

India - U.S.

Formal status of the relation.
Strategic Partners

They have started regular strategic dialogue since 2010.

S. of State
Foreign
minis

How the leaders express their relations with each other?

- A.B. Vajpayee called U.S.A. as a natural ally of India.

- Manmohan Singh called it a natural partner.

Modi: It is going to be a transformative relationship as a trusted partner and relationship shall be a model for rest of the world.

- Obama: India is an indispensable partner.

- Most defining partnership of 21st century.

Obama also mentions that India is part of his big plan.

- Former U.S. Secretary of State Hillary Clinton:

• USA is making a strategic bet on India's rise.

• India as a valued partner in Asia.

Views of Political Analysts.

- Jayant Prasad

• India-U.S. strategic partnership has reached to a plateau. There are more than 35 structured dialogues. However relationship is measured not by summits but by outcomes, not by counting but by content.

India-U.S. strategic partnership is advanced on

Common values and common concerns. But when these common values are applied in concrete situations, there is a big gap betⁿ the two strategic partners.

- Kanwal Sibal

Growing convergences have not eliminated divergences & high sounding declarations have not ended the uncertainties in the relations.

- David Malone

He compares Indo-U.S. relationship with proverbial blind man and elephant making unsuccessful attempts to understand each other.

Overview of India - U.S. Relations.

The relations betⁿ world's oldest & world's largest democracy have been described by David Malone as 'Saga of 50 wasted years'. The 2 democracies remained ~~ca~~estrained democracies. Even today India-U.S. relations pass through the phase of engagement and ~~ca~~estrainment. According to Subashini Haider, relationship is hardly strategic. The main focus is transactional. According to Arvind Panagariya, India-U.S. strategic partnership has been hijacked by U.S. Pharmaceutical companies. Rudra Chaudhary Chowdry has held that at the max India & U.S. can be friends but they can't be natural allies.

Key Phases of India-U.S. relations.

1st Phase (1947 - 1970)

- According to David Malone, Indo-U.S. relationship in this phase was shaped by ideological conflicts.

In 1927, Nehru mentioned that we are moving towards U.S. imperialism which will be more dangerous than British imperialism.

Non-alignment, anti imperialism & anti-colonialism became foundational principles of Nehruvian policy.

Nehruvian economy was also tilted towards socialism.

Nehru strongly opposed the creation of military blocs by U.S.A.

- Development in this phase

- U.S.A. did not consider Pakistan as an aggressor state when India took Kashmir issue in U.N.

- U.S.A. did not recognize India's sovereignty on Kashmir, considered Kashmir as disputed territory.

- India opposed U.S. attempts to declare China as an aggressor country in Korean crisis.

- Much against the wishes of U.S.A. India recognized People's Republic of China as the legitimate representative of Chinese people rather than U.S. Supported Taiwan based Republic of China.

- Nevertheless there was some cooperative development also

- In 1949, Nehru visited U.S.A.

- In 1959, Eisenhower became the 1st U.S. President in office to visit India.

- 1962 War with China

- > In 1961 India & other 3rd world countries laid the formal beginning of NAM.

- > NAM countries did not support India in 1962 war against China.

- > U.S.S.R. also supported China

- > India first approached U.C.S.R. which did not come for the help. Then India approached U.S.A. U.S.A. helped India in following ways.

1. Provided air assistance & arms to India.

2. Sent USS enterprise (U.S. fleet in Asia Pacific) to Bay of Bengal to pressure China.

3. Forced Pakistan not to open 2nd front against India.

Some used to 1971 against India.

UI - Kungming Party machine. → Taiwan & refuge. after communist revolution.

- In 1963 U.S.A. supported India's attempt to achieve food security resulting into the Green Revolution.

These were the last attempts made by U.S. to bring India in its bloc. However India did not leave Non-Alignment.

After this U.S.A. preferred to make a strategic bet on Pakistan.

- In 1964 China tested its 1st nuclear weapon.

India again approached to U.S.A. and other nuclear weapon countries for security umbrella. However India did not get any assurance. India became critical of U.S. actions in Vietnam.

U.S.A. cut down the supply of wheat under PL-480 programme when India was going through severe draught.

2nd Phase (1970's - End of Cold War)

According to David Malone, India & U.S. were in opposite camps. In this phase there was less impact of ideological factors & more impact of strategic concerns.

- By this time U.S. had developed strong relations with Pakistan.
- U.S. neglected the genocide by Pakistan army in East Pakistan.
- In 1971, India entered into P.Treaty of Peace & Friendship with U.S.S.R.
- U.S.A. openly supported Pak in 1971 War.

- Even China supported Pakistan. U.S.A. threatened India by sending US enterprise to Bay of Bengal.
- By this time U.S. - Pakistan - China formed 1 axis and Ch India - U.S.S.R. - Vietnam were in opposite camp.
 - In 1974, India gave peaceful nuclear explosion which was strongly condemned by U.S.A.
 - U.S.A. created nuclear apartheid against India by establishing a Nuclear Suppliers Group in the same year.
 - In 1978, U.S.A. passed Nuclear Proliferation Act, which required all countries with which U.S. has nuclear commerce to open their nuclear facilities for IAEA inspection. India did not support U.S. action. This resulted into ending of all nuclear assistance betⁿ India & U.S.A.

During the Cold War, U.S.A. ^{didn't} ~~didn't~~ have India policy. U.S.A. used hyphenated approach of India - Pak and they had South Asia policy. U.S.A.'s South Asia policy was guided by the interest of Pak, because of U.S. dependency on Pakistan in its dealing with U.S.S.R.

- In 1984, further strains developed betⁿ India & U.S.A. because of Bhopal Gas Tragedy on 3/12/1984. U.S. didn't accept Indian demand for the extradition of the Chief Executive of the Company.
- In 1979, when Soviet forces invaded Afghanistan, there was no strong voice against its invasion whereas India strongly condemned

U.S. actions in Vietnam.

3rd Phase (Towards the end of Cold War)

- Towards the end of c.w. we see India realising the importance of having good relations with the West.
- In 1989, on the eve of Gulf War, India took unprecedented action. It offered logistical support (providing fuel to U.S. war planes) against Iraq, with which India had good relations and which was also a NAM country.
- In 1991, India was forced to adopt new economic policy as Indian economy came under crisis because of disintegration of U.S.S.R.
- Among the U.S. strategic thinkers, India assumed significant position as "swing state" to balance the rise of China.
- In 1991, general of U.S. Pacific Command Kicklighter visited India & put forward his proposals for deepening initiating Indo-U.S. defence partnership.
- By this time India-American Community attained the status of the largest & wealthiest caucus in U.S. Congress.

Analysis of this phase

- Changes started but we can't say that any qualitative transformation took place in the relations.
- From 1991 till 1998, U.S. continued to focus on

nuclear non proliferation. Main agenda of U.S. was to pressurise India to join NPT & CTBT.

- In 1995, NPT was extended indefinitely (for permanent phase). It deprived India from getting the legitimate status as a nuclear weapon state on a permanent basis.
- In 1998, India gone for Operation Shakti or Pokhran II. U.S., Japan, Australia & other western countries imposed sanctions against India.
- Jaswant Singh - Strobe Talbott talks (U.S. Dy. Secy of State). From 1998 till 2000, 14 rounds of talks took place. The aim was that U.S. wanted that India leave nuclear option & join NPT & CTBT. However interactions led to the development of understanding each other better & laid the foundation of strategic partnership.
- 1999 Kargil crisis.
 - It was the 1st event which showed that the 2 democracies have understood each other better. Uptil now U.S.A. always supported Pakistani views on Kashmir. For the 1st time U.S. asked Pakistan to act with restraint. U.S. also pressurised Pakistan to take its forces back.
- 2000
 - Visit of U.S. President Bill Clinton.
 - It resulted into "Vision Statement".
 - The 1st formal document on evolving Indo-U.S. strategic partnership. It gave the impression that relations are in transformative phase.
 - However it was realised that it was premature assumption.

§ 11/09/2001

The event made India to think that it will result into a qualitative transformation in the relations. In 'vision statement' counterterrorism has been an agenda. India offered unconditional support to U.S.A. However U.S.A. preferred Pakistan as a frontline state.

Kashmir
L.A.
attack

Dec 2001 Attack on Indian Parliament

The mobilisation of Indian Forces (Operation Parakram) on the border.

- By Jan 2002, U.S.A. could manage to pressure India to send the forces back & act with restraint. In return U.S.A. offered that it will take serious steps to tackle India's concerns on terrorism.

- 2004, A.B. Vaipayee's visit to U.S.A.

It resulted into the launching of NSSP (Next steps in strategic partnership).

Purpose of NSSP

- The 2 countries will take reciprocal steps to create appropriate environment for fully truly strategic partnership.
- 4 components of the strategic partnership demarcated
 - 1> Civil Nuclear Cooperation
 - 2> Cooperation in space & high technology
 - 3> Broad based consultations on issues of mutual concern
 - 4> Institutionalisation of relations.

- Jun 2005, India - U.S. entered into
"new framework" for defence cooperation
for 10 yrs.

10 yrs
extension
Modi visit

- July 2005: Visit of PM Manmohan Singh.
They announced the successful completion
of NSSP.

- Indo-US Civil Nuclear Agreement is put forward
as the instance of successful completion.

- Sep 2005: India

- India voted against Iran, thus giving the
message that India is in US League &
dilution of its non-alignment.

- Global Financial crisis 2008

It has impacted Indo-US relations.

U.S. economy facing crisis, US expecting
major concessions from India in investment
IPR, Pharmaceuticals. U.S.A. was forced to
take protectionist measures like decision to
decrease the no. of H1 visas, increasing
visa fees.

- 2009 Copenhagen Summit on Climate Change

- London Conference on Afghanistan, 2010

London Conf. on Afghanistan was a shock
for India, As U.S. accepted Pakistan's approach
w.r.t. Afghanistan.

- In 2009, President Obama visited India,
called India as an indispensable partner, held
that Indo-US partnership will be the most
defining partnership of 21st century.

India is important for U.S. for achieving peace
& stability in Asia Pacific. Thus giving indications
that there will be some positive developments in

the relationship which by that time has reached to plateau.

However nothing concrete happened except the launching of Indo-U.S. strategic dialogue.

The 1st dialogue took place in 2010 and since then there have been 5 such dialogues. It establishes 5 pillars of strategic dialogue.

1. Strategic Cooperation

on security related issues.

2. Energy & climate change

3. Science & Technology

4. Health & innovation

5. Education & Development.

Current state of strategic relations

- According to the analysts, Indo-U.S. strategic partnership has reached to plateau. It lacks purpose & focus. Its potential is oversold & they are still struggling to find a common ground.

- Areas of concerns in strategic partnership

• There are large no. of areas where India & U.S. have lot of convergence e.g. Rise of China, stability in Afghanistan, Freedom of navigation in High Seas, Liberalisation of int'l economy.

However they have not been able to bridge the differences.

Though strategic partnership talks about security concerns but because the 2 countries have troubled history, placed in different geopolitical environment, there is limited scope for

any concrete deliveries in strategic area. India is disappointed because U.S. has not used its leverage on Pakistan in Mumbai Terror attacks.

- U.S.A. has not done enough to get membership for India in NSG, MTCR and other arms proliferation control regimes.
- India is dissatisfied with U.S. current approach in Afghanistan.

Recently India has taken certain actions which show that they lack strategic convergence.

- India's position on crisis in Ukraine.
- India abstaining from voting against Sri Lanka in UN Human Right Council.
- India going for improving relations with Iran.
- Despite invitation, India not joining U.S. led coalition against ISIS.

- India is also working closely with China. India has agreed to join China led Asian Infrastructure Development Bank which challenges U.S. hegemony.

- India feels that because of U.S., India fails to achieve some of its strategic priorities.

- A peaceful neighbourhood
- Reform of IMF & WB
- Doha Development Talks

- The most imp area of strategic partnership is economic relations. However it is also in the state of stagnation. There are many areas where they have not been able to resolve the disputes.

Areas of dispute in economic sphere.

- Intellectual Property Rights

Specifically in Pharmaceutical sector.

US Pharmaceutical companies force US govt.

to pressurise Govt. of India to change its

patent laws. They aim to undermine the

capacity of manufacturer of generic drugs

in India. They believe that Indian patent laws

permit abusive patent practices & impact

innovation. At the same time they expect India

to dilute Section 3(d) of Indian Patent Law

which restrict evergreening of patents.

Present status

• Even though Indian laws are as per WTO

norms, WTO agreements themselves permit

flexibilities in the interest of public health.

Govt. of India has accepted U.S. demand to

review the patent laws by setting up a

working group. India has been continuously

on the priority watch list of U.S. Trade

Representative.

- Investment

USA wants a bilateral investment promotion

agreement. Some of the U.S. demands are

• Any dispute related to investment to be settled

by intⁿ arbitration & not by Supreme Court.

However India insists on resolution by SC

because the experience of intⁿ commercial

tribunals have not been favourable to India.

• U.S.A. wants that investors should have rights

to drag Govt. of India to intⁿ arbitration

in case investor's profit is at risk because of domestic policies. Thus U.S.A. wants to interfere in domestic taxation policies in the interest of U.S.'s MNCs.

Totalisation Agreement

India wants totalisation agreement on the same line which U.S.A. has with U.K., S. Korea & Chile. It is related to U.S. Social Security laws. Every year Indians contribute more than \$1 billion to U.S. Social Security without availing any benefit at par with U.S. citizens like pensions, etc. India wants the contribution to be integrated in Indian - Provident Fund system.

U.S. Immigration Laws

India expects U.S.A. to increase the no. of H1B Visa, to reduce delays in Visa processing & decrease visa fee. Recently U.S. President has announced some changes in immigration policies which address some of the concerns. e.g. Special founder Visa: Now it is not necessary to have U.S. Citizen as a partner for starting a company in U.S.A. subject to the condition founder raises outside funding for

→ For persons graduating in Science, Technology, Maths, they were earlier allowed to work at a U.S. company for 29 months. But now they can work for 36 months.

→ Spouses of those holding H1B visas are allowed to work now.

28/11/14

- Portable Work Authorisation.

High skilled workers awaiting legal permanent resident status (greencard status) are permitted to work.

Present scenario of India-U.S. relations

As expressed by U.S. trade representative

Michael Froman is of cautious optimism.

Why optimism?

- Positive environment has been created with the visit of Indian PM to U.S.A. in September.

Recently PM has invited U.S. President as the Republic Day guest. It is for the 1st time that any U.S. President has been invited. PM is taking personal interest in bringing relations "back on track".

In a joint statement issued during Modi's visit to USA the new mantra is "chalein saath saath".

He even compared the relations betⁿ U.S.A. & India & disputes like that of husband & wife.

Key features of Modi's visit to U.S.A.

He adopted a 3 track approach

1. Govt - to - govt

2. With business community of U.S.A.

3. Indian Americans

symbolism.

diaspora - show
of strength

The joint statement does not result into any concrete achievement for either side. But it does give indication that India is willing to engage U.S.A. & we can expect some forward movement.

Imp Declarations

Take actions to increase trade 5 times. from \$100 billion to \$500 billion (no time frame me

- > setting up of new mechanisms to resolve investments infrastructure, civil nuclear cooperation related issues, IPR
- > India invited U.S.A. to participate in smart cities & U.S. to be the leading partner for smart cities in Aizer, Vishakhapatnam & Allahabad.
- > U.S. ~~to~~ India will be collaborating in 'clean India' campaign as well as in clean energy.

Why cautious optimism?

- Recently govt. of India has raised tariffs.
- Though working group on IPR has been setup, but still it is not clear whether differences can be resolved.
- As per U.S. trade representative, 'peace clause' issue is not completely resolved U.S., Australia, Japan have raised objections on
 - > India not disclosing the ^(item wise) sector wise total subsidy
 - > Objection on measurement of subsidy by India in dollar terms whereas subsidy is given in rupees