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## India – US
1 Introduction

- India-U.S. bilateral relations have developed into a "global strategic partnership", based on shared democratic values and increasing convergence of interests on bilateral, regional and global issues.
- The emphasis placed by the new Government in India on development and good governance has created new opportunity to reinvigorate bilateral ties and enhance cooperation under the new motto- "Chalein Saath Saath: Forward Together We Go", which was adopted following Prime Minister Narendra Modi's first summit with President Barack Obama on 30 September 2014 in Washington DC.
- Regular exchange of high level political visits has provided sustained momentum to bilateral cooperation, while the wide-ranging and ever-expanding dialogue architecture has established a long-term framework for India-U.S. engagement.
- Today, the India-U.S. bilateral cooperation is broad-based and multi-sectoral, covering trade and investment, defence and security, education, science and technology, cyber security, high-technology, civil nuclear energy, space technology and applications, clean energy, environment, agriculture and health.

2 Indian Diaspora

- The 3-million-plus strong Indian American community is an important ethnic group in the U.S., accounting for about 1% of the total population in the country.
- Indian American community includes a large number of professionals, business entrepreneurs and educationalists with increasing influence in the society.
- With two Indian Americans occupying high level posts of Governor and several representatives of the people, the Indian Diaspora has assimilated into their adopted country and is acting as a catalyst to forge closer and stronger ties between India and USA.

3 Prime Minister visit to US in 2014

- Prime Minister Modi visited the U.S. on 26-30 September 2014. He held meetings with President Obama, met with members of the U.S. Congress and political leaders, including from various States and cities in the U.S., and interacted with members of President Obama's Cabinet.
- He also reached out to the captains of the U.S. commerce and industry, the American civil society and think-tanks, and the Indian-American community. A Vision Statement and a Joint Statement were issued during the visit.
- Key outcomes of Prime Minister's visit include new mechanisms to enhance trade and investment, particularly in infrastructure; new modalities to implement cooperation in energy, including nuclear and renewable energy, and climate change; new initiatives in knowledge, education and skill development; new approaches to defense trade, security and counter-terrorism collaboration; and new areas of cooperation between India and the U.S. in third countries.

4 Civil Nuclear Cooperation

- The bilateral civil nuclear cooperation agreement was finalized in July 2007 and signed in October 2008. During the visit of President Obama to India in November 2010, the two Governments announced completion of all steps to begin implementation of the Civil Nuclear Agreement.
- U.S. nuclear companies (Westinghouse and GE Hitachi) are in consultations with NPCIL to commence commercial cooperation in this area. NPCIL and Westinghouse signed a "preliminary contract" in September 2013 for a nuclear power project in Gujarat.
- During Prime Minister Modi's visit to the US in September 2014, the two sides set up a Contact Group for advancing the full and timely implementation of the India-US Civil Nuclear Cooperation Agreement, and
to resolve pending issues. The Group had its first two meetings in December 2014 and January 2015 respectively.

4.1 **About the Nuclear Deal**

- A decade has gone by since President George W. Bush and Prime Minister Manmohan Singh issued the 18 July 2005 joint statement announcing an extraordinary deal that the United States will facilitate India’s access to global nuclear commerce, in return for India’s commitment to play a major role in global non-proliferation efforts as well as harmonize its civilian nuclear programme with the norms of the nuclear non-proliferation regime.
- The deal was a defining moment for the non-proliferation regime, embodying its structural realignment wherein a perceived ‘outlier’ was being assimilated into the system through a process that was seen by different sections as having the prospect of strengthening as well as unravelling it.
- Accordingly, India, which is not a party to the **Treaty on the Non-Proliferation of Nuclear Weapons (NPT)**, was to be allowed to participate in nuclear trade despite not subscribing to the **International Atomic Energy Agency’s (IAEA) full-scope or comprehensive safeguards as required by the 1992 (Warsaw) guidelines of the Nuclear Suppliers Group (NSG)**.
- Many Indian observers termed the deal as marking the country’s return to the non-proliferation mainstream, even as some sections alleged a compromise of national interests by submitting a ‘self-reliant’ programme to international scrutiny.
- On the other hand, critics across the globe questioned the privileged treatment to one country by transcending the NPT framework, which, they felt, could weaken the Treaty.
- A decade later, the jury is still out on whether the intended objectives of the India-US nuclear deal have been fulfilled, the projected gains accrued and apprehensions validated. The promise of participation in global nuclear trade, facilitated by the September 2008 India-specific waiver from the guidelines of the Nuclear Suppliers Group (NSG), entailed three major outcomes for India:

  (a) Uninterrupted flow of uranium for its reactors,
  (b) Introduction of advanced reactor technologies to expand its nuclear energy programme
  (c) The strategic spin-off of gaining a seat at the high-tables of the non-proliferation regime.

5 **Economic Cooperation**

- There are several dialogue mechanisms to strengthen bilateral engagement on economic and trade issues, including a **Ministerial level Economic and Financial Partnership** (last met in Washington in October 2013) and a **Ministerial Trade Policy Forum** (last met in New Delhi in November 2014). India and U.S. are negotiating a Bilateral Investment Treaty (BIT).
- Both countries have committed to work through Trade Policy Forum to promote mutually attractive business/investment environment.
- There exists a **Commercial Dialogue** (with tenure until March 2016) which provides the framework for both Governments and the private sector to collaborate on trade and commercial issues of mutual interest with a view to facilitating trade and investment opportunities across various sectors.
- For greater involvement of private sector in discussion on issues involving trade and investment, the bilateral India-US CEO’s Forum was reconstituted in 2009 and had its last round of meeting in July 2013 in Washington D.C.
- During Prime Minister Modi’s visit in September 2014, it was decided to establish an India-US Investment initiative, with a special focus on facilitating FDI, portfolio investment, capital market development and financing of infrastructure.
- The newly established US-India Infrastructure Collaboration Platform seeks to deploy cutting edge U.S technologies to meet India’s infrastructure needs.
US firms will be lead partners in developing Allahabad, Ajmer and Vishakhapatnam as Smart Cities. USAID will serve as knowledge partner for the Urban India Water, Sanitation and Hygiene (WASH) alliance with to help leverage business and civil society (Gates Foundation) to facilitate access to clean water, hygiene and sanitation in 500 Indian cities.

6 Prime Minister’s recent visit to US (Silicon Valley)

- Prime Minister Narendra Modi’s visit to Silicon Valley will be instrumental in enhancing foreign investment and is a shot in the arm for the country’s manufacturing sector.
- Modi’s visit to the Silicon Valley in the US was the first by an Indian Prime Minister in more than three decades. Modi’s Make-in-India will strengthen by this visit.
- This visit will benefits to India in achieving programs like Digital India which is an enterprise for India’s transformation on a scale that is, perhaps, unmatched in human history.
- The Digital India platform will immensely help in ease of doing business and bringing in necessary transparency in the Indian system and industry would contribute nearly 4.5 lakh crore to the initiative.
- “This programme offers number of new possibilities for Indo-US collaboration including a new level of engagement between the government, private sector and citizens.
- In order to facilitate the participation of industry, small & large, from both countries in the growing defence business in India, is launching a private sector industry think-tank, in partnership with its counterpart industry bodies. The mandate of the think-tank will be to clear the maze of procedures and facilitate B2B interactions.
- The platform will provide a transparent mechanism for industry both public and private to engage in a dialogue to nurture technology incubation, industry academia interface and allow technology to be an enabler to help the Indian defence companies understand opportunities to become a part of the global supply chains, licensing and export control norms and help to create a conducive offset delivery mechanism for the development of the local industry.

7 U.S “Asia Pivot” Theory

- Since the Obama administration announced a "pivot" or "rebalancing" to Asia, the military components of this larger strategic shift have quite understandably dominated much of the public debate.
- At their core, the military dimensions of the rebalancing to Asia are about maintaining conventional deterrence in the face of Chinese military modernization.
- This is a major problem because the Chinese, among others, are embarking on a systematic campaign that threatens to undermine American conventional deterrence. The Chinese are building a robust network of what are termed anti-access/area-denial (A2/AD) technologies that essentially threaten to keep American forces at arms’ length through a variety of means designed to attack American forces, networks, satellites, and communications. While these technologies may be insufficient to produce a Chinese victory in a protracted engagement against the United States, they could conceivably produce a
Chinese victory against local American and allied forces in the early stages of a conflict, which China would seek to limit and conclude on favorable terms.

- The rebalancing to Asia is extremely important for **two major reasons**. To begin with, an effective military presence in the Asia-Pacific is the best way to maintain conventional deterrence and thereby preserve peace. Second, if the unthinkable should happen-as it did in 1941, when a rising Asian superpower launched a risky preventative strike against American and allied interests in hopes of a quick victory-an effective buildup could help weather the initial strike and ensure an eventual American triumph.

### 7.1 US “Asia Pivot” impact on India

- The US-India strategic partnership has been reaffirmed in the Obama administration’s “rebalancing” or “pivot” to Asia.
- The Indian Navy will be important in helping to achieve the US strategic rebalance to Asia and central in attaining objectives in securing the **Indian Ocean Region (IOR)**.
- At present, the Indian Navy is able to help provide security with anti-piracy and anti-submarine patrols, especially in the sea lanes running from the Gulf of Aden to the Strait of Malacca. Currently, there are debates about how capable and modern the Navy is in regard to doctrine, warships and weaponry. There are also concerns about where and if the Navy fits in India’s unwritten national security strategy.
- The current Indian government views the development of interoperability as the path to a possible alliance, which would impinge on India’s strategic autonomy.
- The strategy requires a long-term partnership with India, as an economic and security anchor in the region. Priorities for both countries vary, particularly in regard to China, leading to divisions within each country as well.
- Many in India do not want their nation to take part in any **Sino-American cold war** or conflict and accuse the US of ignoring shenanigans from Pakistan. Indians are also wary about US plans to withdraw troops from Afghanistan and the likely resulting chaos.
- Both countries have conservatives who oppose reliance on partnerships and agreements that could constrain their military.
- Indian strategists worry that Washington seeks to draw New Delhi into more active opposition to Chinese ambitions in the South China Sea or elsewhere in East Asia, and accuse the United States of willful blindness toward Chinese intrigues in South Asia more directly threatening Indian interests-such as Beijing’s activities in Pakistan, including Chinese construction on the port of Gwadar and most especially Chinese support for Pakistan’s nuclear activities, but also alleged Chinese inroads in Burma, Bangladesh, Nepal and Sri Lanka.

### 8 India-US-China Triangle

- There are two defining characteristics of the security environment in the Asia-Pacific region after the end of Cold War: a) The United States has become the only superpower in the world today. It is also the most important external power in Asia, and plays a key role in South Asian security. b) China and India is emerging Asian powers. Each has a population of over a billion; possess nuclear weapons and numbers among the fastest growing economies in the world.
- Relations among these three countries will undoubtedly dominate the course of events within the **Asia-Pacific region** in the 21st century. Their interactions and how they deal with the triangle will, to a large extent, influence future peace and stability in the region.
- China and India, the two largest developing countries in the world, have a commonality of history, culture, economy and social characteristics, and profiles of development. Each applies itself to internal economic development, carries out an independent foreign policy and strives for a peaceful international environment. China is a big power in East Asia while India is a big power in South Asia. Each has advantages and influence in their respective regions. However, they are not world powers that have
global influence. In terms of institution and comprehensive strength, they cannot even be ranked as strong powers.

- **For America**, China and India, at one end, are two emerging markets offering economic benefits and developing opportunities. At the other end, China and India are also two transitional countries demonstrating uncertainty, from the United States’ strategic point of view.
- Washington fears most is the possibility of China and India, with Russia, forming an alliance based on a common understanding and interests of a new international political and economic order and a multi-polar world.
- The United States and India is the largest democracies in the world, share common political values and strategic interests. Their common geo-political, economic and socio-political interests are advancing a co-operative agenda (which their differences over nuclear proliferation may not be able to halt).
- With the US-India relationship moving forward over the past two years, the two countries have developed a comprehensive co-operative framework covering democracy, economy and security.
- The United States now pays more attention to India’s role as the largest democracy than it did before. India’s continuous and fast-growing economy, especially its information technology industry, attracts great investment from transnational corporations based in America.
- In the security arena, the U.S. leadership has gradually begun to ‘forget’ India’s nuclear tests and has come to recognize India as a de facto nuclear power, as also its preponderant position in South Asia.
- With India’s support for America’s unilateral action in missile defense, the US and India moved from divergence to co-operation in the field of non-proliferation. After 9/11, counter-terrorism has been a new field of strategic co-operation for U.S. and India.
- In a related development, Pakistan turns out to be less of an ‘obstacle’ for the US-India framework of relationships. China and the United States, the largest developing and developed countries respectively, also have comprehensive common strategic interests.
- Besides large potential economic cooperation, they also share broad interests in other fields such as regional stability and the role and reform of the United Nations.
- There might be emergence of a "soft balance of power" system among the three countries. At the other end, it is possible for China, the US and India to establish a relatively harmonious relationship if they can seek out common views and interests, and push their differences aside to deal with bilateral and trilateral relations within a strategic perspective.