*Indian Foreign Affairs Journal* Vol. 10, No. 2, April–June 2015, 103-145 **DEBATE**

**INDO-US STRATEGIC PARTNERSHIP: CURRENT TRENDS AND EXPECTATIONS**

A slight drift in India - US ‘Strategic Partnership’ was clearly visible by late 2013. Even minor issues had led to diplomatic face-offs and were impeding normal bilateral interactions on a host of issues.

Victory of the Bharatiya Janata Party in the May 2014 elections bringing in a single party Government, after a long period of coalition governments, under the leadership of Narendra Modi, seemed to have opened new avenues for restoring the momentum in the evolving strategic partnership between India and the United States.

Restored thrust was amply mirrored in three cabinet level officials of the Obama Administration, visiting India in quick succession. The new Indian prime Minister held his first summit with the US President in Washington in September 2014, having met him 2 months earlier at the BRICS Summit at Fortaleza, Brazil. Prime Minister Modi’s visit to the US was hailed as a landmark development that paved the way for setting in motion many stalled dialogues on energy, technology transfer, trade, security and other issues. The visit saw the US President foregoing protocol and even penning a joint OpEd in a leading US newspaper1. The single official document released at the end of the visit was a ***Vision Statement for the U.S.-India Strategic Partnership***2, (reproduced as a part of this ‘debate’ for ready reference)

As expected, this clearly visible new momentum in Indo-US bilateral relations also saw some critics terming PM Modi’s US visit as high on optics but low on substance. Notwithstanding what critics said, some of the questions raised were: What was the impact of Modi’s outreach to the NRIs and corporate America? Could the Indian Prime Minister sell his ideas on doing- business in India easier?; Could he attract US businesses to make their products in India?

The two leaders met twice more, in quick succession, on 12 November 2014, while both were at Nay Pyi Taw (Myanmar) - attending the ASEAN / East Asia Summits and thereafter at Brisbane (Australia) 4 days later, during the G20 summit. In a surprisingly dramatic move, during their Brisbane meeting, PM Modi invited Obama to be the Chief Guest at the 2015 Republic Day Celebrations in January 2015.



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To analyse the current trends of our strategic partnership with the USA and our expectations for the future, it would be useful to look into the origins of this partnership and how it has been projected in recent years in various joint statements at the leadership level. This will provide the yardsticks to assess the status of the partnership and its future.

It was during President Bush’s visit to India in January 2004 that former Prime Minister Atal Behari Vajpayee issued the “Next Steps in Strategic Partnership with USA” (NSSP) statement that recalled that, in November 2001, he and Bush had committed “our countries to a strategic partnership”. In actual fact, the joint statement issued then spoke only of a “long term partnership”, even if its thrust was indeed “strategic”. In his 2004 statement, Vajpayee announced an agreement with the USA to expand cooperation in three specific areas: civilian nuclear activities, civilian space programmes, and high technology trade, with, in addition, an agreement to expand the dialogue on missile defence. The statement ended by affirming that “the vision of the India-US strategic partnership that President Bush and I share is now becoming a reality”. In July 2005, the US State Department announced the successful completion of the NSSP, and discussions moved to a higher political plane of forging a civil nuclear agreement which, on finalisation in October 2008, materially changed the India-US strategic equation.

Since then, the two countries have been affirming their strategic partnership, and defining its content in bolder terms in joint statements. In November 2009, during Prime Minister Manmohan Singh’s US visit, the two countries announced a “global strategic partnership” centred, inter alia, around countering international terrorism. The USA underscored the “absolute imperative” of bringing to justice the perpetrators of the Mumbai terrorist attack, shared concern about the threat of terrorism “emanating from India’s neighbourhood”, and advocated resolute steps to eliminate safe havens and sanctuaries provided to terrorists. Other elements identified were: stability in Afghanistan, greater high technology trade, and genuine reform of the UN – including the Security Council – to reflect contemporary realities.

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The joint statement issued in November 2010 during the US President Barack Obama’s visit to India spoke of expanding and strengthening the India- US global strategic partnership, and called it indispensable. Obama’s affirmation that “the United States looks forward to a reformed UN Security Council that includes India as a permanent member” was viewed as a major evolution in the US position. Reference was made to “a shared vision for peace, stability and prosperity in Asia, the Indian Ocean region and the Pacific region”. In Afghanistan, the two sides resolved to pursue joint development projects. On terrorism, the two sides agreed that all terrorist networks, including Lashkar e-Taiba, must be defeated, and Pakistan was again called upon to bring to justice the perpetrators of the November 2008 Mumbai attacks. The importance of maritime security, freedom of navigation, and the peaceful settlement of maritime disputes were affirmed. The USA expressed its intention to support India’s full membership in the four multilateral export control regimes (Nuclear Suppliers Group, Missile Technology Control Regime, Australia Group, and Wassenaar Arrangement) in a phased manner, adding that, in its view, India should qualify for membership in the Australia Group and the Wassenaar Arrangement according to existing requirements, once it imposed export controls over all items on these regimes’ control lists. On civilian nuclear cooperation, it was noted India intended ratifying the Convention on Supplementary Compensation within the coming year, and would ensure a level playing field for US companies.

During Manmohan Singh’s Washington visit in September 2013, Obama and Manmohan Singh noted with pride the transformation of US-India relations during the last decade, and affirmed that their partnership was stronger than at any point in their 67-year history. The joint statement said that the two countries had “developed a comprehensive global strategic partnership, both in name and in substance” The need for more intensive defence cooperation, including technology transfer, joint R&D, co-development, and co-production, was emphasised.

The rhetoric and the substance of the India-US strategic partnership was expanded during Prime Minister Narendra Modi’s visit to the USA in September 2014. The joint statement extolled the broad strategic and global partnership between the USA and India, with Prime Minister Modi emphasising “the priority India accords to its partnership with the United States, a principal partner in the realisation of India’s rise as a responsible, influential world power”. President Obama recognised that “India’s rise as a friend and partner is in the United States’ interest”. They endorsed the first “Vision Statement for the Strategic Partnership” as a guide to strengthen and deepen cooperation in



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every sector over the next ten years. The US affirmed its commitment to enhancing India’s voice and vote in international financial institutions. A commitment to implement fully the US-India nuclear deal was reaffirmed. A “new and enhanced strategic partnership” on energy security was announced. The intention to expand defence cooperation to bolster national, regional, and global security was expressed. It was affirmed that the two would build an “enduring partnership in which both sides treat each other at the same level as their closest partners, including defence technology transfers, trade, research, co-production, and co-development”. It was agreed to intensify cooperation in maritime security, to achieve which the two sides considered enhancing technology partnerships for India’s Navy. On the terrorism front, the leaders stressed the need for dismantling safe havens of terrorist and criminal networks, and to disrupt all financial and tactical support for networks that included the D-Company but excluded the Taliban. The call for Pakistan to bring the perpetrators of the November 2008 terrorist attack in Mumbai to justice was reiterated.

Further, it was agreed to continue work towards India’s phased entry into the Nuclear Suppliers Group (NSG), the Missile Technology Control Regime (MTCR), the Wassenaar Arrangement, and the Australia Group. The President affirmed that India meets MTCR requirements, and is ready for membership in the NSG. Noting India’s “Act-East” policy and the United States’ rebalance to Asia, the leaders committed to work more closely with other Asia Pacific countries through consultations, dialogues, and joint exercises. The need to accelerate infrastructure connectivity and economic development corridors for regional economic integration linking South, Southeast, and Central Asia was emphasised. The two leaders expressed concern about rising tensions over maritime territorial disputes in the Asia- Pacific, and affirmed the importance of safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region, especially in the South China Sea. The Prime Minister and President called on all parties to avoid the use, or threat of use, of force in advancing their claims. They committed to continue close consultations and cooperation in support of Afghanistan’s future.

In addition, the two leaders affirmed their long-term vision for a resilient and ambitious partnership through the first “Vision Statement for the Strategic Partnership.” This Vision Statement mentioned intense consultations, joint exercises, and shared technology to advance international security. It was stated that the two will support an open and inclusive rules-based global order, in which India assumes greater multilateral responsibility, including in a



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reformed United Nations Security Council. Close coordination in the UN was envisaged. A strong partnership on Climate Change was posited as well as ‘boundless innovation and high technology collaboration’ in space. The document concluded by noting: “The United States and India will have a transformative relationship as trusted partners in the 21st century. Our partnership will be a model for the rest of the world”.

During President Obama’s visit to India as chief guest at India’s Republic Day, the joint statement noted that the bilateral relationship had been elevated by the India-US Delhi Declaration of Friendship, and expressed “satisfaction at the qualitative reinvigoration of strategic ties”. It noted that “India’s ‘Act East Policy’ and the United States’ rebalance in Asia provide opportunities for India, the United States, and other Asia-Pacific countries to work closely to strengthen regional ties”. President Obama reaffirmed that “India’s rise is also in the interest of the US, regional and global stability”. They agreed to seek under the bilateral High Technology Cooperation Group a timely resolution of the challenges to trade in High Technology goods, including US licensing requirements for trade in certain dual use items. It was agreed to deepen the defence relationship, and the importance of the DTTI was emphasised, with the US establishing “a dedicated rapid reaction team focused exclusively on advancing DTTI”.

The commitment to make “the U.S.-India partnership a defining counterterrorism relationship for the 21st Century” was stressed, with the D Company again finding mention, but not the Taliban, in the list of identified terrorist organisations. The call to bring to justice those responsible for the 2008 Mumbai attacks was ritually repeated. The importance of working together, and with other countries, to conclude an ambitious Climate agreement in Paris in 2015 was mentioned. It was agreed to convene further high-level consultations on Afghanistan in the near future. The commitment to work for India’s phased entry into the four export control regimes was mentioned again, with the US side stating this time that India met MTCR requirements and was ready for NSG membership. President Obama reaffirmed his support for a reformed UN Security Council, with India as a permanent member.

The bold, stand-alone US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region stated that a closer partnership between the United States and India was indispensable to promoting peace, prosperity and stability in these regions. It affirmed the importance of safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region, especially in the South China Sea, and called on all parties to avoid the threat



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or use of force, and pursue the resolution of territorial and maritime disputes through all peaceful means. It was agreed that, over the next five years, the two sides will strengthen their regional dialogues; invest in making trilateral consultations with third countries in the region more robust; deepen regional integration; strengthen regional forums; and explore additional multilateral opportunities for engagement.

Under the India-U.S. Delhi Declaration of Friendship, India and the US agreed “to elevate our long-standing strategic partnership, with a Declaration of Friendship that strengthens and expands the relationship between our two countries”. As part of this Declaration, the two sides agreed to elevate the Strategic Dialogue to a Strategic and Commercial Dialogue, establish secure hotlines between the Prime Minister of India and the President of the United States of America, and between the National Security Advisors; cooperate to develop joint ventures on strategically significant projects; and build effective counterterrorism cooperation.

Given this steady expansion of the framework, content and rhetoric of the declared global strategic partnership between India and the USA over the years, what is the reality of the partnership in terms of achievements on the ground? And, what could be future expectations?

The Pakistan policy of the USA remains a serious problem. How can the two countries together advance regional security as long as the USA continues to give military aid to Pakistan by issuing presidential waivers to overcome the provisions of the Kerry-Lugar legislation that require Pakistan to act verifiably against terrorist groups on its soil before the aid can be released? The USA has recently released US$ 1 billion of military aid to Pakistan, including attack helicopters, and offers the same well-worn arguments to justify this: namely, that this does not change the military balance in the Subcontinent. It is aware of Pakistan’s duplicity on the issue of terrorism; yet it is unwilling to impose sanctions on it. Pakistan has ignored India-US calls for trying those accused of the Mumbai terrorist attacks, in which US citizens were also killed. In fact, Pakistan has released Zakiur Rehman Lakhvi, the mastermind, besides giving Hafiz Saeed political space and funds to carry on his anti-India jihadi tirades, despite the US bounty on his head.

It is difficult to see how, in these circumstances, the counter-terrorism partnership between India and the US can be a defining one for the 21st century. The US does not consider the Taliban as a terrorist organisation; it is, in reality, engaged in an effort to accommodate the Taliban politically in Afghanistan in a Pakistan-brokered deal, inevitably at the cost of India’s security.



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The claim of a global strategic partnership is not consistent with US reticence on India’s permanent membership of the UN Security Council. No progress has been made to enhance India’s voice and vote in international financial institutions; and none can be expected given the attitude of the US Congress. Similarly, while the joint statements have repeatedly spoken about India’s membership of the four export control regimes in a phased manner, and India has been declared ready for MTCR and NSG membership, so far no tangible progress has occurred. Without a strong US leadership role, this is unlikely to happen early, especially as China and Pakistan are opposed. While the breakthrough understandings at the governmental level have removed political roadblocks in the way of civilian nuclear cooperation, and it is now for the US companies to take a call, the larger question of the commercial viability of US supplied reactors remains – a point that Prime Minister Modi alluded to in his joint press conference with President Obama. As of now, it appears that these reactors will be uneconomical.

Robust language has appeared in the joint statements on defence cooperation. So far, less than expected progress has been made in the area of defence manufacturing under the DTTI. During President Obama’s visit, four “pathfinder” projects under this rubric involving minor technologies were announced. Since even these trial projects will take time to be implemented, it is unlikely that we could embark on more substantial ones early enough. The Indian private sector does not have the capacity and know-how to undertake major projects, and even if it entered defence manufacturing on a big scale, given the complexity of US laws and the role of the Congress, the issues of transfer of technology (TOT) will remain uncertain. The Pentagon has already made it known that major TOT may not be possible without, at some stage, addressing the issue of the foundational agreements proposed by the USA and, so far, cold shouldered by India. A Joint Working Group has been set up to explore cooperation in aircraft carrier technology, which the USA will use to make a case for selling the naval version of its F 35 aircraft to India. However, how this discussion develops is difficult to envisage.

The US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region had the rise of China in mind. US-China tensions are growing, and, simultaneously, India is seeking improved ties with China. India has the difficult task ahead of managing the China threat by engaging closely with both US and China. The credibility of the US rebalance in Asia is yet to be tested. India has been cautious about the US pivot towards Asia as its capacity and willingness to “contain” Chinese power has been doubted because of the huge financial and commercial interdependence forged between the two



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countries. India seeks stable and economically productive relations with China, and has wanted to avoid the risk of being used by the USA to serve its China strategy that raises uncertainties in the mind of even the US allies in Asia. More importantly, India’s problems with China are principally border and Pakistan related. In both cases, India cannot count on the USA to take a position supportive of India. This points to the limits of the strategic partnership as such a partnership does not include support for India’s territorial sovereignty.

Despite all the rhetoric of democracy and shared values, the US questions the functioning of India’s democracy in some fundamental aspects. This was demonstrated by President Obama’s objectionable lecture at Siri Fort on religious freedom in India, and his pointed reference to Article 25 of our Constitution, an affront that showed a remarkable ignorance of India’s religious traditions. On return to Washington, President Obama pursued his line of exaggerating incidents of religious intolerance in India. The last report of the US Congress-mandated Committee on Religious Freedoms on the situation in India is provocative in its recommendations. The statements coming from the USA, and its ambassador here, on the effect on the bilateral relationship of the decision by the government to tighten the application of its laws with regard to the foreign funding of Indian NGOs could become another irritant. President Obama’s claim that the US can be India’s “best partner” remains to be tested as many contradictions in US policy towards India persist.

The India-US relationship will move forward, but not without hiccups. The euphoria that followed the nuclear deal in 2008 was followed by a loss of momentum in ties. Surprisingly, as a result of a couple of IPR decisions in the pharmaceutical sector by India, US corporations launched a campaign in the US Congress against India’s IPR, investment and trade policies, and successfully demanded that the US International Trade Commission investigate them. The USTR launched investigations under Section 301 into India’s IPR policies, which continue. The USA has opposed preferential market access for companies that manufacture a certain percentage of products in India, which is a challenge to India’s Make in India policy in manufacturing. US business remains reticent to invest in India because it believes that the Indian government has not yet delivered on promises of ease of doing business in India, on taxation issues, and economic reforms in general.

The India-US strategic partnership is unequal. The US is a global power and India is, at best, a regional one. The USA would want to fit India into the jigsaw puzzle of its global interests, whereas India can only hope that the USA



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would increasingly align itself with its regional interests. Even achieving this would be difficult as the USA has historically pursued policies in our neighbourhood that have been detrimental to our interests; even now it is unable to overcome the legacy of the past, or go beyond the traditional ties it has developed with particular countries in our region, and the geopolitical need to maintain a certain regional balance so that its primacy is maintained. Nevertheless, the transformation in ties is real. If a realistic, and not an idealised, view of the relationship is taken, the overall assessment of the strategic partnership and its future seems to be positive in all objectivity.

 