through the institutionalizing of the Chief of Defence Staff (CDS), the government was unable to do so for a variety of reasons. Manmohan Singh, a Congress Prime Minister allied in a leftist coalition, has not revisited this issue. Thus for the policy-relevant future, the military will not have a role to play in such decisions. See discussion of India's strategic culture in Fair, 'US-Indian Army-to-Army Relations'.

<sup>69</sup> The best sources to track this include the Ministry of Defence Annual Reports, the annual *Indian Defence Yearbook* which has been edited by Lt. Gen. R.K. Jasbir Singh and published by Natraj, as well as the various journals and books from India's defence-related think-tanks such as the United Services Institution of India and Institute for Defence Studies and Analyses (IDSA).

<sup>64</sup> Iran, for its part, has already argued the nuclear double standard implied by the US–India nuclear deal and US officials (e.g., Nicholas Burns) has strongly supported and defended this 'double standard' as appropriate. See comments by Under Secretary of State for Political Affairs, R. Nicholas Burns at a talk called 'US–India Relations: The Global Partnership', Tuesday 16, 2006, attended by the author, audiofile available at <http://www.carnegieendowment.org/events/index.cfm?fa=eventDetail&cid=884&&prog=zgp&proj=znpp,zsa,zusr> (accessed on May 31, 2006).

<sup>65</sup> Fair, *The Counterterror Coalitions Cooperation with India and Pakistan*; and C. Christine Fair, 'US-Indian Army-to-Army Relations', *Asian Security*, 1:2 (2005); Ashley Tellis, *India as a New Global Power: An Action Agenda for the United States*; Stephen J. Blank, *Natural Allies: Regional Security in Asia and Prospects for Indo-American Strategic Cooperation* (Carlisle, PA: Strategic Studies Institute, 2005).

<sup>66</sup> John Lancaster, 'US Troops On Front Line Of Expanding India Ties', *The Washington Post*, January 25, 2006; comments of Under Secretary of State for Political Affairs, R. Nicholas Burns at a talk called 'US–India Relations: The Global Partnership'. For a comprehensive discussion of expectations since 2000, see Fair, 'US-Indian Army-to-Army Relations'. Tellis, *India as a New Global Power*.

that its rigid adherence to Chapter VI 'peace-keeping' operations and stringent avoidance of Chapter VII 'peace enforcement' operations may make India irrelevant in an area that it has extensive investment. Thus, the US needs to watch closely India's thinking in this area and adjust its expectations accordingly. The US of course has a role to play in helping India hone its strategic vision through the course of the varied US-India defence planning group meetings.

Finally, the US needs to rethink its expectations that India will be a large-scale purchaser of defence-related and nuclear-related equipment, raw materials and processes. The US contracting process, prices and perceived political contingencies of such purposes will likely be a big disincentive for such investments without serious changes in any or all of these dimensions.

For India's part, it needs to appreciate that while the Bush administration has made efforts to minimise the 'strings attached' to the US commitment to help India become a global power, there are expectations that India will find ways of being relevant to the US regional and global security agendas. It is encouraging that both India and the US have developed a more sophisticated comprehension of each other's complex bureaucracies. India has become increasingly cognisant of the fact that the US president is not the sole arbiter of US policy; rather, the US Departments of State and Defence as well as the US Congress have their own expectations of India as well as concerns about proposals to advance US-India relations.<sup>70</sup> India will need to remain aware of these multiple centres of policy-making and their particular equities, as exemplified by the US Congress' opposition to specific aspects of the deal that President Bush negotiated with Prime Minister Singh.

In the future, the US government may expect New Delhi to forge its foreign policies towards such countries as Iran with greater sensitivity to US interests. India's relationship with Iran will certainly become more significant as the conflict over Iran's nuclear programme continues to intensify. The US will look askance towards

<sup>70</sup> In the past, the Indian government did not appreciate that the US government is not a coherent monolith. This lack in understanding of the US process was matched by that of the US government, which failed to understand the complexities of India's decision-making bodies. For a historical discussion, see Safu Limaye, *US-Indian Relations: The Pursuit of Accommodation* (Boulder, CO: Westview Press, 1993).

serious Indian investment in Iran, should sanctions go forward. Similarly, it would not welcome an Indian resistance to punitive measures against Iran, should this emerge as Washington's preferred approach. As the congressional row over India's naval exercise with Iran in March 2006 and the debates in Congress about India's expected votes at the IAEA in the Fall of 2005 demonstrate, this is a potentially combustible issue for the US Congress.

India needs to remain sensitive to the fact that while it wants joint-development of military technologies, there are large stakeholders in the US who hope that India will be a large-scale purchaser of technologies. India seems to understand this expectation in some measure as evidenced by its purchase of weapons-locating radar from the US in 2003. In fact, India cancelled a contract with Ukraine to buy the more expensive system as a confidence building measure towards Washington. After doing so, Indian officials complained to this author, that had they stayed with the Ukraine company, they would have had the system inducted much earlier because the US supply timeline was onerous and they would have paid much less.<sup>71</sup> With such experiences in mind, India may be reticent to make even larger investments with US technologies.

Finally, India will need to maintain its forbearance towards the US engagement with Pakistan. The US has historically pursued relations with Islamabad based upon a hierarchical set of priorities. In 1980s, it wanted to secure Pakistan's contribution to fight the Soviets in Afghanistan at the expense of Pakistan's pursuit of nuclear weapons and support of insurgency in India (e.g., Pakistan's support of Sikh insurgents throughout the 1980s). In the 1990s, it pursued non-proliferation concerns once the Soviets retreated from Afghanistan. Again, the US—at least for now—is singularly focussed on the Global War on Terrorism at the expense of nuclear proliferation or democratisation concerns. Since the onset of the war on terrorism, the US has put pressure on Pakistan to stop supporting the insurgency in India-administered Kashmir or terrorism within India *only* when militant acts have brought the two states to the brink of war (e.g., after the December 2001 attack on the Indian parliament and the May 2005 Kaluchak massacre).

<sup>71</sup> See discussion of this episode in Fair, 'US-Indian Army-to-Army Relations'.



In conclusion, none of these issues are 'deal breakers'. Both states have made remarkable strides in better calibrating the expectations of their partnership and they have come to develop ever more sophisticated appreciation for the multiple constraints that bind both countries' decision-making apparatus. Most important to the positive long-term prognosis, this security dyad is the fact that the advancement of US-India relations is not dependent upon particular leadership personalities; rather, the commitment to the engagement has been nearly thoroughly institutionalised. Finally, in both states, constituents with vested interests in maintaining the relationship have taken firm root and they will serve as important ballast during times of strain and duress. In short, there is every reason to expect that the US-India alliance will not only endure but also continue its trajectory of expansion into new areas of collaboration and cooperation.

# Indian Foreign Policy in a Unipolar World

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