PREFACE

Security relations between the United States and India generally reflected a pattern of misunderstandings, miscalculations and missed opportunities. It is often characterised as "estranged democracies" and "unfriendly friends". The divergent perceptions and approaches between the two countries led not to develop the type of relations that the United States had with other major democracies, despite having several instances of overlapping security interests. In recent years, the US-India security relationship is evolving in response to India’s emergence as a regional power, a potential market, and its importance in contributing to a stable balance of power in Asia. The relationship is also evolving with a view to their shared security interests and challenges such as combating international terrorism, preventing the proliferation of Weapons of Mass Destruction, ensuring security of resources such as energy and water, illegal migrations, human rights abuses, piracy, drug trafficking and gun running, climate change, and environmental degradation. Because of this, the US has declared its goal “is to help India become a major world power in the 21st century”. However, the two countries have had significant differences over important issues like nuclear non-proliferation; US technology transfer policies and linking technology transfer with non-proliferation concerns, India’s future nuclear and ballistic missile programmes; its disinclination to support the US policies in Iraq; its desire to develop energy links with Iran, the continuing India-Pakistan conflict in Kashmir and the United States policies towards it; and the US-Pakistan relations.

The present study primarily seeks to evaluate and analyse the US-India security relations from 1995-2006. It takes a closer look at the US-India security relations to provide a plausible explanation as to what might have been the factors responsible for the lukewarm relationship between the two countries and to determine how and why the United States and India have found it possible to cooperate in some areas, yet found it difficult to solidify strong security relations in other areas. An effort has been made in the present work to find out the rationale behind the expanding military, technological, civil nuclear and non-traditional security cooperation between the two countries and the broader convergence of their security and political interests despite having differences over important issues like nuclear non-proliferation. It is worth pointing out that the expansion of US-India security relations did not occur in a vacuum. It reflected the positive trend in bilateral relations
generally and was especially influenced by certain perceptual, policy and personnel
dynamics.

The choice of the period (1995-2006) of the present study is based on the following
consideration: First, the year 1995 marked a watershed development in the US-India security
relations, when the two sides signed an “Agreed Minute on Defence Relations”, a document
that provided a more substantial basis for defence cooperation, during the visit to India by the
then US Secretary of Defense William J. Perry. It covered service-to-service and civilian-to-
civilian cooperation, as well as cooperation in defence production and research. Second,
defence, dual-use technology, civil nuclear and non-traditional security cooperation between
the two countries during this period, is considered ideal to reflect the recent trends. It was
during this period that the US-India security relations were restored and the year 2000 was
the landmark in the sense that President Clinton’s visit to India and follow-up measures taken
by both the countries since then created mutual trust and confidence in bilateral relations.
Third, this period is significant for both the countries because it witnessed the formalisation
of US-India security relations through various bilateral security measures such as the
establishment of counterterrorism group, high technology cooperation group, the next steps
in strategic partnership, new framework for defence cooperation, civil nuclear cooperation
etc. Fourth, the year 2006 is very important because it witnessed the successful completion of
India’s nuclear facility separation plan for implementation of the 18 July 2005 Joint
Statement on nuclear cooperation and President Bush in December 2006 signed into law “the
Henry J. Hyde US-India Peaceful Atomic Energy Cooperation Act of 2006”. And, finally,
this period is also noteworthy because during this period the United States paid more
attention to South Asia - especially India, not only because of its concern about non-
proliferation and non-traditional security issues, but the US Administration identified India as
an emerging power with advanced nuclear technology and recognised it as a natural and
strategic partner with sharing global interests and responsibilities.

The present study provides an in-depth analysis of the security relations between the
two countries focusing on the defence, technology transfer, civil nuclear and non-traditional
security issues of the period under study with a view to examine various factors whether
those factors enhanced or inhibited relations. Today’s twenty-first century environment
offers the United States and India new opportunities, as well as new challenges, to expand
their security relations. It is, therefore, important to look more specifically at the numerous factors that may have influenced US-India security relations during the period under study. In doing so, one can be better able to indicate how the two countries can move ahead and work together more closely on matters of defence and security. A focus on the methods used to achieve security relations may offer solutions to old and new problems as the two countries attempt to reconfigure their relations in the twenty-first century.

The theoretical framework of the present work deals with the application of Robert O. Keohane’s theory of “Reciprocity in International Relations” based on state interaction and international cooperation. The theoretical framework focuses on reciprocity as a means for achieving cooperation among nations. Keohane (1984; 1986a) argues that cooperation occurs among nations regularly and commonly, and that cooperation is indeed durable and persistent. This cooperation among nations can be achieved through specific reciprocal actions. He outlines two kinds of reciprocity in international relations i.e. specific and diffuse reciprocity. Specific reciprocity refers to situations in which specified partners exchange items of equivalent value in a strictly delimited sequence. If any obligations exist, they are clearly specified in terms of rights and duties of particular actors. On the other hand, actors who engage in diffuse reciprocity are less concerned with the specific and precise definition of equivalence, may view one’s partners as part of a particular group rather than a single actor, and are more flexible concerning the sequencing of reciprocal actions. Moreover, diffuse reciprocity involves conforming to generally accepted standards of behaviour (Keohane 1986: 4).

In consistent with the notions of both specific and diffuse reciprocity, two aspects of the concept are essential i.e. contingency and equivalence. Contingency or conditionality suggests that cooperative actions depend on the rewarding reactions of partners. Cooperation ceases when expected reactions or reciprocation ceases. Furthermore, the contingency aspect of reciprocity suggests that cooperation is met with cooperation and defection is met with defection. The second aspect important for reciprocity is equivalence. For partners to cooperate, in other words, “rough equivalence” is usually and commonly expected, especially among equals. Among those who are unequal, cooperative relationships are characterized by exchanges of mutually valued but non-comparable goods and services. Based on the aspects of contingency and equivalence, therefore, reciprocity, primarily specific reciprocity, may be
best understood as exchanges of roughly equivalent values in which the actions of each party are contingent on prior actions of the others in such a way that good is returned for good, and bad for bad (Keohane 1986: 5-8).

However, there are three major factors that may affect, either positively or negatively, whether states may actually agree to reciprocate, even when specific exchanges are mutually acceptable. First, partners may be excessively concerned with relative gains. “Gains” are benefits that accrue to participants that cooperate. Second, actors find it difficult to reciprocate actions that are perceived to have ulterior motives. Finally, if a recipient state considers its partner’s actions to be costly and voluntary, the recipient will be more likely to reciprocate. Moreover, actions that are both intentional and valuable are indicative to the recipient that they are well intended, thereby, facilitating reciprocation (Grieco 1988: 485-507; Larson 1988: 281-301).

Where specific reciprocity is based on the self-interest of states to achieve cooperation i.e. one gets when one gives, diffuse reciprocity rests on the importance of norms, obligations, and trusts. Keohane (1986: 20) suggests that states engaging in diffuse reciprocity contribute one’s share, or behave well towards others, not because of ensuring rewards from specific actors, but in the interests of continuing satisfactory overall results for the group of which one is a part, as a whole. Ultimately, partners engaging in diffuse reciprocity are less interested in the direct rewards they may receive from their cooperative actions and more interested in a long-term pattern of interaction that is mutually beneficial and based on a sense of trust and obligation. Therefore, interest in the future helps promote cooperation (Axelrod and Keohane 1986).

Keohane (1986: 20-22), however, argues that reciprocity based on self interest, in the long run, can create trust based on mutual experience as a result of the recurrent and gradually expanding character of processes of social exchange. That is, by engaging successfully in specific reciprocity over a period of time, states may create suitable conditions for the operation of diffuse reciprocity. When partners engage in reciprocity, moreover, they may reciprocate any action either simultaneously or sequentially. For specific reciprocity to lead to diffuse reciprocity, actions must occur sequentially. Because simultaneous exchange necessarily balances in a single moment, there never exists a debt or a credit. Debts and credits must exist for a sense of obligation to exist, and a sense of
obligation is what, over the long term, increases confidence and trust among partners as debts and credits are regularly balanced. Where simultaneous exchange signifies a breakdown in confidence and indicates distrust and hostility, sequential exchange exemplifies obligation, trust, and good faith. Specific reciprocity may lead to diffuse reciprocity, therefore, as actors repay specific debts and offer specific credits over the long run. The creation of obligation increases confidence and enables actors to view common interests in a wider context.

Keohane further argues that the theory of reciprocity as a means of achieving cooperation among nations has more relevance in the post-Cold War period then the earlier (Keohane 1998; 2000; Keohane and Axelrod 1993; Keohane and Martin 1995; 2003; Keohane and Nye 1998; 2000). He has identified a series of factors that will facilitate international cooperation in the new world order. The first of these is common interests. The second factor is the involvement of a small number of actors, which facilitates retaliation against defectors. The third factor is the long shadow of the future. This provides quick feedback about changes in the other's actions. Because of a state's interests in future relations, there is less incentive to defect during present relations. The fourth factor is the international institutions i.e. the United Nations (UN), World Trade Organisation (WTO), World Bank (WB), International Monetary Fund (IMF) etc. will play important role in maintaining world order and facilitating cooperation among nations by reducing uncertainty of enforcing agreements. And, fifth factor is the end of the Cold War made increasingly aware of the importance of ideas, norms, obligations, mutual trust more relevant.

Based on the above analysis, the present study hypothesises that the US-India security relations can be developed on the basis of specific reciprocal actions. Security agreements signed between the United States and India since 1995 have occurred specifically, and sequentially which addressed the problems of mutual trust and goodwill. The pattern of security relations through such specific exchanges can deepen and evolve, leading to stronger and diffused relations based on mutual trust. It argues that the US-India security relationship is possible on the basis of specific reciprocity and that through such specific exchanges the pattern of security relations may deepen and evolve, leading to stronger relations based on mutual trust as a result of recurrent and gradually expanding political and socio-economic exchanges. A major objective of the present thesis is to test these hypotheses.

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The key research questions that the present study asks and seeks to answer are: Why the US-India security relation has taken off? How India and the US benefit from this new relationship? Have the United States and India engaged in specific reciprocal actions concerning defence and security issues? What kind of specific defence, technology transfer and civil nuclear cooperation agreements were signed between the two countries since 1995? How both the countries cooperated to counter the non-traditional security challenges? What were the specific conditions attached to such agreements and cooperation? Were there any obstacles to making the agreements? Is there evidence that the parties believed each were making costly and voluntary decision in order to cooperate? Has specific, sequential action by the US and India led to greater sense of trust and obligation and the existence of diffuse reciprocity in the US-India security relationship?

The present study has been divided into six chapters and the important contents of the chapters are given below:

Chapter 1 has been termed as “Introduction”. It takes an overview of historical background of the US-India security relations in a broader context of the United States security policies and perceptions in the post-Second World War period; India’s post-independence foreign and security policies; United States Cold War compulsions and the consequent emergence of US-Pakistan and Soviet-Indian relations; and the transformation of US-India security relations in the post-Cold War period. As a part of its overview of the past, it tries to assess such factors that either enhanced or inhibited US-India security relations. Such an overview is an essential part of the present thesis in order to provide the backdrop of the US-India security relations. It will help us to understand the nature of more recent relations and the problems and differences, as well as the areas of agreement and cooperation, characterising the relationship.

Chapter 2 deals with “US-India Defence Cooperation”. It makes an in-depth analysis of the rationale behind the emergence of US-India defence cooperation and the broader convergence of their security and political interests. This chapter has been divided into four broad sections. First, it analyses United States strategic interests in developing defence relations with India from the perspective of its security, non-proliferation and trade interests. Second, it examines India’s strategic interests and various salient factors that shaped its defence relationship with the US. Third, it describes in detail the specific cooperative defence
agreements signed between the two countries during this period, with a view to examine various factors that either enhanced or inhibited the US-India defence cooperation. Finally, it assesses the prospects for improved defence cooperation between the two countries in the future.

Chapter 3 deals with the “US-India Cooperation in Transfer of Dual-Use Technology”. As the transfer of technology holds key for further development of US-India defence and security relationship, it examines in detail the progress made so far in this regard since 1995 and the various challenges that they face for an enhanced technological cooperation. This chapter has been divided into five broad sections. The first section analyses the US technology transfer polices and deterioration in their bilateral relations because of technology transfer linking with US nuclear non-proliferation concerns. The second section discusses India’s interests and perceptions in obtaining dual-use technologies. The third section focuses on the US-India cooperation in the dual-use technology transfer with regard to theory, practice, and trends since 1995. The fourth section analyses that the technological cooperation stands changed because of the US commitment to help India in Civilian Nuclear and Space Technology area and its implications for India’s Space programme. And, finally, it assesses the prospects for the US-India technology cooperation.

Chapter 4 provides an in-depth analysis of the “US-India Civil Nuclear Cooperation” and the progress made in this regard to ensure energy security while at the same time addressing the problems of nuclear non-proliferation issues. This chapter has been divided into seven sections. First, it discusses the paradigm shift in the US non-proliferation policy – especially focusing on the Clinton administration’s policy of “cap, roll back, and eliminate” to the Bush administration’s reversal of the three decades of US non-proliferation policy by bringing India into the global non-proliferation regime as a part of solution to the nuclear proliferation rather than a problem. Second, it analyses energy security issues and specifically focusing on nuclear energy cooperation as a viable option to meet the growing energy demands. Third, it examines the major contours of the US-India civil nuclear cooperation agreements and India’s nuclear facility separation plan in implementing the 18 July joint statement for civil nuclear cooperation. Fourth, it discusses the benefits of civil nuclear cooperation to both the US and India. Fifth, it examines the implications of US-India civil nuclear cooperation on nuclear non-proliferation. Sixth, it discusses the Iran issue in
US-India civil nuclear cooperation. And, finally, it explains the reasons behind India's domestic opposition to the Hyde Act and this section also discusses the prospects for operationalisation of civil nuclear deal with postscripts.

Chapter 5 deals with the "US-India Cooperation in Non-Traditional Security Issues". As there are so many non-traditional security challenges that the two countries face today, it discusses some of them in order of their importance and urgency such as terrorism, the spread of weapons of mass destruction, climate change, environmental security, human rights and health issues (HIV-AIDS and other epidemics). This chapter discusses these non-traditional security issues in five broad sections i.e. i) Counterterrorism cooperation, ii) Cooperation in preventing the proliferation of Weapons of Mass Destruction, iii) Cooperation on climate change, iv) Cooperation on environmental security, and, finally, v) Human rights and health issues.

Last, Chapter 6 is the "conclusion" of the thesis. It is a sum up of what this thesis is all about. It analyses the nature of emerging US-India security relations with a theoretical framework by applying Robert O. Keohane's theory of "Reciprocity in International Relations". This chapter besides theoretical analysis and summarizing the thesis; attempts an overall assessment of "US-India Security Relations, 1995-2006", and, finally, it provides a discussion of the study's findings and their implications. At times, the conclusion has reflected briefly on future direction and one's modest evaluation of the US-India security relations.

Descriptive and analytical methods have been used in this study. Both primary and secondary sources have been used in the present study. Primary sources of data such as official documents and documents related to Congressional proceedings have been extensively used in this research work. Special emphasis has been given to the US Congressional Hearings; Congressional Records; Department of State Bulletin; Department of State Dispatch; Congressional Research Services (CRS) reports; Documents on American Foreign Relations; Memoirs of leaders; reports released by the White House, Department of Defense, Department of State etc. The Indian Government Documents and Reports such as Parliamentary Debates; Official Statements; Ministry of Defence, Directorate of Public Relations; Annual Reports of Ministry of Defence; Reports of the Parliamentary Standing Committee on Defence; Ministry of External Affairs' Press Releases; Annual Reports of
Ministry of External Affairs, etc. have been studied extensively for analysing US-India security relations. An effort has been made to have first hand observation of policy debates, discussions in governmental and non-governmental organisations. And, the documents and bilateral agreements that have been signed between the two countries related to defence, technology transfer, civil nuclear and non-tradition security cooperation viz. Agreed Minute on Defence Relations signed in January 1995, Joint Statements signed by Indo-US Defence Policy Groups and Joint Working Groups on Counterterrorism, Vision Statement for 21st Century signed in March 2000, Transfer of Technology agreements, High Technology Cooperation Group (HTCG), Statement of Principles of High Technology Commerce, Agreements on Next Steps in Strategic Partnership (NSSP), New Framework for Defence Cooperation, Civil Nuclear Cooperation agreements signed between the two countries, etc. have been used in this study.

Apart from the available primary sources of data, secondary sources of data came from relevant available literatures such as books, periodicals, journals, newspapers etc. on the subject. Data available on the Internet were also used in this research work as primary (from official websites) and secondary (from non-official websites) sources.