

## ISSUE BRIEF

# Transforming India from a Balancing to Leading Power

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A year ago, Indian Prime Minister Narendra Modi addressed a joint session of the US Congress, marking yet another new phase in increasingly cooperative US-India relations. The address, held on June 8, 2016, was the culmination of a process that began in 2005, when a New Framework for the India-US Defense Relationship was signed between former President George W. Bush and former Indian Prime Minister Dr. Manmohan Singh.<sup>1</sup> Among a slew of deals forged under this framework was the Civil Nuclear Cooperation Initiative, a landmark agreement in Indo-American nuclear relations that marked a new understanding between the two nations on the issue of weapons of mass destruction.

Following the success of the Civil Nuclear Cooperation Initiative and the 123 Nuclear Agreement between the two countries, Congress introduced a bill in 2016 pertaining to defense and economic cooperation.<sup>2</sup> This Special Global Partnership with India Act of 2016 promised to usher in a new level of Indo-US cooperation through large-scale transfers of technology as well as enhanced American military assistance to India.

However, much has changed at the White House since then, and questions regarding the Donald Trump administration's stance towards India abound. In the context of an increasingly assertive China and North Korea, this administration needs to continue to work to consolidate and enhance Indo-American relations to counter Chinese aggression. Furthermore, the White House should make clear in no uncertain terms that India is important in its own right, and not merely as a counterbalance to China.

During his campaign, President Trump indicated that strengthening US-India ties would be a top priority for his administration. He went on to woo India by openly vilifying China on a host of issues not limited to the South China Sea. However, since he was sworn into office, Trump has displayed an unprecedented degree of warmth in his attitude towards China, leaving Indian observers puzzled.

The South Asia Center works to overcome entrenched rivalries and foster collaboration in one of the world's most volatile, dynamic, and strategically significant regions.

- 1 United States State Department, Joint Statement by President George W. Bush and Prime Minister Manmohan Singh, July 18, 2005, <https://2001-2009.state.gov/p/sca/rls/pr/2005/49763.htm>.
- 2 United States Congress, H.R.5387 – Special Global Partnership with India Act of 2016, last updated June 16, 2016, <https://www.congress.gov/bills/114th-congress/house-bill/5387?q=%7B%22search%22%3A%5B%22Special+Global+Partnership+with+India+Act+of+2016%22%5D%7D&r=1>.

In his first few months in office, President Trump has demonstrated that Asia continues to be a major focus of US foreign policy. His administration has addressed a multitude of issues related to China and the Korean Peninsula in a short time frame, reiterating US interests in the region. That being said, a more pressing concern is whether President Trump will work to enhance the stature of the Indo-American relationship in the same vein as his predecessors.

## History

Upon attaining its independence in 1947, the newly formed Republic of India promptly inhabited a unique status in the global community of nations. On one hand, its sheer size and geostrategic location made (and continue to make) it impossible to ignore. Despite this, its post-colonial leaders opted to pursue policies of economic growth rather than develop indigenous Indian military capacity. During the Cold War, Indian Prime Minister Jawaharlal Nehru advocated the strategic policy of non-alignment—even though New Delhi did not want to develop the military means or the political wherewithal to actualize this concept.

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Despite India's newfound focus on military growth, it is unlikely to take a hard shift toward the United States by rejecting this long-held policy of “strategic autonomy,” which broadly resembles the Jeffersonian doctrine of avoiding the entanglements of formal alliances. However, the country may be amenable to quieter, subtler diplomacy. Thus, the United States should instead consider an oblique strategy to finesse its relationship with India further.

## Policy Shift

In March 2015, Foreign Secretary Subrahmanyam Jaishankar delivered a speech in which he declared that India was intent on playing the role of a “leading” instead of a “balancing” power in Asia.<sup>3</sup> This purposeful announcement was predicated upon two decades of gradually increased presence, initiated by Prime Minister Atal Bihari Vajpayee in 1998 and taken forward by Prime Minister Singh. While Vajpayee grabbed Washington's initial attention—and, indeed, the entire world took notice—by formally claiming nuclear status for his nation after its second successful nuclear test, signifying the beginning of India's endeavor at being a global power, Dr. Singh operationalized the newfound traction between the two countries by taking the relationship to a whole new level.

Since 2014, the National Democratic Alliance/Bharatiya Janata Party government has begun further consolidating strategic regional alliances, which would seem to indicate that it is perhaps countervailing perceived Chinese dominance in the region. Recent agreements with Mongolia, Sri Lanka, and Bangladesh signify that India is looking to assert its position as a growing power. While these agreements may be either diplomatic or economic in nature, they appear to be a starting point for the current Indian government's attempt to offset Chinese ascendancy across the board.

## Commonalities and Shared Interests

Several commonalities between the United States and India provide a genuine platform for cooperation. Primarily, both countries considerably value their political systems, which center on democratic representation and liberal common values. The two countries have also suffered major terrorist attacks at the hands of Islamist terrorist groups, making the tackling of such factions around the world a priority on the Indo-American security agenda. India's economic growth lends further reason for enhanced cooperation, as the burgeoning marketplace yields several potential lucrative investment opportunities for the US government and American businesses and investors.

The two countries have seen eye to eye on their approach towards Beijing so far. Both nations realize the need to ensure that Beijing behaves in accordance

<sup>3</sup> Subrahmanyam Jaishankar, Speech at India-US 2015: Partnering for Peace and Prosperity, New Delhi, India, March 16, 2015.



Indian Prime Minister Narendra Modi at the 'Iron Fist 2016' exercise in Pokhran, Rajasthan.  
*Photo credit: narendramodionofficial/Flickr.*

with the rules of the liberal, postwar institutional order that the US helped build. As current and potential naval powers, the two countries must have unfettered access to international sea-lanes that Beijing intends to constrict. This leads to a broader, mutually beneficial reason for a coordinated policy towards China, a nation ostensibly not averse to flaunting a boosted militarism that could be dangerous to the security of both the US and India in the foreseeable future.

### The Chinese Presence in India's Backyard

The Indo-Chinese economic relationship represents an enigma to the United States. Despite the border and security-related tensions that have plagued the two nations, bilateral trade has continued to grow. Trade between India and China amounts to between \$70-80 billion annually. To put that into context, trade between India and the United States has hovered between \$100 and \$110 billion for the past few years.<sup>4</sup> An additional

concern is that while India maintains a positive trade balance with the United States, it has had a significant trade deficit with China for over two years. China has invested heavily to establish its presence as an economic superpower across Asia, including in the Indian Ocean region—long seen as India's sphere of strategic influence. The recent Belt and Road Forum in Beijing sought to showcase the Belt and Road Initiative, including the strand called the China-Pakistan Economic Corridor, and is a manifestation of the changing geo-economic landscape of the region. China has signed contracts for development and operation of ports in both Pakistan and Sri Lanka, signifying its intent to expand its influence in South Asia. With these advances, the Chinese military footprint would extend from the periphery of India all the way to Guam.

4 Office of the United States Trade Representative, US-India Bilat-

eral Trade and Investment, last updated March 22, 2017, <https://ustr.gov/countries-regions/south-central-asia/india>.



## An Old Friend Is Worth Two New Ones: Russia

Should India sense a lack of intent and purpose on the part of the United States, policy makers may instead turn to Moscow, which has developed a close relationship with Islamabad. This is underscored by the joint exercises undertaken by the Russian and Pakistani armed forces in the immediate aftermath of a lethal attack in September 2016 on an Indian military camp at Uri in Jammu and Kashmir, which resulted in significant casualties. In the immediate post-independence period, India put considerable effort towards developing close relations with the Soviet Union, driven by its socialist orientation at that time. Despite advocating non-alignment during the Cold War era, India often leaned towards the Soviet Union to counter the effect of the US-Pakistan relationship. New Delhi and Moscow have since worked closely on several endeavors. Moscow has served as India's preferred defense partner for a long time, signifying a level of historically established trust that has existed between the two nations.

While relations might not be as close today as they were a few decades ago, India and Russia continue to work together on several mutually important projects. They are associated through the BRICS alliance, which both countries have given importance to in the recent past. Despite quiet concerns in India about the life cycle costs of Russian-manufactured defense equipment, it continues to form a large part of India's arsenal, both aurally and navally. The two countries have shared a strong relationship historically. There is growing recognition of a gradual acceptance amongst policy elites in Washington that India will continue to maintain its relationship with Russia as well as China despite leaning closely towards the United States. For with the Chinese, the old adage applies: you cannot change your neighbors.

## The Need for Subtle Assistance

The United States must work with India to push back on the Chinese trajectory in certain domains. Policy makers and analysts warn that China is increasingly challenging American primacy in the "command of commons."<sup>5</sup> There have already been significant disagreements between the US and China over issues such as the South China Sea, which poses a threat to

American dominance in the global commons given that area's strategic significance.

Partnering with India could mutually benefit the United States and India in safeguarding global security, as well as in testing Chinese intentions in the region. The United States could assist India by providing the means to maintain its "commanding position" in the Indian Ocean region. It is also essential for a growing India to now share responsibility for maintaining the global commons and to assert its jurisdiction over the Indian Ocean.

The current government is making the right noises about receptivity to foreign investment in the Indian defense sector. There has already been some loosening up in Indian defense procurement processes and the United States should view it as an opportunity. President Trump, however, has not shown any indication of being likely to encourage arms sales to India. While Washington might not want to sell weapons to India, there are three areas—carrier aviation, space surveillance, and unmanned aerial vehicles—in which the United States could help India improve its capabilities in the sea, air, and space in the Indian Ocean region. Strengthening India in these three domains could help US military interests in the area, as India continues to maintain its preeminent position.

## Carrier Aviation

India's military structure is based on carrier battle groups. Currently, the nation has only one aircraft carrier in its arsenal, the INS Vikramaditya, which it purchased from Russia. There are many observers in India and abroad who feel major purchases from Russia, including the carrier, could have been better handled. The INS Vikramaditya, previously named the Admiral Gorshkov, was delivered five years late and at triple the initially estimated cost, unsettling policy makers in New Delhi.<sup>6</sup>

The Indian Navy has often neglected to develop certain essential naval assets such as submarines and anti-submarine helicopters—one reason for disproportionality between Indian and Chinese naval assets. China has two aircraft carriers currently in service and has displayed the ability to build more domestically. Additionally, China has laid down plans

5 Barry Posen, "Restraint: Command of the Commons: The Military Foundation of U.S. Hegemony," *International Security*, 2003.

6 "After 5-Year Delay, Navy Gets INS Vikramaditya," *Times of India*, November 13, 2013, <http://timesofindia.indiatimes.com/india/After-5-year-delay-navy-gets-INS-Vikramaditya/article-show/25911949.cms>.

that indicate it will be fielding two carrier strike groups in the western Pacific Ocean and two in the Indian Ocean. This naval modernization push in the last decade has only widened the gap between the navies of the two countries.

India has realized its shortcomings in the recent past and has begun addressing these issues. A recently commissioned nuclear-capable submarine, the indigenously developed Arihant, is evidence of this paradigm shift. India also plans to deploy a second aircraft carrier, the INS Vikrant, by 2018. Despite these efforts, there will continue to be a mismatch between the naval forces of the two countries that India will struggle to balance on its own. The adoption of a long-term plan to enhance Indian naval capabilities would help mitigate this imbalance while presenting an opportunity for the United States as well.

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### Space Surveillance

Another area where cooperation can be elevated is in the domain of space surveillance. India and the US possess an impressive array of space assets. India's space program has so far been largely concentrated on building civilian capabilities. As a result, military needs have often been neglected. Satellites are a key asset for the Indian military, as they are essential for monitoring Chinese military activities. Meanwhile, China has been increasing its own space-based capacity, including in navigation, intelligence, and communications assets, which give it a significant edge over India in the field. The United States should partner with India to improve space surveillance capacity. Cooperation between American and Indian surveillance assets could increase mutual Maritime Domain Awareness in the Indian Ocean region while simultaneously countering asymmetric Chinese space surveillance capabilities.

### Unmanned Aerial Vehicles

Unmanned aerial vehicles (UAVs) are another aspect of the military that India has been looking to develop. Many of India's existing UAVs are either indigenously developed or Israeli built. But the US can and should play an important role in this domain. There are proposals

concerning the sale of the American developed drones for India, which operate at a greater altitude and possess further operational range than India's current fleet. India has focused on building effective drone capabilities that are important to the Indian military and can aid in surveillance of its borders. The difficult terrain of the region makes it challenging for other forms of surveillance and detection to be effective, making UAVs a preferred solution of the Indian Army. In addition to this, UAVs could be used to monitor China's military activities and military infrastructural development in the border areas. Drones provide an economically feasible solution to monitor the rapidly changing situation in border security. The Indian military is in the process of building a drone arsenal that is versatile in its functioning, and will continue to be a priority for them in the near future.

### Possible Obstacles

It is vital for American interests in Asia to have India as an economic and strategic ally. However, for this relationship to work, President Trump will have to demonstrate his commitment to building a positive environment within which the Indian-American relationship can flourish. It is likely that the Indian policy making elite and body politic will expect President Trump to continue along the same path as his predecessors, and expect him to honor existing bilateral agreements. Furthermore, India would want the continuation of the recently signed nuclear agreements as well as the US-India Defense Technology and Trade Initiative, which the White House may review in the near future.

Importantly, President Trump has advocated several policies that could harm Indian interests and potentially negatively affect the trajectory of US-India ties. To begin with, restrictions on work and education visas could antagonize India, with US-bound engineers set to suffer. Trump has also emphasized the need to bring processes back to the US that could cost Indian export of services heavily. With Indo-American trade already stagnating over the past few years, Trump's policies give no room for this trade to grow in the future. This will be a worrying factor for India. Environmental policy is another potential area of disagreement between the two countries. India has been a champion for renewable energy and has also shown a commitment to combating climate change, as is evident in its position on the Paris Agreement.

India has long appealed for the Kashmir issue to be solved bilaterally without international interference.





BRICS meeting in Hangzhou, China, September 2016. *Photo credit: Beto Barata/Wikimedia.*

Yet, in his statements, Trump has offered to mediate on the Kashmir dispute between India and Pakistan; New Delhi may not appreciate such involvement. Indian policy makers will be wary of Trump's policies towards Pakistan, and any decisions taken by the administration would go a long way toward determining the warmth of US-India relations. India would also want cooperation with the US on regional issues such as the Afghanistan conflict. Spillover from the destabilization in Afghanistan threatens to affect Indian security, which should be considered by the Trump administration before taking action in the country.

## Conclusion

Given the advancements that China has made both economically and militarily, the US will need to channel considerable resources to assert its global and regional primacy. To accomplish this, India remains a key piece in the jigsaw for the United States. President Trump will need to assure India that it is not merely a regional prop to balance Beijing's power in the

region, but a top priority for US foreign policy under the Trump administration. While Trump has favored rapprochement with Beijing so far, there will need to be more initiative and effort from Washington to ensure that India-US relations continue to strengthen. The Asia-Pacific Stability Initiative proposed by Senator John McCain could be one effective way to signal the United States' intent towards India. The proposed \$7.5 billion funding, if approved, could be a starting point for further India-US engagement in the years to come.

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