

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.

A detailed Joint Statement³ of 59 paragraphs and many sub-paragraphs was issued at the end of the January 2015 visit of the U.S. President. In addition an *India-U.S. Delhi Declaration of Friendship*⁴ and a *US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region*⁵ were also issued (both reproduced as a part of this ‘debate’ for ready reference)

What are the constructive results of President Obama’s second trip to India? Serving as the Chief Guest at the Republic Day Parade, with pictures of the two leaders embracing each other in front of the television cameras, the televised “*Chai Pe Charcha*”, talking-while-walking in the lawn of the Hyderabad House and the joint radio discussion “*Man Ki Baat*”- were certainly innovative diplomatic gestures. Did these new ‘tools’ of conducting diplomacy succeed?

The US foreign engagements, even bilateral ones, often have regional and global repercussions. A unique Joint Statement on Asia-Pacific and the Indian Ocean had been released at the end of the visit. Did that document or other pronouncements by President Obama during the visit have any implicit message for our neighbours? What was its impact on China and Pakistan, if any?

Modi-Obama initiatives also focussed on cooperation in the security arena, in trade and investment ties, energy cooperation, civil nuclear trade, counter-terrorism cooperation and combating climate change. Washington also hopes to enhance bilateral trade with India by many times over. How feasible are these optimistic expectations? What are the principal bottle-necks in economic cooperation between the two countries?

Both Prime Minister Modi and President Obama claimed a “breakthrough” in bilateral differences over the civil nuclear trade? Will it end the logjam and allow US companies to participate in the ambitious Indian Nuclear Power programme? How firmly will the US push the pending issue of India’s membership in various non-proliferation regimes? Will Washington’s support to Indian membership in such regimes be made conditional?

Mention of terrorist networks based in Pakistan and West Asia in the Indo-US joint statement, it has been argued, indicates stronger resolve on the part of India and the US to collaborate in countering terrorism? How credible is this reasoning?

It is understandable that President Obama could not extract China-type firm Climate Change commitment from India. However, Prime Minister Modi seeks to promote green technology as one of the means to fight Climate Change. What are the prospects of Indo-US cooperation in addressing this issue?

The *Indian Foreign Affairs Journal* invited eminent policy analysts and scholars for their comments on the subject and to take a deeper look at the evolving strategic partnership between India and the United States. Their views are published as the 'Debate' in the pages that follow in this edition of the Journal.

(The views expressed by the authors are their own, and do not reflect the views of the *Indian Foreign Affairs Journal*, or that of the Association of Indian Diplomats)

Notes

¹ http://www.washingtonpost.com/opinions/narendra-modi-and-barack-obama-a-us-india-partnership-for-the-21st-century/2014/09/29/dac66812-4824-11e4-891d-713f052086a0_story.html.

² <http://www.mea.gov.in/outgoing-visit-detail.htm?24048/Vision+Statement+for+the+USIndia+Strategic+PartnershipChalein+Saath+Saath+Forward+Together+We+Go>.

³ <http://www.mea.gov.in/incoming-visit-detail.htm?24726/Joint+Statement+during+the+visit+of+President+of+USA+to+India+++++Shared+Effort+Progress+for+All>.

⁴ <http://www.mea.gov.in/incoming-visit-detail.htm?24727/IndiaUS+Delhi+Declaration+of+Friendship>

⁵ <http://www.mea.gov.in/incoming-visit-detail.htm?24728/USIndia+Joint+Strategic+Vision+for+the+AsiaPacific+and+Indian+Ocean+Region>.



India-US Strategic Partnership: Transformation is Real

Kanwal Sibal*

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.

*The author is a former Foreign Secretary of India, and former Ambassador to Russia and to France.

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

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

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

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.

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

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

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.

★ ★ ★

India-US Relations under Modi and Obama: Caveat Riddled Convergences

Obja Borah Hazarika*

With the overhaul of India's planned economy, relative distancing of India from its non-aligned policy, Washington's acceptance of India's nuclear weapons programme, among other reasons, Indo-US relations underwent a sea-change by shedding the tag of "estranged democracies" and instead, donning the mantle of "natural allies" and even "indispensable partners". In the post-Cold War era, ties between the two countries expanded copiously on issues ranging from economic to security, from nuclear energy to education. Steps taken by the Narendra Modi government towards furthering ties with the US seem to be encouraging albeit with caveats.

Although, the Manmohan Singh government delivered on some major achievements in improving Indo-US ties, including the signing of the civil nuclear cooperation agreement, the ten year defence framework agreement, and enhanced trade and investment ties, the overall tenor of relations with the US just prior to Modi's election victory had begun to plateau. Differences over the Intellectual Property Rights (IPR) issues, differing positions in the WTO, stringent visa rules for Indians, the US' refusal to extradite David Coleman Headley, and the Khobragade issue had led to the choppiness in Indo-US relations. While India was preoccupied with an economic downturn and several debilitating scams, President Obama's concern with domestic politics and foreign policy challenges stalled Indo-US ties. The American frustration with the Indian nuclear liability act, the stalled bilateral investment treaty negotiations, the failure of India to institute further economic reforms, the elusive permanent membership of India in the UN Security Council and the nuclear non-proliferation regimes were other causes for the relationship to plateau.

Initially, there was apprehension regarding the direction that India-US ties would assume given the fact that Narendra Modi was denied a visa by the US for his alleged role in the carnage in Gujarat in 2002. The lacklustre visits of the US Secretary of State, John Kerry, US Secretary of Commerce Penny Pritzker, and US Secretary of Defence Chuck Hagel generated scepticism over the future of India-US relations. These apprehensions, however, were

*The author is Assistant Professor, Department of Political Science, Dibrugarh University, Assam.

soon laid to rest with Modi's visit to the US in September 2014 and Obama's visit to India as chief guest on India's Republic Day in January 2015. These visits signalled the tenacity, which Indo-US ties had come to acquire and the significance that each accords the other.

On the economic front, robust ties with the US are sought by India. India's fiscal deficit stood at 4.5 per cent of India's GDP in 2013–14 and its economy grew only by 4.7 per cent. Close economic relations with the US is considered ideal for the Modi administration's vision of ensuring an economically strong India. The US has been keen on increasing ties with India on matters of trade and investment, and it aims to take bilateral trade from \$100 billion currently to \$500 billion. The business community in the US welcomed the election of the BJP to power, known for its proclivity towards liberal policies, and the clear mandate it received was expected to absolve it of coalition demands.

Much to the appreciation of the US, the Modi government has already unveiled a policy agenda to control inflation, build infrastructure, simplify the tax regime, and speed up investments. Modi has sought investment from the Indian Diaspora and business community in the US, has touted for foreign direct investment, and promoted his "Make in India" concept of the country as a manufacturing hub. Discussions in the India-US Trade Policy Forum (TPF), which were halted since 2010 were resumed in 2014 with a special emphasis on resolving the IPR issue. In October 2014, the Indian Ministry of Commerce and Industry announced the formation of a think tank to review India's extant IPR framework.

Despite these encouraging signs, there has been some concern regarding the trajectory of the India-US economic ties. For instance, regarding Modi's ability to attract the \$35 billion investment from Japan and \$20 billion investment pledge from China made many commentators observe that there was no such investment forthcoming from the US. However, Modi's economic diplomacy during his visit to the US was successful in attracting potential investment to the tune of \$41 billion in the next three to four years from corporate America.

Furthermore, there have been a number of retaliatory trade disputes at the WTO concerning steel, work visas, and poultry products. The Modi and Obama administrations agreed to consider each other's concerns regarding the impasse on their differing stance on the WTO Trade Facilitation Agreement, which India has refused to sign unless its concerns over post-2017 food subsidies and stockpiling are adequately addressed. A few other matters on

the economic front are yet to be resolved. Several US companies that were disenchanted with the UPA government's economic policies feel that there has been insufficient action by the Modi government to correct these issues and delivery on his promises of making investment in India easy are felt to be wanting.

In addition, India and the US lack a Trade and Investment Framework Agreement (TIFA) or a bilateral trade agreement. Instead, India is one of 16 countries negotiating the Regional Comprehensive Economic Partnership (RCEP), while the US along with 11 other countries is proposing a Trans-Pacific Partnership (TPP). India is not included in the TPP and the US is not included in the RCEP. It has been suggested that if India remains outside the TPP, it is likely to lose out on major market access due to "trade diversion", which occurs when a Free Trade Area (FTA) shifts production away from more efficient suppliers (who are not members of the FTA) to less efficient suppliers that are part of the agreement. This would adversely affect Indian industries. If India joins the TPP in the future, it may have to replicate the patent regime. Moreover, environment and labour standards built into the agreement would erode India's competitiveness. India's lack of APEC membership may become an issue if India seeks to join the TPP, as it is assumed by some that APEC membership is a prerequisite for TPP membership. The absence of India in the TPP can thus lead to a serious lacuna in the Indo-US economic ties.

Apart from boosting economic relations, there have been certain distinct advances in the defence relations of India and the US. The US has welcomed the Modi government's initiatives to carry out reforms in defence procurement and allow the private sector to have a larger share in design and production of defence equipment. India under Modi has allowed FDI up to 49 percent in the defence sector without any mandatory transfer of technology. A major achievement of the Modi government in the defence arena has been the incorporation of co-production of weapons in India, along with transfer of technology through the Defence Trade and Technology Initiative (DTTI) in the renewed Indo-US ten-year Defence Framework Agreement. It signals India's attempts at diversifying its sources of arms production and procurement as well as the coming of age of Indo-US defence relations.

Despite these advances on defence cooperation, several issues hamper the realisation of the potential of defence ties. Co-production and arms purchase as envisaged under the renewed Indo-US defence agreement would require several reforms, which are yet to be introduced. In addition, India lacks an overall defence strategy, which renders it lacking in planning and reviewing

of its security environment. With regard to the US, there has been no progress on cooperation in BMD technology, and intelligence sharing remains limited.

India is aware of China's expanding missile capabilities, which includes a missile network capable of credibly threatening US forces deployed in China's maritime periphery and forms the foundation of its anti-access and area-denial (A2/AD) capabilities. The American response has been development of a concept known as the Air-Sea Battle concept, which creates a force that can attack targets even in a prohibitive anti-access environment. As these scenarios may play out in India's immediate vicinity, and given China's less than acquiescent relations with India, especially on security issues, close cooperation with the US, the military superpower, on defence would be prudent diplomacy.

With regard to nuclear issues relating to India's nuclear liability act and Washington's support for Delhi's membership of the NSG, it was reported that the two sides found innovative ways to prevail over the impasse allowing the leaders to proclaim a "breakthrough understanding" on the nuclear issues. However, details of the impasse have not been divulged and it is also doubted whether the decisions taken would stand scrutiny in a court of law and allay fears of American companies over liability issues.

The "China question" in India-US relations has come to acquire immense significance. China is vying for increased economic relations with India under Modi and has pledged \$20 billion in investment in India for the next five years. While the Modi government is welcoming of the enhancement of economic relations with China, it remains wary of China's border intrusions as well as its highhandedness with regard to its other neighbours, both land and maritime. The Modi government has thus sought to delink economic issues from security issues with China. While continuing to maintain and promote an economic relationship, the Modi government, has made no bones about its aversion to China's "expansionist policies" and have thus come close to the US position on this issue. While the UPA government distanced itself from the US citing "strategic autonomy" and "non-alignment", the Modi administration has been more forthcoming in articulating its resentment about China's manoeuvres.

The US appears determined to retain its military and economic presence in the Asia Pacific/Indo-Pacific region. A stronger partnership with India could enable the US to prop India as a balancer to a rising China in the region. India has been viewed as the "linchpin" of Washington's strategic rebalancing toward the Asia-Pacific, and US Vice President Joe Biden has described India's "Look-

East” policy as complimentary to the US’ rebalancing toward Asia, which has been further bolstered with the change in nomenclature from Look East to Act East under the Modi government. The 2012 Strategic Guidance of the US Department of Defence makes it explicit that the US views India as the south-western cornerstone of its strategic rebalancing towards Asia.

In a first of its kind, the US and India released a joint statement on the Asia-Pacific and Indian Ocean Region in 2015. The statement explicitly spells out the importance accorded by both countries to safeguarding maritime security and ensuring freedom of navigation and flight, especially in the South China Sea. It calls all parties to pursue resolution of disputes through peaceful means, in accordance with international law, including the United Nations Convention on the Law of the Sea and given the series of spats over the South China Sea, this statement is clearly directed at China and indicates the convergence of the views of India and the US on the matter. India has also been favourably disposed towards the US administration’s New Silk Route and the Indo-Pacific Economic Corridor as alternatives to China’s Maritime Silk Road. In addition, India is keen to revive the India-US-Japan trilateral relations and the Quadrilateral Security Dialogue (QSD).

A rising China thus unites the US and India, fostering strategic cooperation between them. However, complexities arise as China is deeply intertwined by unprecedented bonds of economic interdependence with both the US and India, which dilutes strategic partnerships between them as delivering on them could be economically devastating to both. As of 2013, trade interdependence between the US and China accounted for more than 12 and 13 per cent of their national trade, respectively, much more than the trade either of those countries have with India, which is at less than 2 per cent in both cases. Such interdependence makes India and the US cautious in responding to challenges involving China thereby preventing strategic partnerships built because of a rising China being more compelling. Another issue that complicates the matter is that the US is apprehensive about China becoming the principal investor in Modi’s “Make in India” project, which may segue into a lessening of friction between the two nations. If India and China relations are shorn of tension, the US anticipates that it would lose India as a possible balancer to a rising China.

Overall, despite advances in areas like co-production of defence items, differences between the US and India remain. For instance, there was no advancement on the issue of climate change; save Modi’s articulation that India was willing to “cooperate closely” with America to conclude a global climate agreement by the end of 2015 in Paris. Moreover, India comprehends

that the US would not abandon Pakistan as its strategic ally despite the mention of “joint and concerted efforts” for dismantling safe havens of terrorists and criminal networks such as LeT, Jaish-e-Mohamed, D-Company, the Haqqani Network, and al-Qaeda. The US is also aware of the importance of Iran and Russia to Indian interests. Other contentious issues relate to IPR, trade and investment barriers, among others.

Notwithstanding these contentions, cooperative relations between India and the US have become the mainstay of their relations in the post-Cold War era and the Modi government seems keen to further bolster the ties. India hopes to get US support to emerge as an economically, technologically and militarily vibrant country and the US views India as a valued partner, which can further the American vision of a stable Asia. Steps taken by Modi and Obama, however incremental, are symptomatic of the leaders’ understanding that India and the US have stakes in shaping the Indo-Pacific region in particular and the world in general in terms favourable to them, which will be best achieved through cooperation between the two nations.

★ ★ ★

Indo-US Partnership: Have Rarely Been More Promising

Sanjukta Banerji Bhattacharya*

India's strategic importance in South Asia, its geostrategic positioning in Asia and its emerging status in the world, places it in a position that cannot be ignored by any state. Shortly before the Bharatiya Janata Party's (BJP) decisive victory in the 2014 general elections, the US Assistant Secretary of State, Bureau of South and Central Asian Affairs, Nisha Desai Biswal, noted, "...in the end, regional growth hinges on the region's economic engine. In South Asia, that engine is India".¹ Unfortunately, despite remarkable economic growth, during much of the past 25 years while China made impressive strides, India was marked by political weakness and drift, which eroded the country's regional and extra-regional clout. A *Foreign Affairs* article entitled "India's Feeble Foreign Policy" in 2013 focused on how India was obstructing its own rise. Far from being proactive, India's foreign policy was not even reactive to the major events taking place around the world or even to events occurring in its neighbourhood. The BJP's victory was seen as a potential game changer because after a long time, a single party had enough seats at least in the Lok Sabha and did not have to worry about opposition from coalition partners who were often strange bedfellows. Further, the new prime minister was known for his transformative role in Gujarat as the chief minister of that state and expectations were high that he would replicate what he had done for Gujarat in the rest of the country. However, he was not known for any foreign policy vision and there was no speculation about India's foreign policy trajectory when he took office. In fact, the United States, which had growing economic and strategic interests in the region for diverse reasons, had misapprehensions regarding Modi's reaction to America because he had been refused a visa nine years back by the US for his perceived non-action during the Gujarat riots.

The surprise is that for a politician with no foreign policy experience Prime Minister Modi has demonstrated remarkable diplomatic acumen and within a year has lifted India's image in international affairs, drawn commitments of billions of dollars from China, Japan, Australia and the United States, engaged with the considerable Indian Diaspora in every country, which is expected to show results in the future, extended a friendly hand to Pakistan

*The author is Professor, Department of International Relations, Jadavpur University, Kolkata.

but showed toughness as well – a mortars-for-bullets response when that country violated the ceasefire, and set out an unspoken vision of India as an autonomous pillar in Asian affairs by visiting not only its small neighbours and attempting to resolve issues that have irked bilateral relations for decades, but also engaging with a wider circle that includes, China, Japan, South Korea, Australia, ASEAN member states, Mongolia and some South Pacific island countries. Nowhere is his diplomatic pragmatism more evident than in the way he has “reset” relations with the US, giving momentum to all earlier dialogues, some of which had stalled, and starting new initiatives in many areas from defence to clean energy.

One of the reasons for the sudden spurt of new ideas (since most of them are at the ideas stage, having been started just a few months back) is the much-hyped personal bonhomie between President Obama and Narendra Modi, cleverly orchestrated by new symbolic tools of diplomacy reflected in catchy phrases like “*Chai pe Charcha*” and “*Man ki Baat*”, even entitling the India-US Joint Statement of January 25, 2015 “*Sanjha Prayas, Sab Ka Vikas*” (Shared Effort; Progress for All), and the intelligent use of the media to project closeness between the two leaders (the hug at the airport; the use of first names; the serious but friendly “walk the talk” at Hyderabad House, which the media was allowed to film but not hear). Analysts who are critical of this kind of diplomacy, calling it “optics for substance”, should look at the April 16, 2015 issue of *Time* where Modi is among the select 100 most influential people in the world, and it is Obama who writes the personal acclamation for Modi praising him for his vision: “Like India, he transcends the ancient and the modern – a devotee of yoga who connects with Indian citizens on Twitter and imagines a ‘digital India’... Prime Minister Modi recognises that more than 1 billion Indians living and succeeding together can be an inspiring model for the world”.²

After Prime Minister Modi’s groundbreaking visit to the US in September 2014, the speed with which new initiatives were begun and old ones revived is remarkable. To mention just a few: the two countries signed an implementing agreement between the National Aeronautics and Space Administration (NASA) and the Indian Space Research Organisation (ISRO) to conduct a joint NASA-ISRO Synthetic Aperture Radar (NISAR) mission (September 30, 2015); the Indian Renewable Energy Development Agency Ltd and the Export-Import Bank of the US signed a Memorandum of Understanding (MOU) that would make available up to \$1 billion in financing to facilitate expanded cooperation and enhance US private sector investment in India’s Clean Energy projects (November 18, 2014); an India-US Political Military Dialogue was convened

on December 4, 2014 to exchange perspectives on bilateral strategic and regional issues; a programme of bilateral Counter-Improvised Explosive Device (C-IED) was launched; a MOU was signed on January 22, 2015 between the US Department of Treasury and the Indian Ministry of Finance to enhance cooperation to combat money laundering and terrorist financing; on the same day, the India-US Research, Development, Testing and Evaluation (RDT&E) Agreement was signed to facilitate cooperation in defence research and development; again, on that day, there was an agreement in principle to pursue co-production and co-development of four pathfinder projects, to form a working group to explore aircraft carrier technology sharing and design, and explore possible cooperation on the development of jet engine technology. These apart, there were a number of initiatives on forming joint groups and signing MOUs on trade policies, clean energy, investment cooperation, etc. – the list is too long to be catalogued here. But what needs to be emphasised is that the two countries had never seen this kind of concentrated search for cooperative activity in so many spheres in the span of the five months spanning the two India-US summits, and that speaks for itself about the interest of the two countries in engaging with each other.

Three areas need to be particularly highlighted because critics often pick on these issues to underscore India-US differences. These are the Civil Liability for Nuclear Damage Act, the Intellectual Property Protection (IPP), and climate change. Regarding the first issue, it is well known that during the January 2015 summit, the two countries grappled with the issue and came to a kind of agreement on the possibility of an insurance pool that will, in theory at least, moderate the risk exposure of American suppliers of nuclear fuel to India. While the nuts and bolts of this scheme are not yet in place, it has begun to pay off already. Modi visited Canada shortly after, the first visit of an Indian prime minister in 40 years, and was able to make Canada agree to supply uranium to feed India's civil nuclear reactors. On non-proliferation, the two countries have committed themselves to work towards India's phased entry into the Nuclear Suppliers Group, the Missile Technology Control Regime (MTCR), the Wassenaar Agreement and the Australia Group. On climate change, although there is no clear agreement, a five-year MOU was signed on Energy Security, Clean Energy and Climate Change. An Initiating Climate Resilience Tool Development programme has also been started with the objective of downscaling international climate models for the Indian subcontinent to much higher resolutions than currently available. Intellectual property rights have been a sticking point in India-US relations, particularly in the context of Indian generic drugs, which provide

not only India but also much of the developing world with cheap, affordable, lifesaving drugs. Accepting IPP guidelines in this sector will protect patented expensive American drugs that few can afford in India or elsewhere. But here too, India has shown a willingness to negotiate. The India-US Trade Policy Forum that met in November 2014 looked forward to enhancing engagement on IPR in 2015 under the High Level Working Group on Intellectual Property, to the mutual benefit of both countries.

Does this bonhomie and interest in engaging at all levels mean that interests of India and America coincide to the extent that they are allies without a formal alliance? Here, there is much to ponder. On the one hand, one must consider America's national interests and how they concern South Asia, particularly India; on the other hand, India's national interests may be analysed, particularly how they are being interpreted by the Modi government. The emergence of China as a potential challenge to the United States both economically and increasingly militarily in the Pacific region and India's rise as an economic power with the latent capability to deter China has been a motivating factor in America's strategic (economic and military) cooperation with India. Moreover, despite President Obama's talk of a "pivot to Asia", it remains very much, if one can call it that, a work in progress. And within Asia, South Asia has never been a priority even though President G.W. Bush's War on Terrorism brought it centre-stage in the US foreign policy. The US has never given indication of a clear South Asia policy and its attitude towards the region has always been piecemeal, one of fire-fighting rather than a concerted policy. Under the circumstances, a sustained effort is needed to follow through on the various initiatives undertaken in the past few months. This becomes even more pertinent when one considers that Obama's presidency will end in slightly more than a year and a half, and the focus will be on the elections next year; further, a number of crisis situations involving America's main areas of interest – the Ukraine-Russia problem; the spread of the Islamic State in Iraq and Syria (ISIS) in the Middle East; North Korea; and Iran's nuclear issues – are likely to garner more foreign policy attention than strategic relations with India. While India will remain significant to American national interest because of its incremental geopolitical and geo-economic importance, one will have to wait and see how Obama's successor government views India.

So far as India is concerned, although there is no such thing as a Modi doctrine, the new prime minister's pragmatic actions appear to define policy. The US is not the only country that he has courted – in fact no other Indian

executive head has participated in so many bilateral and multilateral summits in so short a time to date. Even as the Modi government appeared to show a “pivot to the US”, it was also engaging with countries that the US seemed to target. To take a case in point: the US-India Joint Strategic Vision for the Asia Pacific and the Indian Ocean projected, for the first time, a joint India-US outlook for the earmarked regions: “We affirm the importance of safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region, especially the South China Sea”.³ China was quick to protest, and India was equally quick to reassure China. Less than a week after Obama left India, External Affairs Minister Sushma Swaraj visited Beijing and informed the Chinese foreign minister that India was willing to enhance maritime cooperation in the Asia Pacific with China and Russia. The prime minister himself visited China in May this year and the Joint Statement at the end of the visit communicated that the “simultaneous re-emergence of India and China as two major powers in the region and the world offers a momentous opportunity for realisation of the Asian Century... India-China bilateral relations are poised to play a defining role in the 21st Century in Asia and indeed, globally”.⁴ A Joint Statement was also issued on climate change, which asked wealthy countries to provide finance, technology and other necessary support to emerging countries to help reduce their emissions, and agreed to take a joint stance on the upcoming negotiations for a new climate change agreement in Paris; in fact, this version spoke of the differentiated responsibilities and capabilities, reflecting different historical responsibilities, development stages and national circumstances between developed and developing countries.

Therefore, while India-US strategic relations have rarely been more promising, India under the present government is showing an autonomous stance and is following it up with good relations with all countries that matter to India’s interests, whether in the neighbourhood, in the region or anywhere in the world. New Delhi’s interests on specific issues or regional problems often differ from that of the US, and so far as the country is concerned, the attitude is “India first”. However, it is in the mutual interest of both India and the US to develop strategic ties; both countries realise this and are working to build on a rich foundation. For doomsayers it may be sufficient to say that a lot of initiatives have been taken within a short time, and more time is needed for these to bear fruit. The point is that an environment is in place where the two countries can agree to disagree on certain issues (since no two national interests will ever be the same) without disengaging or allowing relations to stagnate.

Notes

- ¹ Nisha Desai Biswal, “US Foreign Policy in South Asia: A Vision for Prosperity and Security”, Remarks, Harvard University, Kennedy School of Government, April 16, 2014, available at <http://m.state.gov/md224914.htm>, accessed May 30, 2015.
- ² “Narendra Modi by Barack Obama”, *Time* Hundred Leaders, *Time*, April 16, 2015, available at <http://time.com/3823155/narendra-modi-2015-time-100/>, accessed June 1, 2015.
- ³ The White House, Office of the Press Secretary, “U.S.-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region”, Washington, D.C., January 25, 2015, available at <https://www.whitehouse.gov/the-press-office/2015/01/25/us-india-joint-strategic-vision-asia-pacific-and-indian-ocean-region>, accessed May 30, 2015.
- ⁴ Press Information Bureau, Government of India, Joint Statement between the India and China during Prime Minister’s visit to China, May 15, 2015, available at <http://pib.nic.in/newsite/PrintRelease.aspx?relid=121755>, accessed June 1, 2015.



Indo-US Strategic Partnership: Who's Afraid of an Alliance?

Monish Tourangbam*

India's attempt to navigate the 21st century's great power politics is simultaneous with its own great power aspirations. The implications of China's rise and the resultant attempts of the USA to manage the former are commensurate with India's own strategic imperatives which include ensuring a stable Asia for its own uninterrupted growth and development. India's emerging foreign policy orientations continue to be guided by its adherence to strategic autonomy that is meant to provide leverage for India to manoeuvre its national interests amidst an international landscape defined by both competition and cooperation. The practice of strategic autonomy has a sustainable political currency attached to it. Unlike Non-Alignment, the use of which, often conjures up the Cold War era's polarised images of world politics, strategic autonomy possesses a timelessness and flexibility that makes it more relevant in terms of India's emerging strategic priorities, particularly its developing partnership with the USA. The practice of strategic autonomy is not anathema to strategic engagements.

One of the stumbling blocks to the developing India-US strategic partnership is the recurrence of perceptions that look at India as a reluctant partner, and the USA as an unreliable power. The checkered relationship that the two countries had during the Cold War still echoes as residues in differences found in various sectors, whether pertaining to politics, security or economic domains. More than often, India going closer to the USA is seen as a recipe for India's squandering of its strategic autonomy, which is unfortunate. Such an approach shows India's lack of confidence in its rising power capabilities that present it with an opportunity to control its own sail.

Strategic Partnerships are not natural and hence are not preordained. There was nothing inherently natural and convergent even about some of America's most committed alliances which were once considered most consequential, be it with former West Germany or Japan. It was the post-World War II reconstruction in these two countries, and hard core realist orientations that brought about an understanding based on the shared interests

*The author is Assistant Professor at the Department of Geopolitics and International Relations at Manipal University.

of the allying countries. India's former Prime Minister, Atal Behari Vajpayee, in his endeavour to forge a closer partnership with the USA, called India and the USA 'natural allies'. However, ultimately, it is not shared values (like democracy) but the value found in shared interests spanning a wide spectrum of the relationship between the USA and India that has brought the two countries closer. Hence, both accepting or denying the possibilities of strategic convergence between the two countries based on the existence and non-existence of 'naturalness' of an alliance would be devoid of a clear understanding of global realpolitik.

There have been times in the relationship that could have provided the basis of a strong and sustainable partnership, if not an alliance, between the two countries – as, for instance, in the wake of the 1962 Sino-Indian war. However, all hopes of going forward with the Kennedy administration and the Nehru government started dissipating when the USA, careful not to annoy Pakistan beyond a point, insisted on *quid pro quo*s for long-term military assistance to India. It also attempted to persuade India to move ahead with the resolution of the Kashmir dispute, and put conditions that the little weaponry that they provided was to be used *only* against Communist China. This episode highlighted the need to understand each other's strategic concerns, and know the resistance points in the bilateral negotiation. However, at that time, neither New Delhi nor Washington was ready to move beyond them.

As far as the China factor being seen as the glue for India-US understanding is concerned, the fear of aggressive China is not a new found phenomenon. An archival examination of the many Cold War era communications between India and the USA would show that Washington always wanted to rope in India in its containment of the spread of Communism in Asia. The birth of the Communist China in 1949 only made it imperative to put a premium on the success of the Indian model, presumably pitted against the Chinese model. The dramatic swing in America's attitude towards Communist China in early 1970s, with the onset of the Sino-Soviet split, is worth mentioning, giving some credence to both why the Americans came to consider India as a reluctant partner, and Indians to have good reasons to consider the USA as an unreliable power. Indians remember how, during the Cold War, the USA in regular fashion, offered rhetorical flourishes regarding how it had discernible stakes in the success of India as a democratic counterweight against a Communist China. But, the same USA later courted the Chinese through a significant rapprochement: by offering a red carpet welcome to 'red China' into the UN Security Council.

Thus, consistency in the trajectory of the relationship is something that both India and the USA are yet to achieve. There have been periods of marked improvement in the relationship which have been suddenly punctuated by periods of heightened dismay and mistrust. The pursuit of a more substantial strategic partnership between the two countries is still ongoing. The delay in implementing the Indo-US civil nuclear deal was seen as reflective of policy drift in the relationship. However, recent reports have indicated the serious efforts made from both the sides to clear away the divergences coming in the way of the commercial operationalisation of the deal. Even in the absence of commercial operationalisation, the nuclear deal between India and the USA still has the significance for having brought policymaking elites in the countries closer to each other in the first place. In building the emerging partnership between the two countries, the signing of the civilian nuclear agreement is often seen as a game changer. India's non-proliferation credentials were acknowledged, and the Bush administration began to see India as a solution to the nuclear proliferation issue, and not as a problem.

The nuclear deal and the associated dividends for India's energy security were important objectives in their own right. Equally, if not more important, were the negotiations that went into the process, and the length to which both the governments went to fulfil the requirements of the nuclear deal. It proved to be an exercise in confidence and trust building between the leaders and the bureaucracies of the two democracies, which suffer from inertia of their own. The painstaking manoeuvring, both at the domestic and the international levels, that went into signing the deal, and bringing around all the members of the Nuclear Suppliers' Group (NSG) to accede to the NSG-waiver for India, led to habits of cooperation between the two countries. Moreover, it emphasised the need to build domestic constituencies in both countries when it comes to taking the next steps in the evolving strategic partnership.

While there seems to be overriding support for the India-US strategic partnership both in Washington and New Delhi, what stops the two countries from a closer embrace? Caution is warranted in all sorts of inter-state relationships; but India's growing engagement with the USA should also be seen as a practice of strategic autonomy. The future of the strategic partnership between the two countries clearly lies in a pragmatic and nuanced understanding of why India and the USA need each other, what the USA expects India to do, what India can and is willing to do, what India expects the USA to do, and what the USA is capable of and willing to do. The rise of India's capabilities and aspirations in Asia, and at the global level, are in the interest of the USA;

and the sustenance of US power and influence in Asia, and globally, are in the interest of India. Political atrophy is not the way forward.

Some questions arise: what level of convergence regarding ideas as well as practices in the policy approaches of both the countries is necessary? Has the Indo-US strategic partnership hit a plateau? Or, are the goals and objectives – and hence the success of the strategic partnership – not been defined properly? If this is indeed the case, how do we intend to go ahead from here? What new has the Modi government done in its first year in office that might take the Indo-US strategic partnership to the next level?

High level reciprocal visits in recent times, and the rigorous spadework done on both sides, were reflective of the priority accorded to the relationship among policymaking elites in both countries. Prime Minister Narendra Modi's reception in the USA that included a joint op-ed with President Barack Obama in the *Washington Post*, and Obama's second presidential visit to India as the Chief Guest of India's Republic Day celebration in January 2015 were game changers – at least in terms of the symbolic intent. Naysayers and carpers of the emerging India-US strategic partnership would be tempted to dismiss the visit as high in optics and showmanship but low in deliverables and substance. However, an overview of the contours of the relationship would prove the importance of chemistry in the political leadership. Be it the thaw seen in the final years of the Clinton administration, or the personal drive that President George W. Bush invested in the India-US partnership, the convergence at the highest levels have always augured well for stitching together the various sectors of the relationship. For instance, challenges persist in all major issues, such as trade and commerce, nuclear energy, climate change, and defence cooperation. However, positive energy pervades because of the importance that both Prime Minister Narendra Modi and President Barack Obama lend to the relationship.

One of the salient areas of convergence is the one perceived between USA's rebalancing strategy and India's newly rechristened Act East Policy. Both of these are broad-based policies that see each country's national interests through a more stable and secure Asia, with interdependent economies built on the principle of mutualism. However, at the same time, both also aim at precluding the rise of an uncertain Asia, with an aggressive China free to resort to unilateral moves in the region. Hence, as India and the USA envision a Joint Strategic Vision to jointly manoeuvre the future of the India-US partnership, the strategic rationale of a stable Indo-Pacific region should be nurtured and nourished, and not left on auto-pilot. In fact, a pragmatic interpretation of India's strategic autonomy and its practice would justify

India's need to engage the USA, and vice-versa, minus the structural constraints of Cold War politics. The change of guard in New Delhi, and its emphasis on the economic revitalisation of India have certainly lent a new lease of life to the relationship that was criticised for suffering from an acute policy paralysis from both sides.

There is increasing acknowledgement from both sides of the new geopolitical construct of the Indo-Pacific, wherein both India and the USA are critical stakeholders. This needs proactive cooperation to secure some of the busiest trade corridors, instrumental both for the sustenance of America's economy and the continued growth and development of India. It was economics that brought together the two countries first after the end of Cold War and, given the fungibility of economics, increasing and more strategic economic ties between India and the USA is one of the most important vectors that can take ties forward, and have repercussions across the whole spectrum. The trade and investment relationship between India and the USA has grown over the years, and is one of the driving factors for the overall growing relations of the two economies. The USA is one of the foremost investors in the Indian market, with many major companies involved in the huge Indian market, with a skilled Indian workforce.

The relationship between India and the USA defies easy categorisation. The two countries have never been enemies; nor have they been brothers in arms. Despite many differences with India, the USA never directly allied against India in any of the wars that India fought. India is not considered – and never was – a real time threat for the USA. In making a constant and well publicised bid for India as an investment destination, with the aim of it becoming the next manufacturing hub through the 'Make in India' Campaign, and the simultaneous calling for America's partnership in the endeavour, Prime Minister Narendra Modi set new benchmarks for the economic dimension of the relationship.

Capability sharing and capacity development towards helping India's global rise is in America's interest. However, it is in India's ability for independent decision-making America's interests should really lie, and not in an alliance of the traditional kind that New Delhi might find hard to sell domestically. Towards the objective of solidifying the strategic partnership, India and the USA need to play different levels of negotiation astutely: that is, cooperate when necessary and disagree without being disagreeable where the divergence cannot be ignored. A macro understanding of what the strategic partnership entails has to be properly and consensually understood by both sides.

Some other questions arise: If not through an alliance, how does India intend to get access to some of America's technologies of the highest order? If India wants greater access to high-tech US technology, to what extent would India go towards accommodating America's strategic interest and India's role in it, short of an alliance? Washington and New Delhi would be required to build on the specifics of such a greater partnership: one that would remain short of the obligations that come with being allies, but yet would be substantial and clear-headed enough to cater to the national interests of both the countries bilaterally, regionally, and globally.

The India-US Defence Framework has clearly led to both a qualitative and quantitative upsurge in India-US defence relations. The India-US defence relationship, whether in increasing defence trade or the unprecedented regularity with which the Indian and US militaries engage with each other in exercises to increase interoperability, has seen a major leap forward. Challenges remain pertaining to concerns in the Indian Defence Ministry – partly because of the checkered history of India-US relations, complicated US domestic laws, high costs, and a fear of losing India's strategic autonomy. On the other hand, there are lingering concerns because of India's not so desirable procurement system, issues of transparency, legitimacy, and corruption. However, both sides have expressed the need to uplift the burgeoning defence trade from a buyer-seller relationship to that of co-production, co-development, and freer exchange of technology, specifically through the bilaterally instituted Defence Trade and Technology Initiative (DTTI).

So, at the end, the question really is not 'who's afraid of an alliance', but 'who needs an alliance'. Given the current geopolitical and geo-economic dimensions involving India and the USA, Cold War type strict alliances – with clear demarcations about who's on who's side, and based on the idea of the existence of an 'absolute other' on all vectors of the relationship – may not be how it plays out. Alliances presume a threat perception and, given the nature of India-China, Sino-US, and India-US relations, and the complex interdependence that entwines them, building alliances and counter-alliances may not be the best answer to both India's and America's strategic needs.

The way to a sustainable and stronger strategic partnership can only be built through a comprehensive and inclusive convergence aimed at progress, and through a single track strategic rationale of a threat from China's rise. Hence, both sides need not be receptive and protective of all that each side says and does. Having said that, an initiative should not also be discarded just because it is American in origin – especially if it passes the test of interest and

operational convergence. Though a constant reminder of what each country has done for the other is not a recipe for a sustainable relationship, a business-like attitude towards why the two countries need each other, and how both could complement each other in the short, medium and long term, could be a pragmatic perspective on how to go forward together.

★ ★ ★

India and USA: A New Moment in Strategic Partnership

K.P. Vijayalakshmi*

From being “estranged democracies” to sharing a “Declaration of Friendship”, India and the United States have indeed travelled a long distance. The regularity and importance accorded to the annual strategic dialogues (five till date) are testimony to the increasing engagement between the two countries. The evolving Indo-US strategic partnership has been described as a vital component in the foreign policies of both India and the United States and one that is poised to gain increasing importance as Washington seeks to reorient its foreign policy with its rebalancing strategy towards the Asia-Pacific. Numerous reports have concluded that the rise of a powerful and democratic India in the Asian region and on the global stage is in the interest of the United States and also that American influence globally and in Asia in particular is in the interest of India.

US-India strategic partnership has thrived since both India and US have understood the need for transformation of their problematic past relationship. Despite India’s recognised historical role in the world and in the region, the two have shared an uncomfortable and fractious past. This has been so owing to a number of factors, such as, India’s adherence to non-alignment, differing perceptions on the nuclear issue, on Pakistan and on China, and also due to India’s close relations with the erstwhile Soviet Union. However, since the 2005 breakthrough civil nuclear deal, the expectation was that multiple opportunities to improve the bilateral relationship would open up. Yet, during subsequent years, gaps have appeared between expectations and reality.

The end of Cold War freed both countries from geopolitical constraints that had produced distrust, differences, and discontent between them. Positive changes occurred as the Narasimha Rao government and the Clinton administration agreed that India and the USA must value each other as strategic partners. Economic imperatives provided additional ballast. Despite the Indian nuclear tests in 1998, that adversely affected the post cold war transformation of these relations, subsequent dialogue somewhat mitigated the impact. A new era in Indo-US relations began with President Clinton’s successful visit to India in March 2000. During the Bush administration, the Agreement to start an energy dialogue underscored an upswing in relations despite tensions over India’s possible energy cooperation with Iran and the US sale of fighter jets to Pakistan. The dialogue on the Next Steps in Strategic Partnership

*The author is Professor, US Studies in the Centre for Canadian, US and Latin American Studies, School of International Studies, Jawaharlal Nehru University, New Delhi.

produced frameworks of cooperation in critical areas, such as Space, Civil Nuclear Energy, and High Technology Transfer. The signing of the Defence Agreement in 2005, Civil Nuclear Cooperation in 2008, Counter terrorism in 2010 and joint military exercises, continued to broaden the ambit of cooperation. The underlying rationale was the evolving strategic convergence resulting from common interests, especially in Asia. From the US perspective, India was a potential partner in maintaining stability in the Indian Ocean region, particularly in fighting Islamic fundamentalism and checking Chinese ambitions. Indian perceptions rested on the deteriorating security environment in Southern Asia, the urgency of getting nuclear fuel, and the pursuit of trade, technology and investment.

Despite initial wariness, Obama and Manmohan Singh re-committed themselves to strengthening global consensus on legal regimes against terrorism. Statements by the then Secretaries of Defence and State, Robert Gates and Hilary Clinton, reaffirmed the strategic basis for deepening counter-terrorism cooperation and the expansion of an already robust military-to-military relationship. Gates' remarks in Delhi in January 2010 that "India can be an anchor for regional and global security", was expanded further by Hillary Clinton during the start of the annual Strategic dialogue in June 2010, when she said "India is a rising global power and already a regional power in Asia. Therefore, the need is to work closely with India to meet the immediate challenges in the neighbourhood including Afghanistan." She pointedly urged India to Look and Act East as a responsible power in Asia. Secretary of Defence, Leon Panetta, visited India in 2012 to focus explicitly on bolstering military ties in the wake of the Obama administration's announcement of "pivot" to Asia.

Since the inauguration of the strategic dialogue process between India and the USA in 2010, the two sides have recorded a remarkable growth and expansion of their bilateral relationship. In July 2014, India hosted the fifth session of the Strategic Dialogue that discussed an ambitious agenda for the two sides to take the relationship to the next level. Subsequently, meetings of the Counter-Terrorism Joint Working Group, ministerial-level Homeland Security and Trade Policy Forum dialogues, the CEO's Forum, as well as the next round of the High Technology Cooperation Group have been since held.

Amidst these encouraging signs, the persistence of differences and problems that intrude in the relationship need elaboration. Keeping in mind that both countries pursue multiple interests in their respective foreign policies - that are quite evident in India's neighbourhood, Indian and American interests have not always been 'in-sync'. The American policy of withdrawal from

Afghanistan, the continuing issue of US arms sales to Pakistan and US relations with China continue to shape the dialogue.

Indian concerns on whether the USA would, after 'de-hyphenating' India and Pakistan, go back to 're-hyphenating' relations between the two neighbours, and also, 'hyphenating' between China and India; or, viewing India exclusively through an Af-Pak lens, were matched by the American perception that it was India that "self-hyphenates", and that it does not realise how far India's influence and its interests extend. To the US, India was ambivalent about its own rise in the world, the need to balance between its G-77 and G-20 identities, and to recognise the vital role it could play in the Asian and global future. Given the interest in economic engagement, the Americans were worried whether India had "the drive to overcome obstacles to its own ambitious development efforts, to cut through the 'license raj', and speed up reform and attract more investment in more areas".

Yet, the USA pursued strategic cooperation with India as it believed that India would eventually be one of their "most important global partners, allowing us to discuss and coordinate policies of global import, including on the future shape of the international economic system and on what [they could] do together to promote human development in other parts of the world"¹.

The coming of the Modi government significantly impacted the pace and scope of the relations. Indian foreign policy priorities, both in terms of economic interests and strategic orientation, were articulated with the 'neighbourhood first' policy, followed by the enunciation of India's relations with major powers, like the USA and China. A foreign policy embedded in both soft and hard power, with an obvious synchronisation of domestic and external interests, was unveiled. As part of this strategy, Indo-US Strategic Partnership received a major boost. Correspondingly, the National Security Strategy documents of Obama II reveal that the USA expected to continue a policy approach towards India which would co-opt India as a regional stabiliser in the American policy of "Rebalance to Asia" for which this opportunity was ideal.

The new government's recognition that, despite the differences that persist, the USA is a worthy partner to address various challenges faced by India and help in India's rise - has stimulated and reinvigorated the relationship. Neither the remnants of the Modi 'visa denial issue', nor the abysmally low level of relationship caused by the "strategic drift" seen till resulting from various developments in 2013, have halted the momentum.

Healthy economic ties (bilateral trade in merchandise goods has increased from a modest US\$ 5.6 billion in 1990 to US\$ 66.9 billion in 2014 representing

an impressive 10 fold growth in a span of 24 years; and, two-way investment has also increased rapidly) also faced challenges. For instance, nuclear commerce - an expected outcome of the nuclear deal – remained locked in the confusion around the Indian nuclear liability law. Disputes over issues such as Indian barriers to US poultry and dairy imports, local content requirements (especially in solar energy), intellectual property protections, and investment limits also clouded the relationship. The US referred three disputes with India to the World Trade Organisation (WTO). India voiced its own counter complaints about temporary worker visas and non-refundable social security contributions.

The atmosphere deteriorated further when exasperated US businesses, industry associations, and members of Congress urged aggressive action by the US International Trade Commission for a review by the US Trade Representative's office for the Special 301 Priority Foreign Country designation (with a further out-of-cycle review in the fall of 2014). It illustrated how fragile the transformation of ties was.

Correctly envisioning that the first task is to narrow the gap between rhetoric and reality, the Indian government seized the opportunity to re-set the relationship by seeking American investments in order to hoist India's economy by pushing for trade and investment, especially in energy, defence, science and technology. Prime Minister Modi utilised his September 2014 visit to the USA to spell out how there was "great convergence" between the two sides on peace and stability in the Asia-Pacific, and how the USA was an integral part of India's Look East, Link West policy.

Discussing thornier issues, Prime Minister Modi maintained that India supports trade facilitation at the WTO, but expects its concerns on food security to be addressed. He pushed for easier access to the US market for Indian service companies, and promised a new Indian approach to resolving hurdles in the way of the civil nuclear agreement. Banking on his ability to deliver, America responded positively.

Consequently, discussions by the bi-national contact group on the nuclear cooperation dispute (regarding a time bound mandate to overcome the hurdle of supplier culpability, and the tracking of nuclear materials in perpetuity etc.) bore fruit. Further demonstration of the resolve to re-energise the relationship came as Prime Minister Modi invited President Obama as the chief guest for India's Republic Day 2015.

The second Obama visit has set in motion several things. It achieved "a breakthrough understanding" in freeing up US investment in nuclear energy

development in India. Important as this was, the financial package of US\$4 billion announced by President Obama (including US\$2 billion in US Trade and Development Agency support, US\$1 billion from the Overseas Private Investment Corporation, plus the earlier US\$1 billion) dedicated solely to clean energy is more indicative of how serious the two are in mitigating potential differences between the two countries in Climate Change negotiations.

Moreover, the focus on deepening defence cooperation was concretised through the US-India Defence Technology and Trade Initiative (DTTI). The stage was set earlier in September 2014, when both vowed to “treat each other at the same level as their closest partners” on issues including “defence technology transfers, trade, research, co-production, and co-development.”² The DTTI is now poised to increase co-production, co-development and partnership in US-India military-industrial matters.

Indian decision to raise the FDI cap from 26 per cent to 49 per cent in defence; plans to increase India’s defence self-sufficiency; and increase the share of India’s military hardware that is manufactured on Indian soil – have provided an encouraging environment for this initiative to progress further in the days to come. Obama’s visit resulted in the announcement of the joint production of parts and systems of the Lockheed C-130 (which India operates), and RQ-11 Raven drones.

India is also expected to take delivery of six additional C-130s through 2017. At the time of writing, India’s Ministry of Defence, it is reported, had completed the contract negotiations with Boeing for procuring 22 Apache AH-64E combat and 15 Chinook CH-47F heavy lift helicopters, at a total cost of US\$2.5 billion. Reportedly, negotiations were also on with Boeing for buying four more P-8I Long Range Maritime Reconnaissance (LRMR) aircraft as per the options clause, and in all likelihood the contracts for the helicopters as well as P-8Is should be through soon. According to industry reports, Indian Navy has procured eight P-8Is, of which six have been delivered. According to *Deutsche Welle*, Washington has a US\$13 billion backlog of defence orders from India as of 2015.

US Secretary of Defence Ashton Carter visited India in June 2015 and signed the 10-year India-US Defence Framework Agreement which outlines concrete steps to bolster Indo-US defence ties, including the co-production of weapons in India, joint exercises, maritime security cooperation, and intelligence sharing³. During his visit he also announced that New Delhi and Washington have agreed on two small technology co-development projects at a total cost of US\$1 million to be split evenly by the two countries over a two year period. The two projects, led by India’s Defence Research and

Development Organisation and the Pentagon research labs, will focus on the joint development of a next generation solar generator and a new protective chemical-bio suit. India and the USA are also planning the enhancement of maritime security by aircraft carriers and jet engine technology cooperation.

This development must be seen in conjunction with the January 2015 Joint Statement issued by the two countries which notes the alignment of “India’s ‘Act East Policy’ and the United States’ rebalance to Asia” and, as a result, the potential “opportunities for India, the United States, and other Asia-Pacific countries to work closely to strengthen regional ties”. It also pointed to a more “diversified” US-India partnership, with “strategic consultations, stronger defence, security, and economic cooperation.”⁴ Again, the convergence of policy priorities has impacted institutional frameworks.

It is important here to correlate the Joint Statements of September 2014 and January 2015 regarding the evolving situation in the South China Sea. In the earlier statement, both sides had stated their joint support for the principle of the freedom of navigation in the South China Sea, and for resolving territorial disputes under UNCLOS. During the second visit, it was the Joint Strategic Vision document that noted “regional prosperity depends on security. We affirm the importance of safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region, especially in the South China Sea.” That same statement added that the two countries ‘call on all parties to avoid the threat or use of force, and pursue resolution of territorial and maritime disputes through all peaceful means, in accordance with universally recognised principles of international law, including the United Nations Convention on the Law of the Sea.’

Finally, India’s “Act East” policy and the US rebalance to Asia are linked by the expectation of working “more closely with other Asia Pacific countries through consultations, dialogues, and joint exercises”. The obvious inference of an emerging US-India-Japan trilateral relationship cannot be overlooked. India’s deepening ties with other US allies in the Asia-Pacific – such as South Korea, Australia as well Vietnam – must also be noted.

Thus, the current level of engagement yields the following analysis. Clearly, the review of the existing and emerging regional security dynamics with the Af-Pak strategy and the Indo Pacific has altered the approaches of both countries. In particular, United States would look for ways to promote India’s deeper engagement in the Asian regional architecture by deepening both economic and defence elements of the burgeoning US-India-Japan relationship, as well as in other trilateral and multilateral formats. Recently appointed Senior Director Peter R. Lavoy as well as the Senior Advisor and

Director for South Asian Affairs at the US National Security Council, Joshua T. White, have argued that the USA should encourage and assist India's efforts to build a capable defence industrial base, thus indicating a further movement in cooperation in the defence field. Defence Secretary Ashton Carter's visit should be seen in this context. In the economic arena, progress is being made with discussions on difficult issues, such as intellectual property rights, foreign direct investment caps, and trade restrictions.

The recent successive summits have imparted confidence and optimism in the relationship. The policy articulation signals a greater convergence between India and the US on national security issues, ranging from combating global terrorism and piracy to addressing China's assertiveness.

To what extent this further enhancement can be realised remains to be seen. For India, the recent announcement that the USA has handed over combat aircraft, air-to-air missiles, and naval armaments from its inventory in Afghanistan to Pakistan is an unwelcome development, indicating the persistence of divergence on this issue. On China, neither the USA nor India consistently pursues a 'balancing' strategy vis-à-vis China. On the other hand, 'engagement' is an equally prominent element in the China policies of both nations.

Thus, a complex economic engagement and a complicated regional environment have the potential to unite and divide the two powers. However, Modi and Obama have indicated that they are committed to intensifying the partnership further, signifying that powerful factors are pulling them together. Recent developments, however, reflect prospects of a meaningful expansion of Indo-US relations, better now than at any time previously.

Notes

- ¹ William Burns, 'India's Rise and the Future of the US-India Relationship', in URL <http://www.cfr.org/india/indias-rise-future-us-india-relationship/p.34775>.
- ² Joint Statement during the visit of Prime Minister Modi to USA, 30 September 2014, <http://www.mea.gov.in/bilateral-documents.htm?dtl/24051/Joint+Statement+during+the+visit+of+Prime+Minister+to+USA>.
- ³ Text of Agreement, Framework for US-India Defence Relationship, June, 2015, http://www.indiastrategic.in/topstories3823_Text_of_Agreement.htm.
- ⁴ Joint Statement during the visit of President of USA to India', 25 January 2015, http://mea.gov.in/bilateral-documents.htm?dtl/24726/Joint_Statement_during_the_visit_of_President_of_USA_to_India_Shared_Effort_Progress_for_All.



Vision Statement for the U.S.-India Strategic Partnership¹

September 29, 2014

‘Chalein Saath Saath: Forward Together We Go’

As leaders of two great democratic nations with diverse traditions and faiths, we share a vision for a partnership in which the United States and India work together, not just for the benefit of both our nations, but for the benefit of the world.

We have vastly different histories, but both our founders sought to guarantee freedoms that allow our citizens to determine their own destiny and pursue their personal aspirations. Our strategic partnership rests on our shared mission to provide equal opportunity for our people through democracy and freedom.

The currents of kinship and commerce, scholarship and science tie our countries together. They allow us to rise above differences by maintaining the long-term perspective. Every day, in myriad ways, our cooperation fortifies a relationship that matches the innumerable ties between our peoples, who have produced works of art and music, invented cutting-edge technology, and responded to crises across the globe.

Our strategic partnership is a joint endeavor for prosperity and peace. Through intense consultations, joint exercises, and shared technology, our security cooperation will make the region and the world safe and secure. Together, we will combat terrorist threats and keep our homelands and citizens safe from attacks, while we respond expeditiously to humanitarian disasters and crises. We will prevent the spread of weapons of mass destruction, and remain committed to reducing the salience of nuclear weapons, while promoting universal, verifiable, and non-discriminatory nuclear disarmament.

We will support an open and inclusive rules-based global order, in which India assumes greater multilateral responsibility, including in a reformed United Nations Security Council. At the United Nations and beyond, our close coordination will lead to a more secure and just world.

Climate change threatens both our countries, and we will join together to mitigate its impact and adapt to our changing environment. We will address

¹ Available at: <http://www.mea.gov.in/outgoing-visit-detail.htm?24048/Vision+Statement+for+the+USIndia+Strategic+PartnershipChalein+Saath+Saath+Forward+Together+We+Go>.

the consequences of unchecked pollution through cooperation by our governments, science and academic communities. We will partner to ensure that both countries have affordable, clean, reliable, and diverse sources of energy, including through our efforts to bring American-origin nuclear power technologies to India.

We will ensure that economic growth in both countries brings better livelihoods and welfare for all of our people. Our citizens value education as a means to a better life, and our exchange of skills and knowledge will propel our countries forward. Even the poorest will share in the opportunities in both our countries.

Joint research and collaboration in every aspect – ranging from particles of creation to outer space – will produce boundless innovation and high technology collaboration that changes our lives. Open markets, fair and transparent practices will allow trade in goods and services to flourish.

Our people will be healthier as we jointly counter infectious diseases, eliminate maternal and child deaths, and work to eradicate poverty for all. And they will be safer as we ensure the fullest empowerment of women in a secure environment.

The United States and India commit to expand and deepen our strategic partnership in order to harness the inherent potential of our two democracies and the burgeoning ties between our people, economies, and businesses. Together we seek a reliable and enduring friendship that bolsters security and stability, contributes to the global economy, and advances peace and prosperity for our citizens and throughout the world.

We have a vision that 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.



India-U.S. Delhi Declaration of Friendship²

January 25, 2015

“Chalein Saath Saath; Forward Together We Go”. Reflecting the close ties between our two great democracies, India and the United States agree to elevate our long-standing strategic partnership, with a Declaration of Friendship that strengthens and expands the relationship between our two countries.

“Sanjha Prayaas, SabkaVikaas; Shared Effort, Progress For All”. Each step we take to strengthen the relationship is a step towards shaping international security, regional and global peace, prosperity and stability for years to come.

Signaling the natural affinity enjoyed by our two nations, this Declaration proclaims a higher level of trust and coordination that will continue to draw our Governments and people together across the spectrum of human endeavor for a better world.

The India-U.S. Vision Statement endorsed in September 2014 committed our nations to a long-term partnership for prosperity and peace, through which our countries work together to make our citizens and the global community, safer and more prosperous.

The Declaration makes tangible and enduring the commitment of our two countries to harness the inherent potential of our two democracies, and upgrades the unique nature of our relationship, committing our Governments to work through areas of difference.

Through this Declaration of Friendship and in keeping with our national principles and laws, we respect:

- Equal opportunity for all our people through democracy, effective governance, and fundamental freedoms;
- An open, just, sustainable, and inclusive rule-based global order;
- The importance of strengthened bilateral defense ties;
- The importance of adapting to and mitigating the impact of climate change through national, bilateral and multilateral efforts;
- The beneficial impact that sustainable, inclusive development will have

² Available at: <http://www.mea.gov.in/incoming-visit-detail.htm?24727/IndiaUS+Delhi+Declaration+of+Friendship>

on our two countries and the world;

- The centrality of economic policies that support the creation of strong and sustainable jobs, inclusive development, and rising incomes; and
- Transparent and rule-based markets that seek to drive the trade and investment necessary to uplift all members of society and promote economic development.

As part of this Declaration of Friendship, we commit to:

- Hold regular Summits with increased periodicity;
- Elevate the Strategic Dialogue to a Strategic and Commercial Dialogue, of which the Strategic elements would continue to be chaired by the External Affairs Minister of India and the U.S. Secretary of State and the Commercial components of the Dialogue would be led by India's Minister of Trade and Commerce and the U.S. Secretary of Commerce. This reflects the United States' and India's commitment to strengthen commercial and economic ties to advance mutual prosperity, regional economic growth and stability;
- Establish secure hotlines between the Prime Minister of India and the President of the United States of America and National Security Advisors;
- Cooperate to develop joint ventures on strategically significant projects;
- Build meaningful security and effective counterterrorism cooperation;
- Hold regional and multilateral consultations;
- Consult and hold regular consultations in multilateral forums; and
- Leverage the talents and strengths of our people to enhance sustainable, inclusive development around the globe.

★ ★ ★

***US-India Joint Strategic Vision for the Asia-Pacific and
Indian Ocean Region***³

January 25, 2015

As the leaders of the world's two largest democracies that bridge the Asia-Pacific and Indian Ocean region and reflecting our agreement that a closer partnership between the United States and India is indispensable to promoting peace, prosperity and stability in those regions, we have agreed on a Joint Strategic Vision for the region.

India and the United States are important drivers of regional and global growth. From Africa to East Asia, we will build on our partnership to support sustainable, inclusive development, and increased regional connectivity by collaborating with other interested partners to address poverty and support broad-based prosperity.

To support regional economic integration, we will promote accelerated infrastructure connectivity and economic development in a manner that links South, Southeast and Central Asia, including by enhancing energy transmission and encouraging free trade and greater people-to-people linkages.

Regional prosperity depends on security. We affirm the importance of safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region, especially in the South China Sea.

We call on all parties to avoid the threat or use of force and pursue resolution of territorial and maritime disputes through all peaceful means, in accordance with universally recognised principles of international law, including the United Nations Convention on the Law of the Sea.

We will oppose terrorism, piracy, and the proliferation of weapons of mass destruction within or from the region.

We will also work together to promote the shared values that have made our countries great, recognising that our interests in peace, prosperity and stability are well served by our common commitment to the Universal Declaration of Human Rights (UDHR).

We commit to strengthening the East Asia Summit on its tenth anniversary to promote regional dialogue on key political and security issues, and to work together to strengthen it.

³ Available at: <http://www.mea.gov.in/incoming-visit-detail.htm?24728/USIndia+Joint+Strategic+Vision+for+the+AsiaPacific+and+Indian+Ocean+Region>.

In order to achieve this regional vision, we will develop a roadmap that leverages our respective efforts to increase ties among Asian powers, enabling both our nations to better respond to diplomatic, economic and security challenges in the region.

As part of these efforts, the United States welcomes India's interest in joining the Asia Pacific Economic Cooperation forum, as the Indian economy is a dynamic part of the Asian economy.

Over the next five years, we will strengthen our regional dialogues, invest in making trilateral consultations with third countries in the region more robust, deepen regional integration, strengthen regional forums, explore additional multilateral opportunities for engagement, and pursue areas where we can build capacity in the region that bolster long-term peace and prosperity for all.

★ ★ ★