

## INDO-US RELATIONS: FROM ESTRANGEMENT TO ENGAGEMENT

Mohd Zakariya

Ph.D Research Scholar, Department of Political Science, Jamia Millia Islamia, New Delhi- 110025

### ABSTRACT

*With the end of the Cold War and the disintegration of the Soviet Union, Indo-US relations indeed got a chance for positive transformations. India lost formidable friend and a big market for its exports with the disintegration of the USSR and Russia the successor of the Soviet Union refused to supply military equipments at the discounted price of the USSR. With the loss of the USSR as a dependable ally both in military terms and in the UN. , with the US as sole super power, with the rise of China and with Pakistan's growing confidence after the Soviet Union pullout from Afghanistan, India had to rethink its relations with the US. In other words all these factors actually led to greater engagement between the two countries.*

### INDO-US RELATIONS DURING COLD WAR

The Indo-US relations have seen various ups and downs over the years. It was the US which morally and politically supported India's independence during the colonial period at the risk of annoying the British colonial power<sup>1</sup> and thereafter, having achieved independence from the colonial power, India and the US started on good notes at the beginning. However, the India-US bonhomie did not last for a very long time. With the start of Cold War, bilateral relations could not escape from the adverse implications of strained ties between the communist and the capitalist blocs headed by the erstwhile USSR and the US respectively. India viewed the world through the prism of anti-imperialism, unlike the US which viewed the world through the prism of anti-communism.<sup>2</sup> Thus faced with an increasingly bipolar world, India adopted an idealistic yet pragmatic policy of nonalignment as the corner stone of foreign policy.<sup>3</sup> However, the problem with the nonalignment policy of India was that it did not transform into complete neutrality. Pakistan's eagerness to participate in US policy of containment of communism and the military and political support that it got from the US as a result of Pakistan's participation in US containment policy, has played a significant role in this regard. It is to be noted that Dwight D. Eisenhower was the first US president to visit India in 1959. Thereafter President Richard Nixon in 1969 and President Jimmy Carter in 1978 visited India. What is worth noting is that despite being democratic countries the two countries

<sup>1</sup> See for more details Dennis Kux's 'Estranged Democracies: India and the United States 1941-1991 (New Delhi: Sage Publication, 1993) pp. 3-38

<sup>2</sup> David M. Malone and Rohan Mukherjee, India-US relations: the shock of the new, International Journal, volume 64, no.4 (Autumn 2009) p. 1058

<sup>3</sup> Ibid

could not establish good bilateral relations between them. As mentioned above that Nehru's nonalignment policy did not transform into complete neutrality as far as international politics was concerned. Nehru's policy was to keep the US at a strategic distance by trumpeting non-alignment and to cooperate with it wherever possible, particularly in economy and technology, in the interest of India's development.<sup>4</sup> What is an irony is that policy of non-alignment was an old American strategic choice, back when they feared being caught between the great powers of Europe in the eighteenth and nineteenth centuries. The US, therefore, should have been more sympathetic to India but instead Washington was suspicious and scornful of India's nonalignment policy. The US was suspicious of India because New Delhi could swing other countries away from the capitalist bloc and the US was scornful of Nehru's nonalignment because Washington thought of it as a naïve belief that the policy of non-alignment was a suitable strategy for weaker countries.<sup>5</sup>

However, occasionally India got much needed help from the US during the Cold War period. In 1962 Indo-China war, it was the US that offered help to India and the Soviet Union first took a neutral position in this war and then almost supported the Chinese position and stayed delivery of already purchased fighter aircrafts to India. Similarly, the US often provided food assistance to India and helped India in civilian nuclear energy sector by providing nuclear reactors and fuels to run them. After 1965 Indo-Pak war the US ended military help to both India and Pakistan as a reaction to the war.

Another thing which is worth noting is that, India during the Cold War period was not economically attractive to the US interests. India's policy of import substitution in economic development actually could not attract the US. Trade in goods and services were minimal in comparison to the present. Similarly, India's silence over the USSR's action in Afghanistan in 1979 further strained ties between two the countries. However, bilateral relationship somehow started witnessing some improvements during 1980s. Rajiv Gandhi's visit to the US in 1985 was one of the most successful ever in terms of the personal and public relations outcomes. As a result of the visit, came a greater interest in defence cooperation between the two countries and in particular the sale of defence equipment.<sup>6</sup>

The nuclear issue has been one of the most significant factors that often led to the strained ties between the two countries. The US throughout history of independent India kept on pressurizing India to roll back its nuclear weapons programme and become a party to the NPT as a non-nuclear weapon state. However India resisted the pressure and did not sign the NPT as it was a discriminatory treaty in nature. The nuclear test of India in 1974 named smiling Buddha shocked the US. As a result India has suffered from US sanctions in the nuclear, missile and highly technology sectors ever since the nuclear tests in 1974. However, the 1998 nuclear test conducted by India,

<sup>4</sup>Kanti Bajpai, India International Center Quarterly, volume 33, No. ¾, ( Winter 2006-Spring 2007) p.96

0

<sup>5</sup> Ibid p. 95

<sup>6</sup> Kanti Bajpai, Where Are India and the US Heading?, Economic and Political Weekly, August 6, 2005, P. 3577

though initially caused wide spread anger in the world and led to the America's economic sanctions on India, has actually paved way for bilateral engagement. It led the series of negotiations between Strobe Talbot and Jaswant Singh. Gradually the US lifted all the sanctions and 9/11 attack on the world trade centre further brought the two countries closer to each other. The conclusion of 123 Agreement between India and the US actually has solved a very important issue of bilateral discord that often in the past had led to strained ties between the two countries.

## POST-COLD WAR INDO-US RELATIONS

With the end of the Cold War and the disintegration of the Soviet Union, Indo-US relations indeed got a chance for positive transformations. India lost formidable friend and a big market for its exports with the disintegration of the USSR and Russia the successor of the Soviet Union refused to supply military equipments at the discounted price of the USSR. With the loss of the USSR as a dependable ally both in military terms and in the UN. , with the US as sole super power, with the rise of China and with Pakistan's growing confidence after the Soviet Union pullout from Afghanistan, India had to rethink its relations with the US.<sup>7</sup>In other words all these factors actually led to greater engagement between the two countries.Liberalization of India's economy under the pressure of Balance of Payment of crisis,paved the way further for the strengthening of bilateral relationship. Thus with the end of the Cold War and the disintegration of the Soviet Union and liberalization of Indian economy, Indo-US relations started showing unprecedented positive developments.

## POST-COLD WAR EMERGING TRENDS IN INDO-US TRADE AND ECONOMIC RELATIONSHIP

India is now one of the fastest growing economies and the second most populous country after China. In 2011-2012, India's exports amounted to \$ 304.62 billion.<sup>8</sup> As far as US is concerned, it is still the largest economy of the world. As per GDP (PPP) ranking, India stands at third place. The economic and trade relationship has seen unprecedented growth as a result of India's liberalization of its economy. According to the official data of the US, American trade with India has increased 69.2% between 2009 and 2013. While the Indian data shows the growth of bilateral trade to be 78.3% over the five years. In the year 2013-2014, the US was the second largest trading partner of India after China.<sup>9</sup>

Peculiar characteristic of US-India trade relationship is that India has trade surplus both in merchandise trade and trade in services. Before 2006, the US had trade surplus as far trade in services was concerned and thereafter it started having trade deficit with India.

---

<sup>7</sup> Ibid p. 3577

<sup>8</sup> Ministry of Finance, Government of India, Economic Survey 2012-2013 P. A1

<sup>9</sup>Ministry of Commerce, Department of Commerce, Export Import Data Bank, available at <http://www.commerce.nic.in/eidb/iecnt.asp>, accessed on 12 February, 2015

## TRADE BARRIERS

India's IPR regime, protectionist measures adopted by the two countries, American visa policy particularly B-1 Visa and L-1 Visa policy, India's policy of local content requirement in various industrial sectors, India's FDI cap are some of the issues that work as trade barriers between the two countries. American companies are very upset with the fact that India's IPR laws are not strong enough to protect their innovations particularly in pharmaceutical sector. The matter was further aggravated in April 2013, when the Supreme Court's decision went against the patent application made by the Swiss company Novartis for its cancer drug Glevec. Reacting to the decision of the Supreme Court, Mark Eliot, the vice executive of the US Chamber of Commerce Global Intellectual Property Centre said that it would negatively impact business ability to invest in medical and technological advancements.<sup>10</sup> India's FDI cap and policy of local content requirement is also being criticized by the US. The National Manufacturing Policy calls for greater local content in government procurement across a number of equipments and technologies including solar energy equipments. According to the US Trade Representative Michael Froman, the provisions for the domestic content requirement in India's National Solar Mission (NSM), discriminate against US exports by requiring solar power developers to use Indian-manufactured equipments instead of US equipments in violation of the provisions of WTO.

## DEFENCE RELATIONSHIP

The Indo-US defence relationship has also seen unprecedented progress after the end of Cold war. Several initiatives have been taken up by the two countries to boost bilateral security relationship. The Kicklighter proposals, Agreed Minutes for Defence Cooperation, Next Step in Strategic Partnership etc paved the way for the strong bilateral defence relationship during the 1990s. The Agreed Minute in fact ushered in a new era in the history of bilateral relations. It emphasized on ministerial level discussion, defence research and development and service to service interactions. Defence relationship has emerged as a major pillar of India-U.S. strategic partnership with the signing of 'New Framework for India-U.S. Defense Relations' in 2005 and the resulting intensification in defence trade, joint exercises, personnel exchanges, collaboration and cooperation in maritime security and counter-piracy, and exchanges between each of the three services. The Defence Framework Agreement was updated and renewed for another 10 years in June 2015.<sup>11</sup> As far as defence trade is concerned, it can be said that it is one sided in the sense that it is India which only purchase defence equipment from the US and not vice versa. Thus, while India has trade surplus with the US in general, it is the US which has upper hand in trade in defence equipments.

---

<sup>10</sup>Glevec patent denial may affect investments to India

<sup>11</sup><https://www.indianembassy.org/pages.php?id=41>

## JOINT EXERCISES

With the growing Indo-US military to military ties, joint exercise between the two forces too have grown dramatically. The joint exercise is aimed at achieving better understanding of each other's capabilities and to develop the ability to operate jointly. Broadly speaking, the two countries conduct four naval exercises annually: Malabar, Habunag (naval aspects of amphibious operations), Spitting Cobra, (explosive ordnance destruction focus), and Savex (diving and salvage) These exercises are important vehicles in developing professional relationships and familiarity between the two navies and run the gamut of high-end naval warfare, including integrated air/missile defense, anti-surface warfare, anti-submarine warfare, and naval special warfare. In addition to the annual Pacific Fleet-Indian Navy Executive Steering Group meeting, India and the US also hold regular naval bilateral staff talks, engage in port visits, and conduct personnel exchanges at all ranks<sup>12</sup>The U.S. Army's engagement with India centers on the annual YUDH ABHYAS exercise<sup>13</sup>.

## DEFENCE TRADE

With improvement in the bilateral defence relationship, India-US defence trade has seen unprecedented growth. The United States remains committed to being a reliable and transparent defense supplier to India. Since 2002, India has signed more than 20 Foreign Military Sales (FMS) cases for defense articles and services such as C-17 and C-130J aircraft, TPQ-37 radars, Self Protection Suites (SPS) for VVIP aircraft, specialized tactical equipment, Harpoon missiles, Sensor-Fuzed Weapons, and carrier flight and test pilot school training. In less than a decade, and starting at zero, we have seen the FMS program grow to a combined total case value of approximately \$6 billion. Defense sales provide the Indian military with capabilities that mutually support both our nations' strategic priorities. Additionally, we view defense sales as a mechanism to enable new training and exchange opportunities between our militaries. The last five years have given us several opportunities to reach a new level of interaction between our militaries through defense trade. The C-130Js delivered beginning in February 2011 are the first U.S. military aircraft to have been delivered to India in half a century and have already been successfully employed to provide critical humanitarian assistance following an earthquake in Sikkim in September 2011. As part of that sale, the U.S. Air Force (USAF) trained more than 100 Indian Air Force personnel – including pilots, loadmasters, and maintenance staff. Once the C-17 contract is fulfilled, India will operate the second largest fleet of C-17s in the world. The former USS TRENTON, which was transferred to the Indian Navy in 2007 and christened the INS JALASHWA, has helped the Indian Navy expand its amphibious and expeditionary warfare capabilities.<sup>14</sup>

---

<sup>12</sup>U.S. Department of Defense, Report to Congress on U.S.-India Security Cooperation, November 2011 P. 3 available at [http://www.defense.gov/Portals/1/Documents/pubs/20111101\\_NDAA\\_Report\\_on\\_US\\_India\\_Security\\_Cooperation.pdf](http://www.defense.gov/Portals/1/Documents/pubs/20111101_NDAA_Report_on_US_India_Security_Cooperation.pdf)

<sup>13</sup> Ibid

<sup>14</sup> Ibid, p.5



## IRRITANTS IN INDO-US DEFENCE RELATIONSHIP

However, though India-US defence relationship has witnessed unprecedented improvements after the end of Cold War and particularly in the 21st century, there are still many issues that create hurdles in the way of strong and friendly defence relationship. Trust deficit between the two countries, India's reluctance to sign the so called foundational agreements i.e. Logistic Support Agreement, Communication Interoperability and Security Memorandum of Agreement (CISMOA), Basic Exchange and Cooperation Agreement for Geo-spatial Cooperation. Another factor that often raises the hackles of New Delhi is Washington's continued military aid to Pakistan. The US despite being aware of the fact that its military aid which is often provided for combating terrorism actually is being used against the interests of India. Similarly Washington's continued supply of advanced military equipments to Pakistan is not considered to be healthy for the bilateral defence relationship. Indian policymakers, strategists, and analysts are unable to reconcile their perception of U.S. policy on terrorism and its attitude toward Pakistan. Washington's over-eagerness to accommodate Pakistani demands and perceptions accompanied by an inability or unwillingness to penalize Pakistan, despite the harsh reality of Pakistan's continued support for terrorism, remains inexplicable to most Indians. This continued support by the U.S. has emboldened Pakistan to resist demands to dismantle its terrorist infrastructure.<sup>15</sup> These issues have to be amicably solved in order to give a boost to the bilateral relationship.

## CONCLUSION

It is apparent that at present India enjoy a warm and strong friendly relationship with the US based on a common commitment to democratic values, robust economic and trade relations, vibrant cooperation in the field of human rights and close people to people links. Though bilateral differences still exist over several issues at bilateral and international level, these issues no longer prevent them from engagement and meaningful dialogues. They are no longer "estranged democracies"<sup>16</sup> as was the case during Cold War period. The two "estranged democracies" of the Cold War have become fairly robust engaged democracies.

---

<sup>15</sup>C. Raja Mohan, Vikrom Sood et al, Beyond the Plateau in U.S. – India Relations available at

<http://www.heritage.org/research/reports/2013/04/beyond-the-plateau-in-us-india-relations>

<sup>16</sup>Ashley J. Tellis, The TransformING U.S.-Indian Relationship and Its Significance for American Interests, Carnegie Endowment for International Peace, available at <http://www.npolicy.org/files/20061017-tellis-transforming.pdf>