

Canadian International Council

India-US Relations: The Shock of the New

Author(s): David M. Malone and Rohan Mukherjee

Source: *International Journal*, Vol. 64, No. 4, Canada and Asia (Autumn, 2009), pp. 1057-1074

Published by: [Canadian International Council](#)

Stable URL: <http://www.jstor.org/stable/40542174>

Accessed: 16/05/2013 00:19

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <http://www.jstor.org/page/info/about/policies/terms.jsp>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.



Canadian International Council is collaborating with JSTOR to digitize, preserve and extend access to *International Journal*.

<http://www.jstor.org>

David M. Malone &
Rohan Mukherjee

India-US relations

The shock of the new

[The] great problem of the near future will be American imperialism, even more than British imperialism.¹

India is today embarked on a journey inspired by many dreams. We welcome having America by our side. There is much we can accomplish together.²

These two statements, uttered almost 60 years apart, mark a contemporary transformation in relations between India and the United States of America. For most of the last six decades, the world's oldest democracy and the world's

David M. Malone, the president of Canada's International Development Research Centre and formerly Canada's high commissioner to India, 2006-08, is completing a book on India's contemporary foreign policy—Does the Elephant Dance?—that will be published by Oxford University Press in 2011. Rohan Mukherjee is a senior research specialist with the institutions for fragile states research program at Princeton University. He has worked with the Centre for Policy Research in New Delhi, and the government of India's national knowledge commission.

1 Jawaharlal Nehru, "Report to the all-India congress committee on the international congress against imperialism held at Brussels in February 1927," in Bimla Prasad, *The Origins of Indian Foreign Policy: The Indian National Congress and World Affairs, 1885-1947* (Mumbai: Bookland, 1960), appendix I, 265.

2 Manmohan Singh, "Address to the joint session of the United States congress," Washington, DC, 19 July 2005," reproduced in *Seminar* 560, April 2006.

largest democracy failed to understand each other's character and compulsions. That a fundamental shift has occurred during the past decade is clear to all. Our article explores this shift in terms of its motivation and timing, and seeks to locate its causes. The analysis rests on a combination of international, regional, and domestic factors that operated jointly to usher in the post-Cold War era of India-US relations.

HISTORICAL OVERVIEW

During its early years the Indian republic viewed the world through a newly forged prism of anti-imperialism. The Americans on the other hand viewed the world through the prism of anti-Communism. This thinking produced the maxim of John Foster Dulles: "Those who are not with us are against us."³ Faced with an increasingly bipolar world, India adopted an idealistic yet functionally pragmatic philosophy of nonalignment as the cornerstone of its foreign policy. Amidst the atmosphere of the 1950s, the US viewed India's nonalignment as a cover for interests that diverged from its own. As the Cold War gained momentum, America's frustrations with Indian nonalignment mounted. In the absence of cooperation from India, and with a communist government in China, Pakistan became an essential element in the United States' containment of the Soviet Union in Asia. What began as an ideological gulf between India and the US developed into a strategic chasm.

The Sino-Indian border war of 1962 compelled Nehru to seek assistance from the western powers. The American response was warm yet strategically motivated. It prevailed on Pakistan for an assurance that it would not invade Kashmir so that India could redeploy its northern troops towards the front with China. An American carrier—the *Enterprise*—was dispatched towards the Bay of Bengal. In 1965, when Pakistan contravened a written assurance from President Eisenhower to Nehru that US-supplied weapons would not be used by Pakistan against India, Washington adopted a position of strict neutrality, alienating India and driving Pakistan towards China for military sustenance. The expanding Sino-Pakistani relationship did not, however, prompt a change in India-US relations. In 1971, the east Pakistan crisis coincided with American attempts at building a rapprochement with China, which was facilitated largely by Pakistan. Faced with America's tacit support for Pakistan, India officially turned to the Soviet Union for assistance. As

³ Quoted in Angadipuram Appadorai and M.S. Rajan, *India's Foreign Policy and Relations* (New Delhi: South Asian Publishers, 1985), 216.

war broke out between India and Pakistan, the *USS Enterprise* was once again dispatched to the Bay of Bengal, but this time with the opposite intent.

The US received a major jolt in 1974 when India conducted its first nuclear weapon test at Pokhran. It came to light that India had diverted nuclear materials imported for civilian purposes, much of it from the US, in order to initiate a weapons program. Although India assured the world that its test was a “peaceful” one, the event was a blow not just to American influence in south Asia but also to the emerging global nonproliferation regime in general. In the 1980s, the US-India relationship was obscured by the indirect superpower conflict in nearby Afghanistan and India’s own political and economic problems. Once again, India and the United States found themselves on opposing sides of a vital global conflict. In the mid-1980s, concern about its regional autonomy and capacity to resist American global ambitions was one of the motivating factors behind India’s involvement in the emerging domestic conflict in Sri Lanka (the other was India’s large Tamil population, particularly in the state of Tamil Nadu).

Later in the decade, as Mikhail Gorbachev instituted changes in Soviet policies, including on Afghanistan, India’s relations with the US improved marginally. US arms supplies to India, unheard of since 1962, resumed on a small scale between 1986 and 1988. In 1988, Prime Minister Rajiv Gandhi made a historic visit to China in an attempt to begin the process of normalizing relations between the two neighbours. India seemed to be experimenting with positive diplomacy as a means for resolving long-running disagreements. This was also reflected in India’s spell of logistical support for American military operations in the 1990 Gulf War.

As elsewhere, the Cold War had negatively affected the regional security environment in south Asia. It sustained Pakistan’s ability to maintain a strategic balance against India for many years, a south Asian arms race, and tense relations between India and the United States for most of the 1970s and 1980s. This situation might have persisted were it not for two major events that occurred at this juncture—the end of the Cold War and India’s economic crisis.

1990 ONWARDS: REDISCOVERING COMMON INTERESTS

The end of the Cold War marked a major shift in world politics and fundamentally restructured a number of relationships around the world, the India-US one being no exception. Finding itself bereft of Soviet political support and increasingly finding Moscow wishing to deal with it on a “cash and carry” basis rather than through concessional assistance, India in the

1990s increasingly confronted the reality of a sole remaining global power with which it shared a history of acrimony. At the most basic level this meant ideological change. Nonalignment became redundant in the absence of superpower competition. Enough time had passed to render anti-imperialism dated. The US was confronted with a volatile international dispensation featuring multiple smaller powers rising fast. India and the United States were still the world's largest democracies, but that fact at the time, as in the past, offered no template for future cooperation.

Looking back to the early 1990s, few would have predicted the depth and breadth of relations between the two countries today. What explains this quantum leap?

Economic factors

In 1991, a watershed in Indian history, faced with a serious balance of payments crisis, Prime Minister Rao's government initiated significant reforms to liberalize the Indian economy under the stewardship of Manmohan Singh, then the finance minister. This opened the door to foreign private capital, a significant amount of which was American. Starting from US\$165 million in 1992, annual foreign direct investment in India shot up to \$2.14 billion by 1997, a 13-fold increase.⁴ Similarly, two-way trade between India and the US grew dramatically during this period (despite falling as a share of total global trade) and in 2006 stood at almost \$30.6 billion.⁵ The United States in 2006 accounted for nearly one-sixth of Indian exports. The growth of India's knowledge economy and the global outsourcing industry brought about multiple private sector linkages. Economic ties therefore played a vital role in piloting the new relationship.

Nowhere was this more evident than on the issue of nuclear testing. Although an Indian nuclear weapons program had been in the offing since the late 1970s when China's assistance for a Pakistan weapons program became known, Rajiv Gandhi initiated a covert nuclear weapons program only in 1988, based on a potential nuclear threat from Pakistan. By 1994 the Rao government was ready to test. However, testing was delayed by considerations of the possible impact of US sanctions on the nascent post-

4 "FDI in India statistics," Ministry of Commerce and Industry, industrial policy and promotion, government of India, www.diplnic.in.

5 "Export import data bank," Ministry of Commerce, government of India, <http://commerce.nic.in>.

reform Indian economy. Rao, in a conversation with Strobe Talbott, then US deputy secretary of state, indicated that India was aware of the importance of integration into the global economy and close relations with the US. He emphasized that India's economic security would be jeopardized if it "overplayed its nuclear card."⁶

Political factors

Economic interdependence more often than not tends to moderate the tone of political differences between nations. On this, a new factor was at play. The 1990s brought to the fore a number of wealthy Indian Americans who learned to mobilize politically and build relationships within the US congress so as to influence policy towards India and south Asia. The US census counted over 2.5 million Americans of Indian origin in 2007. The median income of a family in this group is almost 79 percent higher than the national median.⁷ Indian Americans raised growing sums on behalf of political candidates as of the 1992 election. The resulting influence yielded higher levels of interest within congress in issues pertaining to India, such that more than a quarter of the members of the house of representatives joined an informal congressional caucus aimed at fostering India-US ties. This, in turn, tempered traditional legislative hostility towards India as evinced by the defeat (from 1996 onwards) of the "Burton amendments," which had been traditionally passed every year and were designed to reduce foreign aid to India. In 2005 and 2006, Indian Americans also undertook a major lobbying effort to promote the passage of laws allowing civilian nuclear cooperation with India.

Indian policymakers also began to reassess their traditional anti-Americanism and nonaligned rhetoric. The late 1980s produced an increasingly fragmented multiparty political system that created ideological and political space for new voices in the articulation of Indian foreign policy. By 1991, the Bharatiya Janata party's election manifesto was already dismissing nonalignment as an outdated ideology. The 1990s introduced an Indian approach to foreign policy grounded in *realpolitik*. This was the precursor to the age of "strategic partnerships" for India. By 2005, India had concluded such partnerships with China, Iran, Japan, and the United States,

6 Strobe Talbott, *Engaging India: Diplomacy, Democracy, and the Bomb* (Washington: Brookings, 2004), 31.

7 Website of the US India political action committee, www.usinpac.com.

in addition to its long-standing defence relationship with Russia which persevered in an altered form. This signalled a new pragmatism and an inclination to spread the risks associated with international relations between ties with several friendly powers. India's diplomacy changed not just in content, but also in style, with Vajpayee and Indian Foreign Minister Jaswant Singh choosing "quiet diplomacy" over "morally laden rhetoric," at least in its bilateral relations.⁸ Vajpayee's successor, Manmohan Singh, opted for a similar style.

India was careful to cultivate ties with countries other than the US, too. In 1991, Li Peng became the first Chinese premier to visit India in 31 years. Two years later, India and China signed an agreement to maintain peace along the "line of actual control" on their border. In 1992 India launched its "look east" policy to cultivate closer ties with southeast Asian countries. The policy paid off a few years later when India became a full dialogue partner at ASEAN.

Differences of view with the US continued over regional security and nuclear issues. In 1995, a congressional amendment allowed the US to resume arms supplies to Pakistan that had become attenuated since the Soviet withdrawal from Afghanistan. This was not well received in India, especially in light of a 1994 Human Rights Watch report that traced arms used by militants in Kashmir and Punjab to money and weapons supplied to Pakistan's intelligence agencies by the US during the Afghanistan war.⁹

India found that despite some advances in its relationship with the US (including modest joint naval exercises in 1991), the US continued to pursue an unfavourable south Asia policy. While resuming arms supplies to Pakistan, it continued to pressure India to abandon its indigenous integrated missile development program, blocked the sale of some Russian weapons systems to India, and limited India's access to American high technology, fearing that such access would be misused as before. On the nuclear issue, in 1995 the US supported a permanent extension of the nuclear non-proliferation treaty, to which India was bitterly opposed. Subsequently, in 1996, India rejected the comprehensive test ban treaty as a biased

8 George Perkovich, "The measure of India: What makes greatness?" *Seminar* 529, September 2003.

9 "Arms and abuses in Indian Punjab and Kashmir," Human Rights Watch, 1 September 1994.

arrangement that favoured the major powers, doubtless contributing to its loss in an election for a UN security council seat later in the year, which Indian officials attributed primarily (if conveniently) to the chequebook diplomacy of the successful opponent, Japan.

But there can be no doubt that the end of the Cold War liberated India's foreign policy and allowed it to choose its friends more freely, creatively, and nonexclusively.

Pokhran-II and its impact

In May 1998, India detonated five nuclear devices at Pokhran, the site of its first nuclear test 24 years earlier. Barely two weeks later, Pakistan detonated six nuclear devices at the Chagai Hills. These events sharply focused President Clinton and his administration's attention on south Asia (until then largely a diplomatic backwater for Clinton's team). The immediate American response was to place economic sanctions on both countries. But, in a paradoxical outcome, as C. Raja Mohan argues, the tests of May 1998 were actually the beginning of the end of nonproliferation disagreements between the two countries. "So long as India remained undecided about what it wanted to do with nuclear weapons, it was natural that the United States would do everything to prevent India from becoming a nuclear weapons power," he writes.¹⁰ A high-level negotiation process was started by Washington with long-term objectives along three lines—nonproliferation, progress in relations with India, and continued support for Pakistan as a pro-western Islamic state. Ideological and strategic differences with India were put aside by the US in the interest of managing a volatile nuclear subcontinent. This vindicated the Indian view that "the world gives respect to countries with nuclear weapons."¹¹

Evidence of American respect for India's concerns came the following year when Pakistan launched a daring but reckless offensive on Indian territory in the Kargil district of Kashmir. Contrary to past experience, India found the US willing to place responsibility for the aggression squarely on Pakistan's shoulders and it subsequently pressured Prime Minister Nawaz Sharif to withdraw his troops. On the nuclear question, domestic lobbies in

10 C. Raja Mohan, *Crossing the Rubicon: The Shaping of India's New Foreign Policy* (New York: Viking, 2003), 89.

11 Perkovich, "The measure of India," quoting I.K. Gujral, former Indian prime minister and foreign minister.

the US—mainly Indian-American groups—pressured congress to ease the sanctions on India. The rejection of the comprehensive test ban treaty by a Republican-dominated senate in October 1999 also worked in India's favour. Both developments favoured post-Pokhran rapprochement between India and the US.

In 2000, Clinton became the first US president to visit India in 22 years. His trip was a resounding success and a landmark in the ongoing transformation of India-US relations. The following year, India became one of the first (and few) countries to support President George W. Bush's controversial nuclear missile defence initiative. Thereafter, as the events of 11 September unfolded, India was quick to offer its full operational support for the US war against terrorism. By 22 September, the US had lifted all sanctions against India and the bilateral defence policy group, suspended since 1998, was revived towards the end of the year. Following a terrorist attack on the Indian parliament in December 2001, the US pressured Pakistan into a commitment on curbing crossborder terrorism in India. In 2002 the US initiated a regional security dialogue with India that explored shared interests in India's neighbourhood, including ending the civil war in Sri Lanka, promoting political stability in Bangladesh, and reconstructing Afghanistan—a significant break from Cold War difficulties over American influence in the subcontinent.

Strategic partnership

On 18 July 2005, the two countries announced the most wide-ranging partnership in the history of their bilateral relations, covering the economy, energy security, democracy promotion, defence cooperation, and high technology and space cooperation. The most controversial aspect of the agreement was Bush's commitment to "work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India."¹² In effect, the US explicitly recognized and cast itself as prepared to legitimize the nuclear weapons program of a non-NPT state that had consistently opposed the global nonproliferation regime (though, as India claimed in its defence, it had de facto fulfilled the nonproliferation objectives of an NPT state).

A critical test of the new relationship came late in 2005 when India voted along with the United States against Iran at the International Atomic Energy

12 "Joint statement between President George W. Bush and Prime Minister Manmohan Singh," White House, 18 July 2005.

Agency in a resolution on Tehran's nuclear program, feared to include a weapons component, doing so again in 2006. The double standards inherent in India's stand did not go unnoticed. Aside from nuclear cooperation, since July 2005 India and the US have cooperated in a number of areas, including aviation, trade and investment, business (through a high-powered CEO forum), agriculture, energy, science and technology, defence, disaster relief, democracy promotion, and maritime cooperation. In 2007, India hosted a major round of naval exercises (part of the "Malabar" series) in the Indian Ocean with 27 warships from countries including the US, Japan, Australia, and Singapore.

The end-game on India-US negotiations towards an agreement governing cooperation in the nuclear sphere came into focus in late 2006. By then, foreign policy achievements of the Bush administration were few, with the Iraq war widely seen as a strategic disaster for the US (even though tactical improvements on the ground became obvious as the troop surge in 2006-08 took hold). With developments in Afghanistan also unfavourable, and the NATO alliance coming under some pressure as a result, the president's team identified success on the India front as the most positive potential remaining foreign policy legacy item in the Bush administration's portfolio. Intense negotiations—on the detailed outcome of which India frequently appeared to international observers to have bested the US, while critics in India bayed about their perception of a Delhi sell-out—yielded the required so-called "123 agreement" in July 2007.¹³ However, controversy in both countries was such that neither side was able to press for approval of the agreement and its related safeguards clauses at the International Atomic Energy Agency or by the nuclear suppliers group until mid-2008. Both latter steps were preceded by a raucous debate in the Indian lower house of parliament in July 2008 marked by much political theatre, culminating in the Singh government's defeating a no-confidence vote brought against the agreement. The IAEA approved the safeguards agreement on 1 August 2008, and the nuclear suppliers group approved an India-specific waiver from its

13 On the key point of international supervision of Indian nuclear facilities, India yielded much less than US negotiators or many nuclear suppliers group members would have preferred. Increasingly, with time running out for the Bush administration and the political imperative of an agreement very strong for the president himself, India seemed to have had the whip hand in the negotiations. See "US concerned India stance on nuclear energy could jeopardize deal," *Forbes*, 19 April 2007.

core terms on 6 September 2008. In the final major step foreseen by the two countries for implementation of their understandings, the US senate on 1 October 2008 approved the deal by a vote of 86 to 13, following earlier approval by the house of representatives.

These developments were significant for the India-US relationship but also for India's global standing and positioning. The US had helped it off the perch of nuclear pariah status and defiance to which it had been confined since 1974 but, through the IAEA and suppliers group votes, the rest of the world concurred in India's emergence from nuclear purdah. While Indian commentators made much of ambiguous Chinese statements during the IAEA negotiations, China did not stand in the way of IAEA approval. Nor did countries such as Australia and Canada, which had long adopted an assertive stance in defence of the nonproliferation treaty and the wider nonproliferation regime. Indian diplomacy, including the quiet but resolute leadership on this issue of Singh (uncharacteristically tough in staring down domestic critics of the negotiations with the US, including some within his own Congress party), contributed significantly to this success. The professionalism and discipline of the US negotiating team, mostly under Nicholas Burns, was also striking.

Indeed, Indian global diplomatic maneuvering in relation to the nuclear file during the years 2005-08 suggested just how pragmatic (and focused) Indian diplomacy had become, given the right incentives. Perhaps in order to save its diplomatic fire power for this issue, India did not display undue creativity or energy on other files, except perhaps for Nepal, during these years, contenting itself with pressing forward gently on the relationship with China, closer ties with some other Asian partners, a cautious stance on west Asian challenges, and the emergence of its new partnership with Brazil and South Africa. New Delhi's calculation to focus its diplomatic effort was doubtless the right one.

Rediscovering common values

The post-1990 story of India-US relations is not just about the end of the Cold War, India's second round of nuclear tests, or economic liberalization. It is also about rediscovering common political values. For most of the 20th century, American policymakers failed to see the potential in India to be a strong (and democratic) partner in Asia. Instead there was a tendency to see India as "a revisionist power bent on restructuring the international system

at the expense of America's global interests."¹⁴ Since the early 1990s, however, an increasingly influential school of thought in American foreign policy began recognizing the strategic utility of the common political values espoused by both nations.

Since the 1950s, India's conscious adoption of constitutional liberal democracy resonated in the United States and at times among its foreign policymakers. As home to a significant section of the world's population, India came to symbolize an important experiment in post-colonial democracy. In this sense both the US and India always had much to gain from a cooperative relationship.

Indeed, Americans were aware of the importance of promoting democratic stability in India. Data on US economic aid to India confirms a substantial and enduring financial commitment to India in the 1950s and 1960s, likely motivated by this very idea. Indeed, foreign assistance data suggests that the US has always viewed Pakistan as a *military* partner and India as a potential *political* one. Hess suggests that from the 1950s to the 1980s, the US maintained a two-pronged strategy of engagement in south Asia that involved "the simultaneous building of an alliance with Pakistan and promoting close political-economic ties with India."¹⁵ Yet the momentum was not sustained and the relevance of aid to India declined as its own economy took off in the 1990s.

Increasingly, it was a value-based approach to India-US relations that prevailed in the aftermath of September 11th, when democracy promotion became a significant item on the Bush administration's international agenda, complementing the interests-based economic agenda that underpinned the relationship, with India included as a member of both its global democracy promotion initiatives—the community of democracies and the UN democracy fund. In 2007 Burns wrote that the promotion of democracy and freedom around the world "should be an essential component of the new US-India relationship."¹⁶ And, of course, Indian and American concerns

14 Deepa Ollapally and Raja Ramanna, "US-India tensions: Misperceptions on nuclear proliferation," *Foreign Affairs* 74, no. 13 (January-February 1995): 13.

15 Gary R. Hess, "Global expansion and regional balances: The emerging scholarship on United States' relations with India and Pakistan," *Pacific Historical Review* 56, no. 2 (May 1987): 295.

16 R. Nicholas Burns, "America's strategic opportunity with India," *Foreign Affairs* 86, no. 6 (November-December 2007): 144.

about the sources of global terrorism coincided to a large degree (although their preferred international tactics to combat it did not always jive). Singh thus invoked both principle and pragmatism in lauding the new India-US relationship in Washington in 2005.¹⁷

Regional power balances

There were a number of regional and international factors that were also fundamental to the warming of India-US relations. Taken together, a growing India and an increasingly powerful China all combined to spur India-US entente. On Pakistan, Jaswant Singh, India's former foreign minister, reportedly proclaimed to his counterpart Strobe Talbott in 1998 that Pakistan is a "failed state" while India "stays together," thus making better relations with India the right strategic choice for the United States.¹⁸ No longer did the US view its actions in the subcontinent as a zero-sum game between its two most bitter rivals. This allowed the US to declare Pakistan a major non-NATO ally in 2004 and to sign agreements in 2006 for arms transfers to Pakistan worth \$3.5 billion for fighting the war on terrorism while building geostrategically more significantly ties with India. "[P]articularly striking about the building blocks for the new Indo-U.S. relationship is how little Pakistan figures in them."¹⁹

In fact, China, not Pakistan, has gradually emerged as the new third party in the India-US relationship. Varshney describes this development as "a new triangle" predicated on realist logic: "when the first- and second-ranked powers fight, the first often ardently courts the third."²⁰ China is growing rapidly and although its stated philosophy is one of peaceful growth, its defence expenditures have been rising and now rank third in the world behind the US and Russia. It is also a known proliferator of nuclear technology to rogue regimes like Libya, Pakistan, Iran, and North Korea, although today it may regret those earlier actions. Therefore it is hardly surprising that the US gravitated towards India, growing less rapidly and in

17 Singh, "Address to the joint session of the United States congress."

18 Talbott, *Engaging India*, 174.

19 Teresita C. Schaffer, "Building a new partnership with India," *Washington Quarterly* 25, no. 2 (spring 2002): 41.

20 Ashutosh Varshney, "A new triangle: India, China, and the US," *Seminar* 557, January 2006.

a nonthreatening manner, in part as a hedge against China. Writing in 2000, future national security adviser and secretary of state Condoleezza Rice argued that the US should pay closer attention to India as “an element in China’s calculation,” suggesting a degree of regional rivalry that the US might have the potential to exploit in its favour.²¹

India itself is emerging as a significant power. In the span of just four years, senior officials of the Bush administration went from describing India as having the potential to be a great power to counting it among the “major powers,” along with Russia and China. The Bush administration’s expansive view of India’s significance can be seen as an effort to develop for it a role in which it might support the US in international affairs, and by serving as a “junior partner” in controlling the Indian Ocean.²²

Indian intentions, however, are quite different. Although the Vajpayee government cited the Chinese threat as one of the main motivators of the Indian nuclear weapons program in 1998, it also sought engagement with Beijing. Rather than confronting China, India had developed a high-level dialogue with China to resolve outstanding issues and explore new avenues of cooperation. By the end of 2007, India held its first joint army training exercises with China, and China hosted the first India-China annual defence dialogue. Indeed, India’s growing relationship with the US may have convinced China to deal with it more seriously. Shyam Saran, former foreign secretary to the government of India, made an oblique reference to such possibilities when he said, “[s]tronger ties [between India and the US] make themselves positively felt on our relations with third countries.”²³

For some in India, the predominant foreign challenge is instability in Pakistan, and many Indians see China “as an economic and political opportunity more than a strategic, civilizational, or economic problem.”²⁴ Indeed in some key international forums, including on climate change, trade, labour laws, arms control, and human rights, India has found common ground with China against western interests, though a recent

21 Condoleezza Rice, “Promoting the national interest,” *Foreign Affairs* 79, no. 1 (January-February 2000): 56.

22 Achin Vanaik, “Post-Cold War Indian foreign policy,” *Seminar* 581, January 2008.

23 Shyam Saran, “The India-US joint statement of July 18, 2005: A year later,” in Atish Sinha and Madhup Mohta, eds., *Indian Foreign Policy: Challenges and Opportunities*, (New Delhi: Foreign Service Institute, 2007), 759-66.

24 Stephen P. Cohen, “The US and south Asia,” *Seminar* 545, January 2005.

article by Teresita Schaffer suggests that one must not overlook the United States' and India's common interests and potential for cooperation in global governance, particularly through informal institutions.²⁵

With regard to junior partner status relative to the United States, India's deep internal divisions over the India-US nuclear deal signalled a national unwillingness to play second fiddle. Despite voting against Iran twice in the IAEA, India sought to maintain positive relations with that country through bilateral channels. Moreover, India's pursuit of energy security through a proposed Iran-Pakistan-India gas pipeline continues to be a source of disagreement between India and the United States, as do its friendly policies towards undemocratic regimes in its neighbourhood, notably Burma. In these ways, India escapes Washington's control and intends to continue doing so.

A NEW WORLD ORDER

While rarely shy of opportunities to emphasize its own dominance and inclined mainly to instrumental rather than systematic multilateralism in its own diplomacy, the US has been keen on drawing newly influential and powerful states into a web of consultative forums, the evolving institutional arrangements of which in many ways constitute a proxy for the "new world order." In 2008, Condoleezza Rice, then secretary of state, proclaimed "investing in strong and rising powers as stakeholders in the international order" as one of two pillars of America's "unique" realism (the other being support for democracy in weak and poorly governed states).²⁶ A strategy that gives such powers a greater stake in the international system is likely to preempt future instability in international relations. Efforts to involve India and China in G8 meetings, to support China's membership in the nuclear suppliers group despite its proliferation activities, and to manage the legitimization of India's nuclear weapons can all be viewed in this light. In 2006 Bush's nuclear negotiation team testified to congress that its intention was to "lock [India] in" to a deal before moving to tie down and restrain the country's nuclear potential in nonproliferation discussions."²⁷ Thus, the

25 Teresita C. Schaffer, "The United States, India, and global governance: Can they work together?" *Washington Quarterly* 32, no. 3 (July 2009): 71-87.

26 Condoleezza Rice, "Rethinking the national interest," *Foreign Affairs* 87, no. 2 (July-August 2008): 23.

27 Quoted in Mario E. Carranza, "From nonproliferation to post-proliferation: Explaining the US-India nuclear deal," *Contemporary Security Policy* 28, no.3 (2007): 464-93.

American strategy may not just be to give emerging powers a greater stake in the system but also to involve them in ways that restrain their future margin for maneuver.

Taking advantage of the end of the Cold War and the US need for meaningful partners after September 11th, India sought to capture as much diplomatic space as possible to advance its own interests. It did this by supporting the US on key initiatives, including the war on terrorism and nuclear missile defence, both of which sought to challenge and modify the “global rules of the game” in ways congruent with Indian interests.²⁸ It joined hands with the US in the name of democracy promotion and cooperated to a great extent on the nuclear front, placing a number of its nuclear reactors under international safeguards, all of this leading to its almost unconditional entry into the global nuclear club.

THE OBAMA APPROACH

The Obama administration’s foreign policy orientations at the outset were crafted to emphasize a degree of contrast with those of the previous Washington team. Gone was assertive international democracy promotion. In its place President Barack Obama and Secretary of State Hillary Clinton advanced a wider approach to values, rooted in concepts of “smart” power, and a greater determination to engage allies and partners.²⁹ Many in the Indian media and political communities worried that the intensity of the Bush administration’s commitment to improving ties with India would dissipate under Obama and his crew. Early signals from the Obama team that it might seek to insert Washington into the Kashmir file, seeing in it a key to unlocking a happy outcome in Afghanistan, worried New Delhi. Ultimately, Obama skated away from that dimension of his transition team’s thinking by appointing Richard Holbrooke as special envoy for Afghanistan and Pakistan (and noticeably not for India or Kashmir). And while the administration included more champions of the multilateral nonproliferation regime than had that of Bush, all official early signals towards India were positive, including during early visits by both Clinton and Holbrooke. Thus, India was likely to be able to bank the dividends of its engagement with the Bush administration, without a backlash from the

²⁸ This is an argument made by C. Raja Mohan in *Crossing the Rubicon*.

²⁹ The concept of “smart power,” seen as a combination of “hard” and “soft” power, in order to produce positive results is associated with American scholar Joseph Nye.

Obama team. Nevertheless, suspicions of Holbrooke's approach and intentions remained lively among commentators in India throughout 2009.

Clinton's visit to India in July 2009, coinciding with the fourth anniversary of Bush's and Manmohan Singh's joint statement that officially kicked off the new strategic partnership, was a somewhat dramatic affair. Occurring barely a week after successful American efforts to convince G8 countries to ban the transfer of enrichment and reprocessing nuclear technologies to non-NPT countries (of which India is a prominent one), Clinton's visit aimed, *inter alia*, to assure the Indians that the nuclear deal was still on course. Labelling the new administration's approach to India as version 3.0, Clinton signalled the US desire to take the relationship to greater heights. The details of course were not spelled out, though the secretary signed two important agreements during her visit—one permitting US-licensed components to be used on Indian civilian spacecraft, and another providing \$30 million as an endowment for promoting science, technology, and innovation in India. In addition, Clinton launched an ongoing strategic dialogue with India's foreign minister, S.M. Krishna.

Also on the agenda were agriculture, education, health, the global economy, and climate change. Despite some hard talk by Indian Environment Minister Jairam Ramesh, who reiterated India's stand against legally binding caps on its greenhouse gas emissions, both countries agreed to enhance collaboration on climate change issues. On Pakistan, too, Clinton's visit seemed ill-timed, following closely on the heels of the first meeting between Singh and Prime Minister Yousuf Raza Gilani since the Mumbai terror attacks of November 2008. Singh was widely seen in India to have conceded far too much ground to Pakistan on the issue of terrorism. Nonetheless, Clinton played her cards right and visited the most publicized site of the Mumbai attacks while reiterating the need for Pakistan to bring the perpetrators of the attacks to justice and do more on terrorism. Most notably, Clinton did not schedule a stop either in Pakistan or Afghanistan during her visit, as American dignitaries have been wont to do in the past. This signalled a true decoupling of India and Pakistan in the minds of Obama's south Asia strategists. On the whole, Clinton was able to assuage some Indian concerns over the Obama approach and, although her visit may not have catapulted the US-India relationship into a new realm of possibilities, it certainly kept things on an even keel.

CONCLUSION: LOOKING FORWARD

India's ability since 1991 to overcome its anxieties about and resentment of the United States owes a great deal to its growing self-confidence and to India's desire to engage with the other major powers of the age in a decidedly less ideological world. American interest in closer relations with India, spurred by India's growing market for American goods and the close connections of the two countries in the provision of global services, has been intensified by a very different dynamic—Washington's loss of absolute dominance of international relations in the wake of the Iraq and Afghanistan wars and the US-induced global economic crisis of 2008-09, and its need for more and closer friends.

Most Indians warmly welcome better ties as their own economic aspirations exhibit marked affinities with those of Americans. And many Americans, not least in the corridors of power in Washington, see India as a kindred nation in many regards and as a useful hedge against the rise of China, if not as a sure-fire ally in every global adventure. Harking back to the John Foster Dulles maxim invoked at the outset of this chapter, today India finds itself "with" the United States on several key issues when until very recently it was "against" on most.

It is important to remember, however, that the emerging entente between the two nations is not so much an alliance as a "selective partnership" based on specific shared interests in some areas and *quid pro quo* arrangements in others.³⁰ On the nuclear issue, India and the US are yet to fully resolve their nonproliferation differences, and some potential discord in this realm would seem reasonably likely in the future. Tied to this is the issue of energy security and the diversification of energy sources, including natural gas supplies from Iran and other Gulf states. India's attempts to obtain a permanent seat on the UN security council, not enthusiastically supported by the US in the past, could create friction in the future, unless a "new deal" for multilateral arrangements is agreed in the wake of the deep 2008-09 global economic crisis.

Far from having ended, history promises to be very interesting indeed in decades ahead.

30 Schaffer, "Building a new partnership," 32.

Authors' note:

This article is intended to be read alongside that of Ryan Touhey in this issue. His article argues that Canada's relationship with India has more closely conformed to that of the US than many Canadian students of Indian foreign policy have realized. Alert readers of the two articles will note that the only major difference in outlook between Canada and the United States on India over recent decades occurred as a result of the influence during the 1980s of the "free Khalistan movement," struggling for independence of India's Punjab state, on elements of the Sikh community in Canada, ultimately involving acts of terrorism—notably the destruction mid-flight with great loss of life of an Air India aircraft in 1985. Indian officials believed Canadians ones were not taking the threat seriously enough and were doing too little to combat it. This added an Indian grievance to the Canadian one over India's 1974 nuclear test (which also greatly preoccupied the US.) Arguably, other differences arise mainly from a "great power" perspective in Washington relative to a "middle power" view in Ottawa, and to Indian perceptions of the relative importance internationally of the two countries.