CHAPTER-2

CHANGING SECURITY SCENARIO AND INDO-US RELATIONS

In international politics, whenever domestic and global milieu change the foreign policy of a state and its relations with other countries are bound to transform. The significant change in international relations creates new opportunities for every state to achieve its security objectives. It is because, security is always considered as main objective of foreign policy by the state. As a result, security objectives of a country in the cold war era may not relevant in post-cold War era, because of the changed international environment. It faces new challenges into change situation at bilateral, regional and global levels.

1. The Cold War Scenario

In the traditional context, security has been defined as use of force by state to deal with threats to their territorial integrity and sovereignty. It has been rightly observed that, “the traditional view of security focus on the application of forces at the state level and was therefore a fairly narrow view, hinging on military security.” The cold war period also emphasized on traditional security perspectives of protecting territory of a state and accumulating weapons to promote military capacity for national security. In the cold war era, the USA and the USSR were basically engaged in building military alliances against each other and initiating an arms race. Ideological clash between the two superpowers deprived

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developing countries from their wide range of foreign policy options. Any kind of relations with the US bloc was viewed as a strategy to undermine the Soviet bloc and vice-versa. As a result India tried to maintain its neutrality from the USA and the former Soviet Union, because of its long term interest. India adopted a socialist democratic model to achieve its socio-economic development which was better than liberal capitalist way to achieve fast and steady growth. Hence, India failed to develop meaningful relations with the US throughout the cold war period.

India’s foreign policy was devised in a manner not to become a part of any bloc and to evolve alternative course through non-aligned group of nations. India not joining the western bloc to fight against communism offended the USA strongly. Therefore, India’s non-alignment policy was called ‘immoral’ and ‘nonsense’ by the then US Secretary of State John Foster Dulles. American considered India as a Soviet ‘stooge’ and did not trust its policy of non-alignment. That’s why Dennis Kuk, American diplomat in India, termed the relations between them as ‘estranged’ during the cold war period.

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Moreover, inclination of the USA towards Pakistan, since the initiation of cold war, was alarm for India on its regional security setup. Later in 1970s, the foreign policy of the USA took significant initiative, when it established strategic relations with China to contain the Soviet Union, which was seen as common threats for the both India and erstwhile USSR. This was considered as the greatest achievement of the Nixen’s foreign policy to allow balance of power through the maneuverings of Henry Kissinger. Henry Kissinger’s move to Beijing via Islamabad to set a virtual entente among the United States, China and Pakistan was not liked by India.

The changed situation near India’s border worried India to manage security relations both at regional and global level. “This geo-political, realist compulsion also witnessed the US-China-Pak triangle peaking in 1971 and Delhi seeking support from Moscow.” Therefore, India signed the Treaty of Peace, Friendship and Co-operation, with former USSR in 1971 to manage balance of power in Asia. Simultaneously, the USA clearly expressed its support in favour of Pakistan during India-Pakistan war. The Pro-Pakistan approach of USA also hampered the growth of Indo-US cordial relations in the cold war era. India and the US have different perceptions on regional and global security issues, because the US was thinking for global dominance while India was unable to extricate itself from regional security problems.

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8 Rajamony, n.5, p.9.
Thus, India and the United States were not able to improve strategic relations during the entire cold war period and they failed to collaborate on important issues like security and defence. There was hardly any significant economic, political and strategic convergence on various international issues, so both the countries were not able to enhance their security relations.12

In brief, India and America relations were shapeless and grotesque in the cold war period. Mutual disbelief and mis-understanding dominated their bilateral relations in the cold war era.13 There were several reasons for such divergences: the USA did not trust India or its policy of non-alignment due to India’s Soviet tilt. Besides, India was irritated on the issue of the US arms transfer to Pakistan and its continuous inclinations towards Pakistan on the Kashmir issue. Moreover, growing Sino-US relations in seventies made India insecure in South Asian region. Finally, India’s different perception on the US non-proliferation policy was a reason which raised distrust between the two countries. These issues not only disturbed bilateral relations of India and US, but also affected the regional security scenario in south Asia to India’s disadvantage.

Thus, international scenario was not conducive for the development of Indo-US strategic relations during the cold war era. Possibility for mutual defence cooperation between them, in the light of existing security problems was missing. Both countries followed different approaches to deal with regional and global issues, which created tension in their bilateral relations. Therefore, no remarkable progress did take

13 Chatterjee, n13, p.233.
place between India and US on defence and security cooperation during cold war period.

2. The post-Cold War Scenario

The collapse of the Soviet Union set a new environment in international relations which was entirely different from politics that prevailed during the cold war era. The disintegration of the socialist bloc and the termination of the Warsaw Pact changed the global scenario in significant manner. The decline of Soviet power, combined with enhanced capabilities of the USA made the latter sole-surviving super power in unipolar world.

The end of cold war also changed the nature and scope of international relations. It has changed the international alliance structures which prevailed during the cold war era. Following the Soviet pullout from Afghanistan, Pakistan ceased to be a frontline state in the US strategy in South Asia, thereby reducing Washington’s attention to South Asian region. America also invoked the Pressler Amendment to stop all economic and military aid to Pakistan after President George Bush Senior decided not to verify that Pakistan did not possess nuclear weapons. Besides, USA was no more in need of China to counterweight Soviet Union. Following the Tiananmen Square incident in June 1989, China

16 Ibid.
17 Sharma, n.12, p.3.
18 Dinesh Kumar, Defence in Indo-US Relations, IDSA, New Delhi, 1997, p.43.
isolated and it suffered from international sanctions.\(^{19}\)

In the meantime, India’s foreign policy was facing challenges including rebalancing of its relationship with global-powers, to increase its influence in Asia, Africa and Latin America, making Non-Alignment Movement more relevant; supporting demand of reforms in United Nations and claim for permanent membership of Security Council; and, active pursuit for multi-polar world.\(^{20}\) In this transformed environment US also decided to change its foreign policy objectives and focused on new goals, such as: to enhance global security; to help America’s economic liberalization in the age of globalization; promote democracy in the world and; to manage international institutions according the US interest. In this unipolar world, America was making efforts to achieve these goals as its long term interests.\(^{21}\)

Perhaps India realized that improvement of relationship with the USA may fill up the power vacuum of the Soviet Union. It is because India took initiative to develop good relations with USA to contain China and Pakistan at the regional level. Therefore, India initiated good bilateral relationship with the USA. This shift transformed their bilateral relations from ‘estranged democracies’ to ‘engaging democracies’.\(^{22}\)

Though India’s foreign policy served its interest well during cold war era, yet in the new situation, it needed additional support. That is why, India adopted a realistic, need based and result oriented foreign

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\(^{20}\) Tripathi, no.4, p.91.


\(^{22}\) Reyaz Ahmad Ganaie, “Indo-US Relations Beyond the Nuclear Deal: A Study of Bilateral Counter-Terrorism Cooperation”, in Tripathy, n.10, p.397.
policy in this new situation. In such conditions, economic perspective gained momentum in the functioning of Indian foreign policy. Economic liberalisation programme launched by India paved the way to increase trade, military, nuclear and counter-terrorism cooperation with the USA. So, emerging economic cooperation became instrumental to improve Indo-US strategic relations.  

Thus, the economic ties in the post-cold war global scenario became important than political issues for most of the countries. In this unipolar world, most of the countries made efforts to develop good economic relations with each other. Main players and their subsidiaries of cold war, like the USA, USSR, China, Pakistan, Japan and even non-alignment country like India tried to improve economic relations in the changed environment. However, their security perceptions on the global, regional and bilateral level continue to remain divergent. In the 21st century, rise of China and India as economic and military powers compelled the USA to rethink about its sole superpower ambition. In this new situation, where traditional and non-traditional security concern have became important for all the countries, India and the USA have a number of common goals on the economic, political and strategic levels.

3. India-US Relations in the post-Cold War Era

In the post cold war period India-America relations are no more constrained with the differences as of the earlier times, rather they are moving in all round cooperation in the area of political, economic and

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strategic relations. This emerging partnership between the world’s most powerful democracy and the largest democracy is one of the most significant developments in the post-cold War global scenario.

Soviet withdrawal from Afghanistan in 1989 led the US to revise its relationship with Pakistan, with positive ramifications for India. In the early 1990s, India’s economic reforms added a qualitative breakthrough for India-US relations. In April 1991, the then US Secretary of the Treasury Robert E. Rubin visited India to sign a bilateral investment protection agreement reflecting the substantial enhancement in United States investment within India, later on America also encouraged India to apply for loan in the United States Agency for International Development (USAID) to resolve its economic problem.

At the time, both the countries seem to have been keen to restart the conversation for a better relationship. They tried to improve security relations through joint seminars, training, and establishment of steering committees. The two nations conducted joint naval exercises in May 1992 and September 1994 in the Indian Ocean. In 1995, the US government recognized India as big emerging market and intended to increase trade, economic and defence relations. In the same year, the Indo-US Defense Agreement was signed, aimed at removing obstacles toward greater defence and high-technology cooperation.

Both the countries also coordinated during the early negotiations for the Comprehensive Test Ban Treaty (CTBT), but ended with significant differences in their final drafts. Later, in 1996 the relations

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24 R. S. Yadav, “Changing Dynamics of India’s Foreign Policy”, in R. S. Yadav and Suresh Dhanda (ed.), *India’s Foreign Policy: Contemporary Trends*, Sherpa, Delhi, 2009, p.28.
26 Kumar, n.18, p.45.
became strained when India refused to sign CTBT despite persuasion from the American government. Later on India’s conduct of its nuclear tests in May 1998 created further wedge between them.

Tests conducted by India in May 1998, surprised the world, particularly the United States. The America felt embarrassed at the decision taken by India to go nuclear at the time when the issue of non-proliferation was high on its foreign policy agenda. The US realized that this might threaten its policy design to construct an international non-proliferation regime. As a result, the USA imposed economic sanctions on India under the Nuclear Non-proliferation Act, 1994.27

With the end of cold era, India-US relations on the issues of nuclear non-proliferation, technology transfer, terrorism and Kashmir remained divergent. The conduct of nuclear tests and the announcing itself a nuclear weapon state in May 1998 by India further deteriorated their relations. Imposition many of military, economic, scientific and technological sanctions by the USA on India were testimony of this fact.28 However one positive development has been the simultaneous initiation of Jaswant Singh and Strobe Talbott talks during the Vajpayee-Clinton Administration to build the Indo-US relations in the area of non-proliferation, terrorism, nuclear and technology transfers.29

During Kargil episode in 1999, President Clinton played a prominent role in pacifying war between India and Pakistan. Since he was totally aware of Pakistani conspiracy, he advised Nawaz Sharif to pullback his army from the border and to initiate peace talks with India.

27 Mishra, n.14 p.84.
28 Rajamony, n.5, p.10.
29 Mishra, n.14, p.80.
This positive development after the Kargil war indicates the emergence of a new equation in India-America relations.\(^\text{30}\)

During the visit of President Clinton in March 2000, changed attitude of USA towards India was very much evident. This visit can be described as the first major turning point in India-US relations. This visit of US President, first in almost 22 years marked a most important change in the US foreign policy orientation towards New Delhi.\(^\text{31}\) Clinton was given warm welcome in India and the two countries recognized and focused on their mutual interest during this visit. Thus America’s notable tilt towards India was very much apparent in the last years of the Clinton Administration and became more pronounced when President George W. Bush came to power.\(^\text{32}\) Bush put forward the Clinton’s policy of engagement in South Asia with a special emphasis on the India-America relations.\(^\text{33}\)

It is considered that the global scenario has substantially changed with the end of the cold war era, but strategic cooperation between India and America got boost ups with the beginning of 21\(^{st}\) century. This advancement in Indo-US relations is noticed with the changed international scenario in general and the post 9/11 development in particular. This advancement is based on present geo-political realities and convergence of key strategic interests between New Delhi and Washington.\(^\text{34}\) The terrorist attacks on the World Trade Center and

\(^{30}\) Annpurna Nautiyal, “India, America and Pakistan in the New Era: Challenges and New Equations”, in his, Challenges to India’s Foreign Policy in the New Era, Gyan, New Delhi, 2008, p.249.

\(^{31}\) Rajamony, n.5, p.10.


\(^{33}\) Mishra, n.14, p.85.

\(^{34}\) Sharma, n.12, p.25.
Pentagon in America on 11 September, 2001 changed the global security  
scenario. After the attacks, US assumed Pakistan and Afghanistan as the  
base of terrorism and it need India’s assistance to solve the problem. As a  
result, the USA’s war against global terrorism provided foundation to  
India to resolve their fundamental problem.\textsuperscript{35}

The United States recognized India as its efficient partner to deal  
with global terrorism after 9/11. Both are concerned about Pakistan’s  
nuclear proliferation activities, Islamic fundamentalism, Taliban and Al-  
Qaeda on the basis of regional and global security. The US wants to  
establish India as a bulwark against terrorism in South Asia.\textsuperscript{36} Therefore,  
terrorist attacks made positive environment for India and the US to  
identify their convergence in political and strategic perspectives. Besides,  
their common belief in democracy, human security, peace building and  
co-operation with United Nations also bringing India and the US closer to  
each other.\textsuperscript{37}

In this changed scenario, India and the US developed mutual  
understanding in several areas including terrorism, Kashmir, technology  
transfer and on nuclear energy. In January 2004, India and the America  
launched the “Next Steps in Strategic Partnership” (NSSP) agreement,  
which promised bilateral cooperation in the areas of civilian nuclear  
activities, civilian space programs, and high-technology trade, and  
expanding dialogue on missile defense.\textsuperscript{38}

\textsuperscript{35} Mishra, n.14, p.85.
\textsuperscript{36} “Common Interests Bring U.S.-India Closer”,  
\textsuperscript{37} Tripathi, n.4, p.92.
\textsuperscript{38} K. Alan Kronstadt, “U.S.-India Bilateral Agreements in 2005”, \textit{Congressional Research  
In June 2005, India and the US signed a “New Framework for the US-India Defense Relationship.”\(^{39}\) This defence agreement identified a dozen of areas of cooperation: from joint exercises to cooperation in missile defense and intelligence data-sharing. Besides, it established four joint working groups and a bilateral Defense Procurement and Production Group to strengthen their strategic ties.

In 2006, the both countries also signed an agreement on cooperation in maritime security, which provided cooperation in the protection of sea routes and combating against piracy and trade in illegal goods.\(^{40}\) Signing of 123 nuclear agreement, related to cooperation in civil nuclear area was another historical step towards the confidence building between both countries. It marked the beginning of progressive India-US nuclear relation in 21\(^{st}\) century.

The meeting on strategic cooperation was held in July 2009 when the US Secretary of State, Hillary Clinton visited India and both states focused on strengthening of their bilateral cooperation through strategic dialogue on the various issues. First round of such strategic dialogue was held in Washington in June 2010 and the second round was organised in New Delhi in July 2011.\(^{41}\) The visit of Prime Minister Manmohan Singh to Washington in November 2009 further enhanced the global strategic partnership between India and the US. President Obama’s visit to India during 6-9 November 2010, imparted new momentum to bilateral cooperation and facilitated the establishment of a long-term framework for India-US global strategic partnership.\(^{42}\)

\(^{39}\) Kronstadt, no.38, p.1.
\(^{40}\) Kugiel, n.3, p.35.
The initiation of the India-US strategic dialogue between the two countries has improved their security cooperation in many areas, like defense cooperation, nuclear issue, space research and development, maritime security, counter-terrorism, Afghan security, homeland and border security and cyber security. This remarkable growth has been realized through a range of smooth consultations and formal dialogues, including the Defense Policy Group, Homeland Security Dialogue Ministerial, Counterterrorism Joint Working Group, ongoing Cyber Consultations, Political-Military talks, and Strategic Dialogue.\textsuperscript{43}

Thus, in the beginning of the 21\textsuperscript{st} century both the countries have taken numerous positive initiatives and accepted each other as natural partner. This transformation provided opportunities for both the countries to come out from the cold war estrangement and to begin identifying domains of mutual convergence. It was believed by experts in both countries that the present opportunities may help the two nations to build a strong relationship in changed scenario.\textsuperscript{44}

4. Dominant Factors in Indo-US Relations

In the post-cold war era India and USA started to cooperate on a number of issues due to favorable environment. Some events and incidents which worked as positive factors to enhance their bilateral ties are: (i) China factor; (ii) containment of terrorism; (iii) cooperation in nuclear energy; (iv) maritime security and, (v) trade in the Indian Ocean.\textsuperscript{45} These are main issues which have directly or indirectly affected India-US defence relations in the post-cold war period.

\textsuperscript{43} “U.S.-India, n.41.
\textsuperscript{44} Chatterjee, n.6, p.234.
(i) China Factor- After a phase of strained relations during early cold war era, the US improved its relations with China in seventies whereas the latter also contribute to have bitter relations with India and Soviet Union during that period. Therefore, the improvement in Sino-US relations was seen by the erstwhile Soviet Union as a common threat for itself and India.\(^{46}\) In fact, USSR and India realized that improved relations between the US and China may work as common threats, which was compelled them to become strategic partner in the cold war period.

With the end of cold war, the global and regional scenario has been changed substantially, which directly or indirectly has influenced the perspective of all the states. The relationship and foreign policy perspectives of USA, USSR, China and India have also changed according to new situations. India lost its traditional partner and the US emerged as the only super power in this unipolar world. The US now had no need to contain USSR. In fact, China was left isolated by the USA during Tiananmen Square incident in June 1989 and the former said to face sanctions from the latter.\(^ {47} \)

The rising of China as an economic and military power at regional and global levels, have changed the strategic environment for United States. Consequently, USA is in search of a powerful nation in Asia which can balance the Chinese influence. In this context, India being a largest democracy and growing economic and military power seemed to be an obvious choice for the USA. India with its skilled workforce and large presence in IT sector was the visible option for the US.\(^ {48} \)

\(^{46}\) Chadha, n.7, p.194.
\(^{47}\) Kim, n.19, p.194.
India and China were not having cordial relations due to border dispute. The two countries fought war in 1962 and China occupied the Eastern and Western part of India’s borders area.\textsuperscript{49} Besides, China is raising question on India’s sovereignty over Arunachal Pradesh and Jammu and Kashmir and different parts of their shared frontier. China is also building up military infrastructure and expanding a network of road, rail, and air links near the border areas which is a matter of concern for India.\textsuperscript{50} Thus, India is trying to develop strategic relations with America not only to contain the Chinese influence but also to secure its regional security goals.

In recent times, China has acquired tremendous weight at global level in general and Asia in particular. China has been working towards building military, economic and political relations with most of the South Asian countries. The policy of China around Indian periphery termed as “Strings of Pearl”. The string of pearls conveys that the manifestations of China’s rising strategic influence to its increasing access to ports and airfields and develop special diplomatic relationships in the region. The term also focusing on rebuilding of military forces that extends from the South China Sea through the Strait of Malacca, across the Indian Ocean, and on to the Pursian Gulf.

China is also establishing strategic ports in South Asia i.e. in Sittwe (Myanmar), Chittagong (Bangladesh), Hambantota (Sri Lanka), and Gwadar (Pakistan), in order to protect sea lanes and ensure constant energy supplies.\textsuperscript{51} Under this strategy, China took Pakistan and Myanmar into confidence and then it is using its financial and military strength to

\textsuperscript{50}Ibid., p.3.
\textsuperscript{51}Ibid., p.1.
come closer with Nepal, Bhutan, Bangladesh, Sri Lanka and Maldives. The Chinese moves in South Asia may facilitate it to go ahead of India in South Asia and further force down its conventional strategic advantages in this region.

China also gave military assistance to South Asian nations to increase its influence in the region, especially in the wake of running assistance programmes to encourage human rights and democracy by India and the USA. As a result, India’s threats perceptions in Asia make it imperative for it to enhance cooperation with the United States in the strategic and defence areas. This is a complex strategic situation, which could decide the future direction of Sino-US relationship and Indo-US relations as well as China’s relationship with India.

In Indian Ocean region, growing piracy and terrorist threat to energy and merchant traffic along the Sea lines of Communication (SLOCs) has become a problem for India. India cannot afford that Indian Ocean region become an area of uncertainty and struggle among regional and global powers, but Chinese presence in this region is a threat for India, thus compel India to secure territories and to maintain good relations with the USA. Trans-national threats such as narco-trafficking, Islamic fundamentalism and terrorism emanate from this region are so serious that India cannot ignore them. After 9/11 attacks the US also started engaging with India on the issue of counter-terrorism, can be considered as a good signal to become a strategic partner on the regional level.

52 Ibid.
54 Sharma, n.12, pp.27-28.
In the post-cold war era the key strategic concern for East Asian nations is the rise of China as a dominant power.\textsuperscript{55} China’s rapid rise as economic and military power also compelled India to shift towards the East Asia region to fulfill its economic and strategic goals.\textsuperscript{56} India is enhancing better relations with Vietnam, because its involvement in territorial dispute with China in the South China Sea.

As a result, India initiated a new security framework with Vietnam in 2000 to provide military training, advanced weapons and expands access to the South China Sea through the Cam Ranh Bay naval and air base. India knows the importance of Vietnam in the South China Sea and its potential to balance the Chinese naval existence in the East Asia region. Vietnam has supported India in its claim for a permanent membership of the UN Security Council and it helped India to block Pakistan’s keen to membership in the ASEAN Regional Forum.\textsuperscript{57}

China’s rising maritime power is not only a challenge for American maritime interests, but also prevents sea lines of communication in the Asia-Pacific region. Besides, China’s maritime interests are in contravention with the interests of US allies like Japan and Philippines. Chinese neighbourhoods are also conscious about its rise and are engaged to prevent China’s hegemony in the region. Besides, countries like India, Japan, and Russia, smaller states like Singapore, South Korea, Vietnam and Cambodia are equally worried about increasing China’s dominance and are looking for ways to contain it.

\textsuperscript{55} Muhammad Munir, “Advancing Defence Cooperation in Asia Pacific: India’s Emerging Role”, \textit{IPRI}, vol.13, no.2, Summer 2013, p.102.
\textsuperscript{57} Lisa and Cheng, no. 49, pp.6-7.
The Asia-Pacific region has also gained geo-strategic importance due to the rise of China and USA’s ‘pivot of Asia’ policy in this region. China is a major concern for most of countries including the US.58 If China continues its impressive economic progress within the next few decades then the United States and China are likely to engage in an intense security competition with considerable potential for war. In this context China’s neighbouring countries like India, Japan, Singapore, South Korea, and Vietnam, can join hands with the USA to contain China’s power.59

The strategic importance of Taiwan for the USA and Japan cannot allow China to control this island surrounding East Asian region. In fact, Taiwan is an important player to contain China for Washington in the formation of anti-China balancing coalition.60 The Obama administration has taken a strong initiative in engaging these states through the strategy of multilateral regional engagement in Asia.

For the success of such multilateral cooperation, USA has also developed trilateral relations among America, Japan and India. The US-Japan-India trilateral meeting focused on enhancing shared values like democracy, human rights, rule of law, and open markets. Some scholars argue that these stated shared values are an effort to contain Chinese influence in the Asia-Pacific.61

58 Chadha, n.7, p.200.
60 Ibid.
61 Sabrina Tsai, “Obama’s Second Term in the Asia-Pacific Region: Reflecting on the Past, Looking to the Future”, Project 2049 Institute, September 2013, p.11.
China has provided consistent military assistance to Pakistan to contain India. It also funded armed rebels in the North-East and continued to take adverse diplomatic steps through stapled visas to Jammu and Kashmir people and military officer. Consequently, India needs to be sensitive towards Chinese activities in Tibet; because in past India has failed to play an assertive role in safeguarding its interests in Tibet. It becomes more serious as China has built up superior civilian and military infrastructure along Indo-Tibet border.62

The emergence of China as a major world power has made India and the USA concerned in the context of economic and security perspectives at regional and global level. That’s why it has been rightly observed that, “The central logic of strategic partnership between New Delhi and Washington is perhaps rooted in America’s balance of power and “pivot of Asia” policy through which the emerging Chinese power would be contained.”63

The United States is concerned particularly about China’s challenge to its world leadership and increasing competition in Asia-Pacific region, while India is concerned regarding their unresolved border dispute with China and latter strategic relations with Pakistan.64 There are a number of people in the United States and India, which consider China as a ‘threat’ to their interests.65 Therefore, in this era both countries agreed to engage with each other to safeguard their strategic, economic

63 Meber, no. 56, p.38.
64 Narottam Gaan, India and the United States: From Estrangement to Engagement, Kalpaz, Delhi, 2007, p.208.
and political interest against rising China. India and the USA are committed to oppose the Sino-centric Asia. Thus, the dramatic rise of China is the main threat to India and America on the regional and global level. In this changed scenario the rise of China is main issue for both the nations, to maintain their security and economy.

(ii) **Terrorism Factor** - Terrorism has emerged as major security challenge for the entire world in general and India in particular. India’s experience with violent insurgency goes back at least to Naxalites insurgences of the 1950s. During 1980s separatist Sikhs used terrorism, including hijacking and blowing up aircraft. Insurgent ethnic groups in the northeast of India also make use of terrorism as part of their campaign to gain autonomy. The Liberation Tigers of Tamil Eelam, the spearhead of the ethnic insurgency in Sri Lanka, sent a suicide bomber in 1991 to assassinate former Indian Prime Minister Rajiv Gandhi. The Kashmir rebellion that started in the 1990s, supported by Pakistan, also involved in many of terrorist threats in the country.\(^{66}\)

With the end of cold war, terrorism acquired prominence as security threat for world in general and South Asia in particular. South Asia has been among one of the most affected regions witnessing state-sponsored terrorism. Besides, the world is experiencing emergence of terrorism in its several dimensions like cross-border, religious, and narco-terrorism. In the last decades of 20\(^{th}\) century some initiatives were taken between India and USA to cooperate on the issue of terrorism. Following the 1999 hijacking of an Indian aircraft, on the way to Afghanistan, United States and India created a Joint Working Group on counter-terrorism in January 2000 and kept meeting regularly on the issue of terrorism.

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counter-terrorism collaboration.\textsuperscript{67}

Both sides have condemned terrorism in all forms through public forums and joint statements. However, they continue to differ with each other in their perceptions on the issues of terrorism. India’s differences with the USA are not without a solid ground. In the matter of dealing with terrorism, New Delhi has enough reasons to question the US sincerity. Much before the fateful 11 September, 2001 terrorist strikes, India had been warning the world about the dangers of this evil, which believes that terrorism have no boundaries and is a crime against humanity.\textsuperscript{68}

But it was only after the 9/11 terrorist attack on the United States that India’s long standing on the threat of global terrorism position got recognized by the world; particularly by USA. The attack on world trade centre changed the whole outlook of the USA towards terrorism. The US woke up from its slumber and launched global war on terrorism.\textsuperscript{69} This brought both India and the USA together in the areas of counter-terrorism and intelligence sharing.\textsuperscript{70}

That is why; it has been rightly observed that after 9/11 attacks India and the US were going on boarder security cooperation which was never seen before that time. The cooperation that began with the “war against terror” has only grown, particularly with new and divergent modes of threat facing both the countries.\textsuperscript{71} In fact counter-terrorism

\textsuperscript{67} Ibid., p.83.
\textsuperscript{69} Tej Pratap Singh, “China Factor in the Growing US-India Strategic Partnership”, in Tripathy n.10, p.163.
\textsuperscript{70} Meber, no. 56, p.46.
cooperation has been one of the hallmarks of bilateral relations.

December 2000 terrorist attack on the Indian Parliament and the operations in Afghanistan further represented the similar threats faced by two countries regarding their security. The 9/11 attack on world trade centre has changed the US perspective towards terrorism and it recognized terrorism as global problem. India’s support to America on the issue of terrorism also marked the initial point of their strategic relations.

The visible improvement between the two countries set in motion in the last months of the Clinton Administration, which got accelerated after November 2001 meeting between Indian Prime Minister Vajpayee and President Bush. This transformation was clearly manifested in the wake of the September 11 terrorist attacks on the United States. In this context India took immediate and unprecedented step to offer unconditional support and use of its military bases for counter-terrorist activities by the USA.\textsuperscript{72} In December 2001, the US-India Defence Policy Group also met in New Delhi after India’s 1998 nuclear tests and summarized a defence partnership based on regular and high level policy dialogue.\textsuperscript{73}

In 2002, both countries launched Indo-U.S. Cyber Security Forum to safeguard critical infrastructures from cyber attack.\textsuperscript{74} The United States-India Political Action Committee (USINPAC) was formed in 2003

\textsuperscript{72} Kalyani Chadha, “India’s Reaction 9/11: From Estrangement to Hopes for Partnership”, in Vladimir Shlapentokh, et. al eds., America: Sovereign Defender or Cowboy Nation?, Ashgate, 2005, p.158.

\textsuperscript{73} Narottam Gaan and Sunita Samal, “Perspectives on Indo-US Relations after the End of Cold War”, in Tripathy n.10, p.77.

to implement counter-terrorism policy of the two countries.\textsuperscript{75} In September 2004 India and the United States concluded a two-day summit of their Joint Working Group on Counter-Terrorism in Delhi and they decided to build up cooperation on narcotics trafficking and financing of terrorism and work towards early approval.\textsuperscript{76}

The June 2005 “New Framework for the US-India Defense Relationship” lists defeating terrorism and violent religious extremism as one of four key shared security interests, and it calls for a bolstering of mutual defense capabilities required for such a goal.”\textsuperscript{77} In April 2006, the U.S.-India Joint Working Group session on Counterterrorism conducted its seventh consultation since the group was founded in January 2000. It ended with a declaration of determination from both countries to improve bilateral cooperation and information sharing on such areas of mutual concern as bioterrorism, aviation security, cyber-security and terrorism, Weapon of Mass Destruction (WMD) terrorism, and terrorist financing.\textsuperscript{78}

Indo-US cooperation on the counter-terrorism and intelligence sharing investigation was remarkable after the 2008 terrorist attacks in Mumbai. “Condemning terrorism in all its forms, the two sides confirmed that all terrorist networks must be defeated and impress upon Pakistan to move expeditiously in prosecuting those involved in the November 2008 Mumbai terror attack.”\textsuperscript{79} The two countries repeated their promise on comprehensive sharing of information on the investigations and trials related to the 2008 Mumbai terror attack.

\textsuperscript{75} Mishra, n.14, p.91.
\textsuperscript{76} India, USA to work against terrorism, \textit{The Tribune}, 2 September 2004.
\textsuperscript{77} Kronstadt, n.74, p.50.
\textsuperscript{78} Ibid.
In the bilateral counter-terrorism agreement concluded by both states in 2010 promised to enhance cooperation in the area of intelligence sharing, exchange visits of senior leadership of security and intelligence units, and joint training exercises. Besides, US provided assistance to India to improve investigations skills, forensic analysis, evidence gathering and bomb blast investigations etc to counter-terrorism.

Thus, both India and the USA recognized that strong and comprehensive counter-terrorism cooperation will help not only to contain terrorist threats but also to strengthen the overall bilateral relations. A multilayered counterterrorism dialogue aimed at enhancing India’s institutional capacity and anti-terrorist infrastructure is one of the best ways to check the terrorist menace for both the nations. After 9/11 incident both the countries seriously came closer to each other on the issue of terrorism. The events of 11 September, 1 October, 13 December in 2001 and 26/11 in 2008 have brought both the nations more seriously and cooperatively closeness to each other on the issue of terrorism.

Finally, India was engaged on counterterrorism cooperation with the US to resolve the problem mainly to prevent the incidents of terrorism in future. It is likely that terrorism in future may have four main components- Weapon of Mass Destruction, maritime threats, cyber-crime and terrorism affecting energy security. These categories of terrorism can be tackled only with the cooperation of both regional and global player collectively. India and the US may be appropriate actors in this manner.

(iii) Nuclear Issue- The relationship between India and America were rancorous due to their different perceptions on nuclear issue and non-

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Though, in the beginning US actively promoted nuclear cooperation with India and helped in building nuclear power reactors in Tarapur. The US not only provided heavy water for this Canadian-Indian research reactor, but also allowed Indian scientists to study at its nuclear laboratories.

In 1960s, as well, India engaged in negotiations with the US for the formulation of universal nuclear non-proliferation treaty. But, India refused to join Nuclear Non-proliferation Treaty (NPT) in 1968 as it was considered discriminatory in its opinion. Later India conducted its first nuclear test known as “Peaceful Nuclear Explosion” in 1974. This nuclear explosion received strong critical reactions from across the world including the USA. Later also imposed sanctions on nuclear fuel trade with India.\(^{83}\)

As a result, nuclear issue became an exasperating factor which harmed their bilateral relations. India made it clear that it will not terminate its nuclear programme. Besides, it also protested that it will keep its nuclear programme only within the framework of non-discriminatory global agreements.

With the end of the cold war, the relations between India and the US got improved due to changed global scenario. Furthermore the opening up of India’s economy in the early 1990s was favorable to promote their bilateral relations. The liberalization policy followed by India makes a path for the US to come closer. But still India continued to refuse to sign the NPT due to its discriminatory nature. Simultaneously it


\(^{83}\) Ibid.
also rejected the CTBT on the similar grounds.\textsuperscript{84} Thus, it was seen that in this new situation, no substantive change may likely to occur on the nuclear non-proliferation issues because of their different perceptions.\textsuperscript{85} India conducted five nuclear tests in May 1998 at Pokhran which led to imposing of international sanctions against India. But, the Pokhran-II nuclear test opened up new chapter in India-US nuclear cooperation, because after this event the US nuclear policy towards India got transformed in qualitative manner. America immediately decided to enter into a strategic dialogue with India after Pokhran-II to resolve the nuclear issue.\textsuperscript{86} That is why, it has been rightly observed that, “Scarcely 4 months after the tests and the subsequent sanctions, Indian Prime Minister Atal Bihari Vajpayee was in New York, declaring that the US and India were “natural allies” though he meant it a figurative sense rather than in its traditional military connotation”\textsuperscript{87}

In June 1998, Indian External Affairs Minister Jaswant Singh and US Secretary of State Strobe Talbott initiated dialogue, which was the most concerted, “the most serious and the most extended set of exchanges between the two countries. The two leaders met 14 times at ten locations in seven countries over a period of 18 months- a record of sorts in bilateral diplomacy.”\textsuperscript{88} The collaborations paved attempt to enhance cooperation on the issues of nuclear, terrorism, non-proliferations and technology transfer for both the countries. Thus, India’s nuclear explosion proved short-term divergence and long-term convergence

\textsuperscript{85} Mishra, n.14. p.80.
\textsuperscript{86} Bhat and Gupta, no.82, p.59.
\textsuperscript{88} Mansingh, n.84, p.179.
factor for the both the countries.

It is believed that the Clinton Administration’s nuclear policy towards South Asia is clearly India focused, because the US was not able to prevent China to supply nuclear technology to Pakistan. The US perception on the means and ends of its non-proliferation efforts in South Asia has brought it into conflict with all these countries.\(^9^9\) Thus, the US realized that India can work as a reliable partner in economic and strategic concerns.

Similarly, India identified the growing energy needs as an area for cooperation with the US, particularly in the sphere of nuclear energy. Since 2001, India negotiated with the US to reduce restrictions on export of dual use technology to increase cooperation in military and non-military. This collaboration is key-issue which came to be known as ‘trinity’ and India’s ambition to progress in these areas were essential to provide right direction to Indo-US relationship.\(^9^0\) The Next Steps in Strategic Partnership (NSSP) initiative in 2004 included expanded cooperation in civil nuclear technology as one of three goals. Phase-I of the NSSP, organized in September 2004, required addressing proliferation concerns and ensuring compliance with U.S. export controls.\(^9^1\)

After NSSP initiative, some other positive improvement took place which significantly helped to transform Indo-US relations. The most significant initiative was the visit of the US Secretary of State Condoleezza Rice to India in March 2005. Rice expressed the willingness


\(^9^0\) Kronstadt, n.74, p.36.

of US to cooperate with India in field of civil nuclear energy. India was surprised by the offer and lost no time in seizing the opportunity. Immediately, after her visit; both the countries started negotiations to identify contours for this broad cooperation.

After some high profile discussion India’s Prime Minister Manmohan Singh and US President George Bush issued a joint statement on 18 July 2005 which set a framework for Indo-US Civil Nuclear Agreement. That is why, it has been rightly remarked that the year 2005 was a landmark year in India-US nuclear relations because of the July 25 Indo-US nuclear deal which was followed by US-India 123 agreement and the subsidiary agreement on reprocessing.

After finalization of 123 Agreement, India negotiated safeguards agreement with International Atomic Energy Commission (IAEA) in August 2008 and the agreement inked by India’s External Affairs Minister, Pranab Mukherjee and his counterpart the US Secretary of State Condoleezza Rice on 10 October 2008. The most significant achievement has been perhaps the signing of the Civil Nuclear Agreement “which ended India’s isolation in the world in the area of nuclear technology.”

With the signing of agreement India made strategic gains in addition to economic ones with other major countries. The deal is not just between India and the US but is between India and all Nuclear Suppliers

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95 Meber, n.56, p.37.
Group countries. After the deal was cleared by the US Congress, India signed civil nuclear deal with a number of countries. Thus, the deal helped India to engage with other major countries, mainly in the area of energy cooperation.

During President Obama’s visit to India in November 2010, the two states announced completion of all steps to begin implementation of the Civil-Nuclear Cooperation Agreement. This promise itself is a positive sign and an indicator to develop a good picture of bilateral nuclear cooperation. In the same year Indian parliament passed the Nuclear Liability Act, 2010, which was aimed at to provide a civil liability in the event of a nuclear accident, and made equipment operator liable for the accident. As such, the US nuclear companies were unwilling to accept such risks.

Prime Minister Narendra Modi’s September 2014 visit to the USA led to the establishment of a “Contact Group” to classify their common goal of delivering electricity from the US generated nuclear power plants to India. The officials and nuclear industry representatives group of India and the US met more than twice for grounding President Obama’s trip to New Delhi in January 2015 and try to resolve obstacles on the way to construct the US nuclear power plants in India.

During Obama’s January 2015 visit to India, the US softened its demands on tracking the site of nuclear material supplied; with Obama using his administrative powers consider the requirement of inspections

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97 Alam, n.94, p.4.
by the IAEA as sufficient. For India’s part, the country projected an insurance liability pool, to be produced by government-sponsor insurers, whereby the financial threat will be transferred to the pool in the event of a nuclear accident.\footnote{99} Both the countries tried to resolve the nuclear liability issue on its own part due to improved nuclear cooperation.

The Indo-US civil nuclear deal is not only about cooperation between India and United States in the field of nuclear energy but it is more than that.\footnote{100} The deal provides the means by which both India and the US are able to pursue their political, economic and strategic interests. The US plans to create jobs through the export of nuclear reactors. Through this deal, US will get huge market for its nuclear companies where they can sell their nuclear reactors and earn profit. India has now been recognized as a nuclear power and can pursue nuclear energy to make up for its energy deficit.\footnote{101}

The proponent of the deal may continue to argue that India has gained a unique status as the only nuclear weapons power which is allowed to have global nuclear trade without signing either the NPT or CTBT until now a precondition for entering the elite nuclear club. The deal has put an end to three decades of international isolation and has made civilian nuclear trade possible with other Nuclear Suppliers Group member countries as well. The deal in a sense has also been emblematic of the vision of Indo-US relations in the 21st century.\footnote{102} Closer relations between the two countries have led to cooperation in many other fields.

\footnote{100} Ganaie, n.92, p.52.
\footnote{101} Hosur, n.96, pp.447-448.
\footnote{102} Ibid.
such as agriculture, economic development, business, intelligence sharing, and joint military exercises.

The deal has the potential to advance energy security, protect environment, boost economic and technological development, strengthen non-proliferation regime and international security and to create balance of power in Asia region. The deal is a win-win situation for the two countries and provides huge benefits to both countries. Thus, civil nuclear cooperation is very significant from energy security point of view.

(iv) Maritime Security Issue-Maritime security arrangements in the Indian Ocean Region (IOR) are a very important issue for regional and extra-regional player. Traditional and non-traditional security challenges have increased at sea area and they upset economic, environmental, human, food, energy and national security. As regional power and rising global power, India desires to achieve its maritime security goal with cooperative spirit of shared destiny. India’s rising naval capacity also manifests its strong commitment to maritime security arrangement. But India’s maritime strategic uncertainty and lack of transparency undermine its confidence to become a global power. However, India is doing efforts to accomplish this task with the cooperation of global power especially the USA.

During the cold-war period the major security concern that due to power rivalry the region for India has been to oppose the presence of external power in the Indian Ocean region. It perceived newly independent Indian Ocean countries of Asia and Africa became the victim

103 Ganaie, n.92, p.52.
of competition between the superpowers. Besides, India did not like the presence of external power in this region due to its own maritime security concern. It was this fear which prompted India to support Sri Lanka’s proposal for declaring the Indian Ocean as a Zone of Peace by the UN in 1971. Strategic cooperation among China, Pakistan and the USA compelled it to promote the region as a zone of peace. During this period, India strongly supported the elimination of great power presence in Indian Ocean region, especially USA’s presence. The security competition in the region to a great extend reduced with the end of cold war.

During the post-cold war era region faced new kind of imbalance, with changed nature of rivalries, suspicion and competition. As a result, India’s maritime security role has extended from the Red Sea to the Pacific Ocean as a country with significant potential. This prospective may excite India to break out of South Asian boundaries and collaborate with other countries. Hence, India may extend its reach to Indian Ocean region which has been “described as the “heart of the third world” or the “Ocean of the South” with low per capita income and low level of development in the majority of countries.

It is the residence of one third of the world’s populations and considered as a geo-strategic significance because nearly half of the world’s container traffic and 70 per cent of the whole traffic of petroleum

106 R., no.2, pp.49-50.
products is coming from the Indian Ocean region and 60,000 ships travel through it each year.\textsuperscript{109} This enhanced geo-strategic importance of this region compels India to play a significant role in maritime security of Asia-Pacific region.

Indian Ocean region has also become a central point of the US maritime strategy in this changed security scenario. The US perceives threat from this region due to non-conventional nature of non-state actors and failed states like Yemen, Somalia, Myanmar and Pakistan.\textsuperscript{110} In this regard, Robert Kaplan emphasized that for durable peace in this region the US may prove a protector from terrorists, pirates and smugglers and also help to provide humanitarian assistance at the time of natural disaster.\textsuperscript{111}

Geographically, India lies in an extremely important position in the Indian Ocean Region that extends from the Persian Gulf in the west to the Malacca Strait in the east, which defines its relevance and complexities in relation with its neighbours as well as distant players like the US that have politico-economic stakes in the region.\textsuperscript{112} Protection of the sea lanes of communications (SLOCs) is the strongest part of maritime security convergence between India and the US. India and America calculated that sea lane protection need to prevent counter-arms, antipiracy, counter-drug, environmental remediation and search and rescue operation.\textsuperscript{113}

\textsuperscript{109} Ibid., pp.67-68.
\textsuperscript{110} Kumar, n.105 p.73.
\textsuperscript{111} Ibid., p.75.
\textsuperscript{112} Schaffer, n.66, p.76.
India now intends to go beyond the eastern SLOCs in the Bay of Bengal and Strait of Malacca to include the Strait of Hormuz and the Arabian Sea. This geo-physical cum geo-political profile of India appears to be of significant to the US in its changed strategic calculus. Joint naval exercises between India and the US forces are now a regular feature of the defence landscape. Since 2002, they have steadily grown in number and sophistication.  

The “Malabar” series of naval exercises in the Indian Ocean started with basic maneuvers and communication drills, and expanded to include exercises in fleet air defence, antisubmarine warfare, simulated interdiction, and amphibious operation. Since its inception in 1992, such exercise has become part of regular bilateral naval training and exercise in the Indian Ocean, and includes fighter combat mission from aircraft carriers, through the Maritime Interdiction Operations Exercise. Naval exercises of this kind are aimed at to keep regional security in the IOR and have an essential role to play in the present strategic environment.

Due to non-existence of any regional military partner dedicated to the security of the IOR, such naval exercises can help to advance multilateral maritime cooperation on mutual security issues. By now India and the US have also developed enough understanding of each other’s operating procedures and planning processes have also been greatly simplified.

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114 Schaffer, n.66, p.76.

115 Ibid.


117 Schaffer, n.66, p.76.
In this context, bilateral strategic cooperation seems viable on maritime security. In fact, the idea of working together in this region was proposed by former US Secretary of State Colin Powell in his Senate confirmation hearings in March 2001.\textsuperscript{118} In 2002, India permitted to escort sensitive US cargoes through the Strait of Malacca. This operation indicated the end of its long-standing opposition to US naval presence in the Indian Ocean region. In late 2004 and early 2005, India and the US worked together to give relief during tsunami that struck the Indian Ocean. It appeared a seminal event for India-US maritime cooperation.\textsuperscript{119}

Moreover, in 2005 the Bush Administration emphasized that it is going to help India to become a major global power in the 21\textsuperscript{st} century. The US also agreed on strengthening of maritime security cooperation by encouraging India’s naval capabilities and coordination, and expansion of its maritime security cooperation in South-East Asia, Persian Gulf and in the far of Taiwan Strait.\textsuperscript{120} Besides, Indo-US military forces have worked together on other humanitarian operation, such as the deployment of the hospital ship USNS Mercy (T-AH-19) in the summer of 2006.\textsuperscript{121}

With the increase of China’s military power and influence in the strategically crucial Indian Ocean, a noted American expert has urged the Obama Administration to partner India to balance and counter Beijing’s increasing influence in the region.\textsuperscript{122} It is considered that India needs the U.S. to cope up with the increasing naval capability of China in the Indian Ocean region. Indo-US security cooperation can be enhanced up to a fixed degree because India has chosen “balance of threat” for its own

\begin{footnotesize}
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\item[]\textsuperscript{118} Mishra, n.14, p.93.
\item[]\textsuperscript{119} Schaffer, n.66, p.77.
\item[]\textsuperscript{120} Kumar, n.105, p.76.
\item[]\textsuperscript{121} Schaffer, n.66, p.77.
\item[]\textsuperscript{122} “India, US Need to Partner to Balance China in Indian Ocean”, \textit{The Economic Times}, Washington, 2 September 2010.
\end{itemize}
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national security goals and the USA has chosen “balance of power” strategy.\textsuperscript{123}

A Maritime Security Cooperation Agreement, inked in 2006, commits both countries to “comprehensive cooperation” in protecting the free flow of commerce and addressing a wide array of threats to maritime security, including piracy and the illicit trafficking of weapons of mass destruction and related materials.\textsuperscript{124} Piracy in these waters began to surge in 2008. The International Maritime Bureau in November 2008 estimated that there had been 92 attacks on ships that year, including 36 hijacking.\textsuperscript{125}

India and the USA decided to continue consultations on maritime security cooperation in the Indian Ocean Region in existing forums such as Defense Policy Group and its appropriate sub-groups. They also decided to exchange opinion on promoting regional security architecture that increased maritime security in the Indian Ocean Region. The US also welcomed New Delhi’s decision to lead a plenary of the Contact Group on Piracy off the Coast of Somalia in 2012.\textsuperscript{126}

The USA has been pressing for a ‘code of conduct’ in the South China Sea against the Chinese push for their adaptation of laws. Drawing from the South China Sea experience and the problems that have arisen between China and its neighbours, India and the US could push for a universal ‘code of conduct’ for the Indo-Pacific area and the larger Pacific Ocean.\textsuperscript{127} Previous UPA administration in India embarked on this

\textsuperscript{123} Kim, n.19, p.194.
\textsuperscript{124} Kronstadt, n.74, p.46.
\textsuperscript{125} Schaffer, n.66, p.78.
\textsuperscript{126} “U.S.-India Strategic Dialogue Joint Statement”, n.79.
\textsuperscript{127} Mishra, n.71, p.5.
idea but it remained limited to the first few steps and did not actually take off in the intended sense.

Multilateral cooperation in defence and security issue among the US, Australia and India can help in maritime security and freedom of navigation in the whole Indo-Pacific region. There have been a series of maritime incidents with the beginning of 21st century in which Chinese naval vessels and aircraft have challenged Japanese, Indian, Vietnamese and Philippine vessels in the East China Sea, South China Sea and Yellow Sea faraway seaward of China’s 12-nautical-mile territorial limits.128 The US is working out to help these countries through multilateral arrangement in this region. Intended for India the maritime security arrangement is a diplomatic response to China’s “String of Pearl” policy to encircle India in South Asian region.

The new government in India is focusing on a significant approach to improve maritime security arrangements in order to enhance regional and global partnership.129 The regional prospect for India has improved due to Modi government’s focus on its neighbourhood policy. The growth of regional trade can be an element of the government’s outline in a big way. Expansion of trade may need its safety through cooperation in maritime security.130

At the global level, India and the US are focusing on the security of maritime trade that passes through Asia-Pacific region. In this context, the USA is emphasizing that India takes lead in this region. It is in India’s long-term strategic and economic interest to take action in a manner that

129 Cordner, n.104, p.31.
130 Mishra, n.71, p.2.
projects a more responsible role for it, especially towards the safety Sea Lines of Communication (SLOC).

India’s maritime security apprehension covers the whole range from low intensity conflict to major power strategic competition. The shift of Indo-US maritime strategy from the Asia-Pacific to the Indo-Pacific zone makes significance of the Indian Ocean Region to India’s regional security and the USA’s global security in the changing security scenario.\footnote{131}{C. Uday Bhaskar, “India’s Maritime Security Challenges”, http://www.eastwestcenter.org/events/india%E2%80%99s-maritime-security-challenges (Accessed on 22 August 2015).}

The US is presently promoting an ‘Indo-Pacific’ concept that connects the Indian and Pacific Oceans as element of its approach towards the IOR. The US has emphasized to develop an Indian Ocean Region strategy on the basis of building regional allies like Japan, Australia, and Philippines, and partners like India and Vietnam.\footnote{132}{D. S. Rajan, “China in the Indian Ocean: Competing Priorities”, in Bhattacherjee, n.116, p.9.}

Modi government also initiated a US$100 million line of credit to Vietnam for four patrol boats. These boats are likely to be used for trade and coastal security by Vietnam and thus fall under India’s strategic investments. So, India’s maritime security strategy is enhancing in South China Sea to control China in this region.

In general, India’s economic prosperity is also associated with seas, because more than 90 percent of its global trade in commodities and goods transport through the seas. India and the US have already focused on significant cooperation toward the Asian and global maritime commons. A secure and peaceful South Asia is in Indo-US strategic
interests as any insecurity in this region may have spillover effects in contiguous regions. A stable South Asia is likely to survive when India’s role is considered in a prominent manner in the Indian Ocean region. The US is also confident that India is not likely to go against its interests due to their common security goals. As a result, both India and the US may work towards formation of a bilateral cooperation for ensuring peace and prosperity in the IOR.

(v) Trade Factor- Indo-US relations cannot be examined without the inclusion of the economic interests. There are tremendous possibilities in India-US trade relations in the cold war era, which were associated with India’s economic development and the USA’s investment policy.\textsuperscript{133} India was a new democracy and tried to find out right way to its economic development. In this context, India and the United States began to develop economic ties in the form of a donor-recipient relationship in the 1950s and 1960s, whereas the US food aid to India was of considerable help. That is why it has been rightly observed that, during much of the 1950s and early 1960s, “the United States was a leading trading partner for India, providing the nation with about a third of its imports.”\textsuperscript{134} But this donor-recipient relation between them was not considered happy experience to a non-alignment country’s regional security requirement in the bipolar world.\textsuperscript{135} Thus, their different security and political stance in the foreign policy objectives were not able to accommodate as trading partners.

However, this scenario underwent complete ‘U-turn’ in the post-cold war period. With the end of the cold war India adopted economic

\textsuperscript{133} Vinod, n.89, pp.443-444.
\textsuperscript{134} Ram Arya, \textit{Six Decades of Indo-US-Pak Relations}, New Delhi, 2013, p.100.
liberalization policies and established commercial alliance with the USA. Since the liberalization of the Indian economy began with an almost desperate hurry in 1991, the economic aspect assumed a vital significance and economics began to determine politics as much as vice-versa.\textsuperscript{136}

Therefore, USA supported India’s applications for loans and assistance from the World Bank, IMF and Asian Development Bank and convinced other industrialized countries to do the same.\textsuperscript{137} The US also helped in speeding up US$1.8 billion IMF credit to India in January 1991 to deal with its severe external-debt-payments crisis. The economic support by the US worked as qualitative breakthrough in India-US relations.

In 1990, India-US signed a double taxation pact that designed American investment in India, further breaking thirty years deadlock in economic relations. Then, the US provided only modest bilateral economic support in the form of food aid it became largest trading partner of India and an important source of investments and technology.\textsuperscript{138}

Both the countries have established US-India Commercial Alliance to promote relationship among their private and government sectors. It may be recalled that during Prime Minister Narasimha Rao's visit to the US in May 1994 it was decided by both of them to revive the Indo-US Economic Commercial Sub commission.\textsuperscript{139}

The Clinton administration also helped India to emerge as a major player in the economic field. South Asia as a whole is increasingly

\textsuperscript{136} V. P. Dutt, \textit{India’s Foreign Policy in a Changing World}, Vikas, New Delhi, 1999, p.56.
\textsuperscript{137} Muchkund Dubey, \textit{India's Foreign Policy: Coping with the Changing World}, Delhi, 2013, p.136.
\textsuperscript{138} United States, n.25.
\textsuperscript{139} Vinod, n.89, pp.443-444.
becoming a region of intense development. The economic liberalisation policy of India has now paved the way for remarkable trade and investment between India and United States. In 1995, the US became India's largest trading partner and an important source of investment and technology. In January 1995, during the visit of the US Secretary of Commerce Ron Brown, along with an immense business delegation, a project of worth $7 billion were signed with India.\textsuperscript{140}

The Indo-US Commercial Alliance is significant achievement so far, due to the Indian commitment to open markets and set up a fair and visible regulatory system. Both the countries are engaged to capitalize on the opportunities to enhance bilateral trade relations. India is now going through the gigantic task of transforming its economy while maintaining its democratic traditions. It is estimated that the economic dimensions are likely to have a multiplier effect on bilateral ties between the two countries in the years to come.\textsuperscript{141}

However, their economic relations slowed down due to stagnation of economic reforms; 1997 Asian financial crisis; and Pokhran test of 1998 followed by sanctions by the USA. But after 1999 Lok Sabha elections, the BJP-led government further provides momentum to economic reforms.\textsuperscript{142} Besides, economic cooperation between India and the United States improved due to commercial and visionary individuals and businesses in both countries. Thus, trades, cultural, and familial ties, have always been at the leading edge of India-US relationship and strategic partnership. This is evident from the fact that total trade between them enhanced from $19 billion in 2000 to $95 billion in 2013.\textsuperscript{143} Since

\textsuperscript{140} Ibid.
\textsuperscript{141} Ibid.
\textsuperscript{142} Kronstadt, n.74, p.54.
\textsuperscript{143} “U.S.-India Trade and Economic Cooperation”, gov/hr/pa/prs/ps/. \texttt{2014/07/230048.htm} 15 July 2015).
2004, both states have also been pursuing “strategic partnership” based on numerous shared values and improved economic and trade relations.\textsuperscript{144}

Presently, the USA is major trading partner of India. India needs USA for its exports and US also requires Indian market in a global competitive market era. Tremendous increase in India-America economic cooperation during the last two decades is the foundation of the new relationship between the two countries.\textsuperscript{145} On 2 March 2006, President Bush and P. M. Manmohan Singh envisaged the goal of doubling bilateral trade in three years.\textsuperscript{146}

Economic cooperation shows impressive statistics in the Obama era as the total bilateral trade has reached at $43 billion in 2008, 11 percent higher than that of the previous year.\textsuperscript{147} During the US-India Business Council meeting in June 2009, US Secretary of State Hillary Clinton also advocated for stronger economic ties between India and the United States.\textsuperscript{148}

India-US bilateral trade has been a driving factor in their ties as financial interdependence continues to grow between the two states. Both sides acknowledge that their bilateral relationship is growing strong due to enhanced economic and commercial relations. In future, Investment and trade flows between them are likely to define the limits of their relationship. During Prime Minister Modi’s September, 2014 visit to the USA, Obama assured to deepen economic cooperation by setting a five-fold jump in India-United State trade to US$500 billion.

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\textsuperscript{144} Arya, n.134, p.100. \\
\textsuperscript{145} Vinod, n.89, pp.444-445. \\
\textsuperscript{146} Arya, n.134, p.101. \\
\textsuperscript{147} Angana Guha Roy, “United States-India Bilateral Ties-Partnership in the Obama Era”, Tripathy, n.10, pp.30-31. \\
\textsuperscript{148} Ibid., p.31. 
\end{flushleft}
Setting up of a joint programme to boost business investment is also a welcome initiative. The delegation exchanged views on variety of issues including maritime security, combating proliferation, and increasing regional trade opportunities in the Indo-Pacific Economic Corridor and beyond. This is an approval of the fact that India has emerged as a dominant actor in this region.\textsuperscript{149}

Besides, India has been improving regional cooperation by boosting trade and call attention to shift from Look East to Act East Policy. In this regard, Japan’s assure to double its present investment in India to US$35 billion over the next five years is a proof of such situation. Besides, extensive Chinese investments are a win-win position for India. Modi’s ten-day visit of Myanmar, Australia and Fiji also prove that India takes Act East policy seriously. The United State is a resident power in the Asia-Pacific region and India’s cooperation with its extended neighbours may also need to help common security goals in this region.\textsuperscript{150}

To be specific, Indo-US cooperation is likely to focus on areas like trade, investment, Climate Change Dialogue and the Civil Nuclear Energy.\textsuperscript{151} Since, both the countries are being a member of the WTO, IMF, the World Bank, the Asian Development Bank etc., hence they may cooperate with each other in multilateral organization as well. In other organization where only one of them is member then they can help the other nation in an informal manner.\textsuperscript{152}

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\textsuperscript{149} Mishra, n.71, p.2. \\
\textsuperscript{150} Ibid., pp.2-3. \\
\textsuperscript{151} Ibid., p.2. \\
\textsuperscript{152} Arya, n.134, p.150.
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India’s growing thrust towards Look East and USA’s envisions in Indo-Pacific Economic Corridor can also help to bridge gaps in Indo-US economic cooperation. Through the growing relationship in trade, physical infrastructure, architecture, and human and digital connectivity both may generate linkages all the way from Central Asia to South Asia and Southeast Asia.\textsuperscript{153}

United States is firmly committed to the security and prosperity in terms of connectivity, energy security, and open markets in the Asian continent. In May 2014, the Indian Ministry of External Affairs Sushma Sawraj founded Research Information structure for developing countries which hosted an international meeting on cross-border connectivity featuring government officials, multilateral bank representatives, and private sector firms, stress existing and future efforts to connect India with Southeast Asia. The US was pleased to contribute and is likely to continue such engagements in future.\textsuperscript{154}

In the pod-cold war era, trade and economic relations provide the ground for evolving strategic cooperation between the two countries. Trade relations present much-needed sound foundation for increase in strategic relationship. The economic relations between India and the US in the areas of trade and investment have been the most important factors in bringing the two countries closer. They are two largest democracies in the world, representing one-fifth of the world population and more than a quarter of the world’s economy have lots to contribute in bringing economic stability in Asia and the world at large. Indian needs capital and technology and the American needs big market to fulfill its goals. By

\textsuperscript{153} Mishra, n.71, p.2.

\textsuperscript{154} “U.S.-India Trade and Economic Cooperation”, n.143.
working together, both sides can facilitate each other’s continued economic success.¹⁵⁵

Besides democracy, Indian Diaspora, Afghanistan and human rights are also proved to dominant trends in Indo-US relations. On the strategic and economic manners China, terrorism, nuclear energy, maritime security and trade are more relevant issues for India and the US on bilateral, multilateral and global security level in post-cold war scenario.

5. Limitations of Indo-US Relations

India-America relations in post cold-war era became very warm and cordial due to numerous factors. However, certain important issues still remain unresolved between the two countries. The evolving strategic partnership between India and the USA has following limitations:

(i) Since the end of the cold war the United States is pursuing ‘cooperative’ and ‘competitive’ strategies towards China. On the one hand, the US is having engagement with China regarding economic and strategic areas. On the other hand, the USA is making efforts to contain China, both at the regional and global levels. Thus, it is believed that the strategic relationship between China and the US have become very complex for other countries like India in changed scenario.

The USA wishes to enhance security cooperation with India to contain China’s naval power in the Asia-Pacific region, but, it is clear that India does not want to promote military alliance with the USA at regional level. India’s stand is limited to its economic and security developments.

India and China have a long history of their cooperative and complicated relations. Tensions between the two Asian countries may rise due to their disputed borders. Simultaneously, with the beginning of twenty-first century, there are some positive developments in India-China relations, due to their improved economic ties, environmental cooperation and bilateral diplomatic exchanges. With the solution of their border disputes they may cooperate on several other issues. So, any misstep by the USA may change its superpower stance and harm overall America’s interests at the regional and global levels.

At present, US consider China as its main competitor, because there is no convergence between them on unipolar world model, where the US is acknowledged as only superpower. China, Russia and India are the only major countries on the Eurasian landmass which collectively have the economic, military, and technological potential. Geographical expansion; demographic structure; and their political will, may challenge US global hegemony.

(ii) Though, due to successes achieved through bilateral cooperation on counter terrorism, yet both continue to follow divergence on areas like terrorism. Both countries are defining the threat of terrorism on their own parts, while the USA perceives it as a global challenge but, India considers it as regional wave. Similarly, both differ on roots of terrorism. India considers Pakistan as a foundation of the problem, not a solution, but the US thinks Pakistan as a key ally in their war against terrorism. Pakistan’s clear support, at the government level at least, to the United States’ war against terrorism beginning to cast a shadow over recently mended India-US relations.
India also opposed the US description of war on terrorism on both ideological and substantial levels. While extremist Islamic terrorist remains a great security threat to India, there is different approach followed by the USA to fight against terrorism. That is why, India refuse to join American war on terror in Iraq, which is an indication of the basic differences over defining terrorism and the affective means to combat it. There is a lack of proper convergence on counter-terrorism in intelligence sharing, official talk, technology link and communicative method between the two countries. Lack of convergence of approach to terrorism became more explicit in relation to Pakistan’s role to support terrorism in Kashmir.

Thus, India and the US manifest some limitations to counter-terrorism as an important area of Indo-US strategic relations. Indo-US cooperation on counter-terrorism emerged from their definitional problems, divergent views on the sources, roots of terrorism and concerns about spillover effects.

(iii) The relations between India and United States have not always been so cozy and cordial as one finds them today. Both the countries had bitter relationship since India’s independent. Most vital factor responsible for their strained relationship has been their views on nuclear non-proliferation.

The basic difference between the two rose on the signing of NPT during the cold war era. Later on, CTBT in the post-cold war era continued to prove an irritant between Indo-US relations. While both the countries advocated non-proliferation as a part of their thinking to attain the goal of nuclear disarmament, yet the United States continued to
assume it as a doctrine of nuclear deterrence. India refused to sign the regimes of NPT and CTBT because of their discriminatory nature.

Their divergent perceptions on nuclear status has always been demolished the development of the nuclear Non-proliferation regime. The US government played significant role in determining the main institutions, arrangement and understanding that form the foundations of this regime. During the cold war period India supported non-proliferation as broader level and continues it in the post-cold war era. But divergent views on the issue of nuclear non-proliferation were a constant irritant in Indo-US relations.

Now it does not the issue of nuclear non-proliferation but nuclear liability question more important aspect while dealing with the USA. Being unaccountable for your mistakes is as good as being invited to make them. India is a country which is still recovering from the aftermath of Bhopal gas tragedy, where a gas leak in a Union Carbide factory in Bhopal city killed about 20,000 people in 1984, in one of the world’s most awful industrial disasters. Since then, justice has been denied to the victims, and given that India’s ruling political party has taken election funds from Union Carbide's parent company, chances of any justice to the victims is bleak.

Besides, global scenario regarding working of nuclear reactors is also not conducive. After Fukushima’s nuclear tragedy Japan called for a dramatic reduction in the country's reliance on nuclear power. Germany has permanently shut down eight of its seventeen reactors and promised to close the rest by the end of 2022. Italy voted overwhelmingly to keep their country non-nuclear. Switzerland and Spain have banned to construct new reactors. As of 2013, countries like Australia, Austria,
Denmark, Greece, Ireland, Latvia, Lichtenstein, Luxembourg, Malta, Portugal, Israel, Malaysia, New Zealand, and Norway remain opposed to nuclear power. While the rest of the world continues to go non-nuclear and embrace renewable energy, but India has succumbed to the powerful nuclear lobbies of corporate America.

Tensions are raised in India about Obama Administration’s delay in the supply of uranium under India-US Nuclear Deal. Therefore, issue of non-proliferation has been an area of strong convergence, as well as working as an area of strategic divergence in Indo-US strategic relations. The US labeled India as proliferators’ countries because it has developed nuclear arms and not ready to sign CTBT. But, India argues that it developed technology indigenously and committed not to transfer it to others.

(iv) India is also concerned about increasing US military presence in the Indian Ocean Region as it is a challenges to India’s regional influence. Indian is constantly worried about the massive US military presence which may work as long-term threat in the northern Indian Ocean and the Gulf region, Afghanistan, Pakistan and Central Asia. This is against India’s maritime doctrine to establish IOR region as a zone of peace. The growing US and development of naval forces, the battle for oil dominance and its control in the littoral and hinterland are factors that are likely to have long-term impact on the overall security environment of the Indian Ocean’s countries including India.

As a result, India is deliberately excluding the US from Indian Ocean Naval Symposium membership, which began in 2008, on the ground that the former is not a littoral state. In the east, Myanmar is an important country for India and is a gateway of India to ensure the
optimal success of India's 'Look East' policy. The US policy of isolating and sanctioning Myanmar does not match with India's interests in this region because the country is important part for India Look East policy and maritime security.

Thus, on the issue of maritime security both India and the USA following different approaches, based on their divergent national interests. Besides, the complex nature of the regional atmosphere may also harm India’s maritime security on multi-dimension level.

(v) Despite the growth in bilateral trade relations, differences still exist between the two on numerous issues. Both countries are likely to perceive changes in their regulatory and legal policies toward each other to facilitate exports and foreign direct investments in their own favour

India’s extensive trade and investment barricade have been criticized by the USA as barrier for its economic interest, as well as to stronger U.S.-India ties. It is assumed that trade and investment flows between India and the USA are far below and it needs improvement. For such scenario, USA always blames India due to slow pace in their economic reforms. It always insists India to reduce trade and investment barriers, liberalize its financial sector, and improve its business climate suited to global economy.

India continues to retain remnants of its pre-reform democratic socialist economy. Its major sector like railways, nuclear power, defense manufacturing etc. are under state monopoly and closed for the private sectors due to their domestic and regional security environment. However, in the changed economic environment, India is opening up these sectors for foreign direct investors. Besides, present government’s
policy of “Make in India” is also providing momentum to economic reform.

Due to divergent goals and interests pursued by both of them, it is impulsive to characterize the India-US relationship as a strategic partnership. It can be described as a tactical cooperation that fulfill short term interests and long term problem between them. Consequently, it is more business, getting more investments and creating economic stakes for the USA. So their economic and trade relations may not formulate the foundation of their strategic relations.

Thus, strategic relations between India and the USA cannot be restraint due to some multifaceted complexities. Their security ties have reached at high levels in the twenty-first century. India is looking, not merely at the acquisition of advanced nuclear technology from the USA, but also wants to combine on defence development programme for long term mutual cooperation. Two sides are also looking to collaborate in information technology, life sciences, nano-technology and counter terrorism and China’s aggressive intents. They are also actively promoting regional and global security architecture in Asia-Pacific region.

Existing complex and difficult global scenario requires better understanding between them on important issues like China, terrorism, nuclear, maritime security and trade. These are several dominant factors which may help them to improve their overall relations. But both the countries need to resolve their problems associated with these issues. Through this, they can eradicate mutual, global and regional security threats. Thus, it appears that both the countries are determined to improve
their long-term strategic interests and bilateral relations on all above issues.

India and the USA have also achieved the level of strong strategic partnership which may continue to grow in coming years. It is one of the most important existing partnerships in world in the 21st century. The strength of this partnership lies in the convergence of interests between them and their ability to overcome any differences that comes in their way. In future as well, their relationship may continue to guide by their common interests, mutual needs and shared values.