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# India and the United States in the Trump era

Re-evaluating bilateral and global relations

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# INTRODUCTION

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The election of Donald Trump as U.S. president represents one of the most unexpected developments in American politics in the post-World War II era. Trump campaigned as an outsider, and entered the race for the presidency with no prior political experience. He ran as much against his own Republican Party as he did against rival Democrats, bucking the broad consensus in Washington on globalization and U.S.-led liberal internationalism. Trump's decisionmaking style, temperament, and rhetoric—both during his campaign and after his election—have also raised questions, concerns, and uncertainties about various aspects of U.S. policy.

Given the United States' standing and global presence, it is no surprise that the effects of Trump's ascent are being felt widely. This extends to another large democracy halfway around the world: India. Like the United States, India too stands at an inflection point, although of a very different sort. Its \$2 trillion economy is growing at approximately 7 percent per year. Prime Minister Narendra Modi enjoys a strong electoral mandate and high popularity ratings, reinforced by major wins for his party in state elections. The country has a large and capable military experienced in dealing with a broad array of security challenges, it enjoys a wide (if thinly-stretched) international diplomatic presence, and it boasts a globally competitive space program. India's demographic profile is also favorable, with an expected increase in the working-age population for the next three decades.

Trump's election at a time of growing and converging interests between India and the United States necessitates a re-evaluation of several aspects of Indian domestic and foreign policy. This paper iden-

tifies four areas in which Trump's election affects Indian interests: bilateral relations (encompassing trade, investment, immigration, and technological cooperation), the Asian balance of power, counterterrorism, and global governance. It argues that India must continue to engage with the Trump administration and other stakeholders in the United States—including the U.S. Congress, state governments, and the private sector—in all of these areas. New Delhi must attempt to convince Washington that India's rise is in American interest. This idea provided the underlying logic behind the Clinton, Bush, and Obama administrations' engagement with India, but it will be more difficult to sustain given the United States' new political realities and impulses.

At the same time, India must insure against the prospect of a more "normal" America, an imbalance of power in the Asia-Pacific, divergent counterterrorism priorities, and a relative vacuum in global governance. While in many instances U.S. power cannot be fully replaced or replicated, India will have little choice but to invest in relationships with other countries to achieve its desired outcomes, while more forcefully projecting its own influence and leadership. This will mean deepening bilateral economic, social, and technological relations with the likes of Japan, Germany, France, the United Kingdom, China, and Russia, as well as smaller powers such as Israel, the United Arab Emirates, Singapore, Canada, and Australia, especially in areas where they boast comparative advantages. Additionally, New Delhi must double down on its "Act East" policy in order to preserve a favorable balance of power in the Indo-Pacific region. This will mean enhancing its military capabilities, deepening its Indo-Pacific

security partnerships, assuming greater regional leadership, developing eastward connectivity, and participating more actively in Asian institutions, even while continuing to seek opportunities for sustainable economic and commercial cooperation with China. On counterterrorism, India will have to convince the United States to adopt policies that compel the Pakistani state to stop its support and tolerance for terrorist groups. India must also consider the possibility of contributing more in military terms to support the Afghan government in Kabul. Finally, without harboring unrealistic expectations, India must continue efforts to advance its entry into apex institutions of global governance, in order to position itself to play the role of a leading power.

## INDIA AND THE UNITED STATES

India's profile and interests are increasingly global. Contrary to common perception, India's economy and society are highly integrated with the world. It has a large diaspora—particularly in the United States, Europe, and Middle East—that contributes \$69 billion in remittances and is a major source of incoming investment.<sup>1</sup> Its state-owned energy enterprises now have global investments, as far afield as Russia, Vietnam, Mozambique, and South Sudan.<sup>2</sup> India's trade as a percentage of GDP is 42 percent, higher than China's.<sup>3</sup> It is the world's largest importer of defense equipment.<sup>4</sup> From almost

every point of view—economics and trade, social integration, political sensitivities, security, or energy flows—the rest of the world matters for India, arguably more than it ever did.

Despite its positive trajectory and widening international interests, India still confronts significant challenges at home. Its development requirements—whether economic, social, or technological—are vast. India now has a rating of over 0.624 in the United Nations' Human Development Index, marking a major improvement over the past quarter century. But it still ranks only 131 out of 188 countries.<sup>5</sup> Literacy rates are rising, but it is still home to over one-third of all illiterate adults.<sup>6</sup> The potential for urban development is immense, but the process of urbanization has been haphazard. While life expectancy and infant mortality have reduced, even in the last few years, spending on public health is remarkably low. India's infrastructure needs, including in power, transportation, and telecommunications, are incredible. It remains a difficult place to do business, ranking 130th out of 190 countries.<sup>7</sup> And creating jobs for India's burgeoning youth population will remain a challenge, although the prospects may be less precarious than they are often believed to be.<sup>8</sup>

Farther afield, India faces a difficult international environment. Its immediate neighborhood is not adequately interconnected or stable, and India confronts rising nationalism—often directed

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<sup>1</sup> Dilip Ratha et al., "Migration and Remittances – Recent Developments and Outlook" (Washington, DC: World Bank, 2016), <http://pubdocs.worldbank.org/en/661301460400427908/MigrationandDevelopmentBrief26.pdf>.

<sup>2</sup> "ONGC Videsh Limited," Oil and Natural Gas Corporation Limited, accessed April 15, 2017, <http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Subsidiaries/Vs/Subsidiaries/ONGC+Videsh+Limited/>.

<sup>3</sup> "Trade (% of GDP)," World Bank, accessed April 15, 2017, <http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS>.

<sup>4</sup> Aude Fleurant et al., "Trends in International Arms Transfers, 2016" (Stockholm, Stockholm International Peace Research Institute, 2017), <https://www.sipri.org/sites/default/files/Trends-in-international-arms-transfers-2016.pdf>.

<sup>5</sup> "Human Development Index and Its Components," Human Development Reports, United Nations Development Programme, 2017, <http://hdr.undp.org/en/composite/HDI>.

<sup>6</sup> "Education for People and Planet: Creating Sustainable Futures for All" (Paris: UNESCO, 2016), <http://unesdoc.unesco.org/images/0024/002457/245752e.pdf>.

<sup>7</sup> "Doing Business 2017: Equal Opportunity for All" (Washington, DC: World Bank, 2017), <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB17-Report.pdf>.

<sup>8</sup> Manish Sabharwal, "Ignore the Jobs Doomsayers," *The Indian Express*, May 30, 2017, <http://indianexpress.com/article/opinion/columns/ignore-the-jobs-doomsayers-4679916/>.

against New Delhi—in its immediate periphery.<sup>9</sup> India has concerns about China’s rise and remains frustrated by the lack of opportunities in the Chinese market. In particular, China’s ambitious One Belt, One Road effort (also known as the Belt & Road Initiative)—with its advancement into Pakistan and in the Indian Ocean region—is perceived by New Delhi as undermining its security. Specifically, New Delhi believes that the unilateral Chinese effort is a strategic project that violates Indian sovereignty (by extending to Pakistani-controlled territory claimed by India), and advances Chinese political and military influence by creating unsustainable debt burdens in host countries.<sup>10</sup> To its west, India confronts the challenge of state-sponsored militancy and terrorism by Pakistan, an unstable Afghanistan, and upheaval in the Middle East, where India has important diaspora, energy, and security interests. Internationally, India may have to adapt to a more closed trading system and a possible reversal of globalizing trends, even as the circumstances for India’s opening appear more propitious. Finally, as the international system changes, India struggles to position itself to help set new rules and norms. At the very least, New Delhi is concerned that its absence at the global high table will create long-term disadvantages.

The United States is India’s most important global partner. It remains a significant destination and source for trade with India, and one with which India enjoys a surplus. The large and prosperous Indian-American diaspora is a major source of investment, experience, and know-how. The U.S. government is involved in a wide array of initiatives to advance India’s development, from urban develop-

ment (“smart cities”) to public health, from climate and energy initiatives to education and skills. The two countries talk regularly and frankly on a wide variety of strategic issues in the Asia-Pacific, and cooperate in tangible terms on maritime affairs, homeland security, and intelligence sharing. While important disagreements remain on many issues—such as trade, aspects of global governance, and divergent relations with Iran, Pakistan, and Russia—the two countries have few intrinsic differences. Both are market-oriented liberal democracies and do not have competing zones of influence. It is a telling sign that support for India remains bipartisan in the United States, and it is a rare country among both U.S. partners and adversaries to have not been associated with a major controversy in the context of Trump’s election.<sup>11</sup>

However, the great degree of uncertainty associated not just with the United States in the aftermath of Trump’s election—but also other international variables—means that forecasting has become more difficult. India’s view of the Trump administration will be largely determined by how it evolves on four issues. One concerns questions about American openness when it comes to trade, investment, immigration, capacity building, and technological transfers. The second is the United States’ approach to China in particular, and Asia more broadly, and where India fits into that calculus. The third relates to Washington’s policies on Afghanistan, Pakistan, and global counterterrorism. The fourth, and most uncertain, is the United States’ attitude to global governance and international order.

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<sup>9</sup> Dhruva Jaishankar, “India’s on the Defensive in Its Neighborhood,” *The Washington Post*, September 21, 2016, <https://www.washingtonpost.com/news/global-opinions/wp/2016/09/21/india-is-on-the-defensive-in-its-neighborhood/>.

<sup>10</sup> “Official Spokesperson’s Response to a Query on Participation of India in OBOR/BRI Forum,” Ministry of External Affairs, Government of India, May 13, 2017, <http://www.mea.gov.in/media-briefings.htm?dtl/28463/Official+Spokespersons+response+to+a+query+on+participation+of+India+in+OBOR+BRI+Forum>.

<sup>11</sup> Tanvi Madan, “Trump, India, and the Known Unknowns,” *Order from Chaos* (blog), *Brookings Institution*, November 2, 2016, <https://www.brookings.edu/blog/order-from-chaos/2016/11/02/trump-india-and-the-known-unknowns/>.

# I. A MORE “NORMAL” AMERICA

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## AMERICAN EXCEPTIONALISM AND INDIA

Many efforts have been made, both before and after his election, to dissect the political phenomenon that is Donald J. Trump. Despite not winning the popular vote, his widespread appeal defied many expectations, including among fellow Republicans. Trump’s views on foreign policy were remarkably consistent, but they were not isolationist in the sense that that phrase is often used. They reflected a more narrow definition of American interests, and a reluctance to act to protect those interests, especially farther abroad. As Robert Kagan has argued in the aftermath of Trump’s election victory, “America may once again start behaving like a normal nation.”<sup>12</sup> This is not an atypical or sudden impulse, but has a long tradition in the United States, embodied by figures such as Charles Lindbergh, Robert A. Taft, and Pat Buchanan.<sup>13</sup>

The opposite of a normal America is an exceptional America. The idea of American exceptionalism is often derided, both in the United States and elsewhere. Americans are certainly not alone in seeing themselves as exceptional—Chinese, Europeans, Japanese, and even Indians lay claim to a certain unique identity. But American exceptionalism lies on a foundational tripod of democracy, liberal internationalism, and immigration, and it had very real implications for the way in which the United States engaged with the world.

Democracy stems back to the United States’ founding and early years, arising out of the intellectual cauldron of European Enlightenment. It was not a foregone conclusion that a newly independent United States would become a democracy, a polity in which initially land-owning white men could choose their elected representatives. But not only has American democracy survived, it has also thrived and become more inclusive, following emancipation, female suffrage, and civil rights, and become a role model for others.<sup>14</sup> The French Revolution and 19th century republicanism in Latin America found inspiration in American democracy, just as India did some 150 years later. It is no coincidence that the Indian Constitution—whose lead author, B.R. Ambedkar, was educated in the United States—also begins with the words, “We the People.”<sup>15</sup>

The second element of American exceptionalism was liberal internationalism, largely a manifestation of the post-World War II international order and an outcome of fears in the United States of global communism. In prior periods, the United States was often content with splendid isolation, particularly during its westward expansion and the resolution of its northern and southern borders. There were certainly internationalist antecedents, whether the campaign against the Barbary States (1801-1805), Matthew Perry’s mission to Japan (1853-1854), or the Spanish-American War (1898).

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<sup>12</sup> Robert Kagan, “Trump Marks the End of America as World’s ‘Indispensable Nation,’” *Financial Times*, November 19, 2016, <https://www.ft.com/content/782381b6-ad91-11e6-ba7d-76378e4fef24>.

<sup>13</sup> Thomas Wright, “Trump’s 19th Century Foreign Policy,” *Politico*, January 20, 2016, <http://www.politico.com/magazine/story/2016/01/donald-trump-foreign-policy-213546>.

<sup>14</sup> For the evolution of democracy in the first century of the United States’ existence, see Sean Wilentz, *The Rise of American Democracy: Jefferson to Lincoln* (New York: W.W. Norton, 2005).

<sup>15</sup> For details on the influence of the United States on India’s primary constitutional drafter, B.R. Ambedkar, see: Christophe Jaffrelot, *Dr. Ambedkar and Untouchability: Analysing and Fighting Caste* (London: Hurst, 2005). See also: Sujit Choudhry, Madhav Khosla, and Pratap Bhanu Mehta, eds., *The Oxford Handbook of the Indian Constitution* (Oxford: Oxford University Press, 2016).



But American victory in the Second World War and the onset of a bipolar competition with the Soviet Union created the necessary conditions for true American internationalism. Its foundations were laid during WWII itself, with President Franklin D. Roosevelt's Four Freedoms speech, the Bretton Woods Conference, and the Atlantic Charter.<sup>16</sup> In the war's immediate aftermath, the creation of the North Atlantic Treaty Organization (NATO) and the Marshall Plan consolidated the United States' presence in Europe, just as the occupation of Japan and the Korean War did so in Asia. While preserving American military and economic primacy in these regions, the United States countered Soviet influence in other zones (Latin America, the Middle East, Southeast Asia, Africa, and the Indian Subcontinent), often prioritizing ends over means, and resulting often in very illiberal outcomes, as in Chile, Bangladesh, South Africa, Iran, and Indonesia. Nonetheless, the collapse of the Soviet Union in 1991 created the conditions for the U.S.-led international order to expand. Membership in the World Trade Organization, NATO, and other U.S.-led organizations increased, and the United States became the principle underwriter of a unipolar liberal international system, particularly through its global military presence.<sup>17</sup>

The third element of American exceptionalism distinguished it further, and related to its immigration policies, particularly following the Hart-Celler Act of 1965. In the 19th and early 20th centuries, the United States was an attractive destination for European migrants, resulting in waves of German, Italian, Polish, Jewish, Irish, and Scandinavian immigrants, all of whom left an indelible imprint on American culture and society. The Johnson-Reed

Act of 1924 capped and restricted immigration, effectively banning further arrivals from many parts of the world. This was gradually reversed, starting in the 1960s, resulting in new waves of migrants from such places as Vietnam, Taiwan, the Philippines, Iran, and India. Immigration was further loosened by the Immigration Act of 1990, which increased diversity and lowered barriers to entry.<sup>18</sup> As Europe began to see its population aging and struggling with multiculturalism, the United States experienced an influx of youthful, highly-skilled, and diverse immigrants. The Asian-American population, in particular, has grown 20-fold since 1960, and now constitutes one of the best-educated and wealthiest demographics in the United States.<sup>19</sup>

Despite having previously had sharp differences with the United States (particularly during the Cold War), India has largely been a beneficiary of the three elements of American exceptionalism. India, like the United States, is a proud, pluralistic democracy. It has benefited materially from the post-Cold War American-led international order: it is not coincidence that the period of unprecedented Indian growth has corresponded with American primacy. Indian-Americans constitute among the most prosperous immigrant groups to the United States, while often retaining close ties with India. In contrast to populations in many countries during the 2000s, which were disillusioned by the Iraq War and sub-prime mortgage crisis, Indians consistently demonstrated a high opinion of the United States, presumably due to the successful example set by Indian-Americans.<sup>20</sup>

The differences, of course, cannot be papered over. Indian leaders often perceived the U.S. emphasis

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<sup>16</sup> For the establishment and evolution of post-War international institutions see: Mark Mazower, *Governing the World: The History of an Idea, 1815 to the Present* (New York: Penguin, 2012); Tony Judt, *Postwar: A History of Europe since 1945* (New York: Penguin, 2005).

<sup>17</sup> Hal Brands, *Making the Unipolar Moment: U.S. Foreign Policy and the Rise of the Post-Cold War Order* (Ithaca: Cornell University Press, 2016).

<sup>18</sup> Kathleen Arnold, ed., *Anti-Immigration in the United States: An Historical Encyclopedia* (Santa Barbara: Greenwood, 2011).

<sup>19</sup> "The Rise of Asian Americans," *Pew Research Center*, April 4, 2013, <http://www.pewsocialtrends.org/2012/06/19/the-rise-of-asian-americans/>.

<sup>20</sup> Bruce Stokes, "India and Modi: The Honeymoon Continues," *Pew Research Center*, September 19, 2016, <http://www.pewglobal.org/2016/09/19/india-and-modi-the-honeymoon-continues/>; Simon Jackman, Gordon Flake, et al., "The Asian Research Network: Survey on America's role in the Indo-Pacific" (Sydney: United States Study Centre at the University of Sydney and Perth US-Asia Centre at The University of Western Australia, 2017), <https://assets.ussc.edu.au/view/78/41/e4/c3/bb/d8/73/c5/36/90/c4/46/09/6e/6c/8b/original/959a3d253927020b0ed1a1bd671e65306f29b4f4/PU-20%20ARIP%20BOOK-WEB.pdf>.

on humanitarian intervention and democracy promotion as hypocritical, selective, and poorly thought through.<sup>21</sup> In the past, they pointed to the United States' participation in the Vietnam War, support for undemocratic regimes (including apartheid in South Africa), and backing of the dirty war in Latin America as examples of American hypocrisy. Immigration to the United States was often described in India as a "brain drain," before the mutual benefits to both countries became more apparent.<sup>22</sup> Even in the post-Cold War era, differences persisted over trade and climate change, and the perceived disregard for India's sovereignty. Sections of the U.S. strategic establishment retained close working relationships with India's adversaries—China and Pakistan—sometimes at the expense of deeper cooperation with India. And the United States often displayed a tepid interest in creating space for a rising India in the new international system, whether at the International Monetary Fund or until recently at the U.N. Security Council. For all these reasons, India exhibited characteristics of both a status quo and a revisionist international power, something that U.S. leaders and observers have often found confounding.

## A RETURN TO NORMALCY

Today, Trump—along with ideologically aligned forces on both the right and left of the American political spectrum—has successfully reopened questions about the three fundamentals of American exceptionalism. American democracy, ac-

ording to Trump, has been corrupted by an elite, comprising of Washington insiders, professional politicians, and big business. Lax immigration laws have radically altered the ethnic and social composition of the United States, making it unrecognizable from an imagined ideal of the past. And the United States has been a net loser from internationalism and globalization, becoming mired in unnecessary conflicts overseas and inadvertently facilitating the economic rise of China, Japan, Mexico, and Germany at Americans' expense. In Trump's view, draining the swamp (that is, Washington, DC), building the wall on the Mexican border, and getting allies to pay more for their defense are all integral to "Making America Great Again."<sup>23</sup>

India has sometimes, although rarely, been in the crosshairs of advocates of American normalcy. Several cases of hate crimes against Indians or Indian-Americans occurred in the early months of Trump's presidency. Steps were contemplated to stem Indian non-immigrant visas, both in Congress and by the White House.<sup>24</sup> While India—being a non-participant—was an immediate beneficiary of Trump's unilateral withdrawal from the Trans-Pacific Partnership (TPP), the signal it sent for future trade prospects was negative. When announcing the U.S. departure from the Paris climate accord, Trump singled out India, arguing that New Delhi made its participation "contingent on receiving billions and billions and billions of dollars in foreign aid from developed countries."<sup>25</sup> Questions about the United States' role in providing security in the maritime commons of the Indian and Pacific Oceans have mounted in New Delhi, as have

<sup>21</sup> Hardeep Singh Puri, *Perilous Interventions: The Security Council and the Politics of Chaos* (New Delhi: Harper Collins India, 2016).

<sup>22</sup> See Anjali Sahay, *Indian Diaspora in the United States: Brain Drain or Gain?* (Lanham: Lexington Books, 2009).

<sup>23</sup> Justin Huggler and David Chazan, "Trump Demands Europe Pay More Toward NATO in Excoriating Speech at Brussels Summit," *The Telegraph*, May 25, 2017, <http://www.telegraph.co.uk/news/2017/05/25/trump-demands-europe-pay-toward-nato-excoriating-speech-brussels/>; Michael A. Cohen, "Trump Promised to Drain the Swamp. How's That Going?" *The Boston Globe*, April 5, 2017, <https://www.bostonglobe.com/opinion/2017/04/05/trump-promised-drain-swamp-how-that-going/2BBNbwU1Xd5ExA7u83Vh3I/story.html>; Beth Reinhard, "Donald Trump Adjusts Some of His Positions," *The Wall Street Journal*, July 29, 2016, <https://www.wsj.com/articles/donald-trump-adjusts-some-of-his-positions-1467244915>.

<sup>24</sup> Dara Lind, "What Trump's H-1B Visa Executive Order Actually Does," *Vox*, April 29, 2017, <https://www.vox.com/policy-and-politics/2017/4/18/15340686/h1b-visa-executive-order-trump>; Sara Ashley O'Brien, "Silicon Valley Lawmaker Introduces H-1B Reform Bill," *CNN*, January 25, 2017, <http://money.cnn.com/2017/01/25/technology/h1b-visa-reform-bill-zoe-lofgren/index.html>.

<sup>25</sup> "Statement by President Trump on the Paris Climate Accord," Office of the Press Secretary, The White House, June 1, 2017, <https://www.whitehouse.gov/the-press-office/2017/06/01/statement-president-trump-paris-climate-accord>



questions about the U.S. commitment to Afghanistan. And the diminishing of America's appeal as an attractive democracy stands in contrast to continuing faith in a similar system of governance in India.<sup>26</sup>

## HEDGING AGAINST A NORMAL AMERICA

Although the direct criticism against and consequences for India have been marginal, it is an open question as to whether Trump or any future U.S. leader would buy into the logic of the Clinton, Bush, and Obama administrations in their dealings with India. Despite India's nuclear tests in 1998, the Clinton administration was quick to lift sanctions, and appreciated India's growing allure as a rising democratic power and promising market. This paved the way for Bill Clinton's historic visit to India in 2000. The Bush administration was even more explicit, with a senior official stating in 2005 that the United States' "goal is to help India become a major world power in the 21st century. ... We understand fully the implications, including military implications of that statement."<sup>27</sup> This meant an appreciation that, in Ashley Tellis' words, "a strong, democratic, (even if perpetually) independent India [is] in American national interest."<sup>28</sup> The Obama administration eventually came to share this judgment. In her 2011 essay that first expounded the concept of the pivot to Asia, then-Secretary of State Hillary Clinton stated clearly that "India's greater role on the world stage will enhance peace and security."<sup>29</sup> India will have to convince the Trump administration that a strong India advances American interests. At the same time, New Delhi will have to continue work-

ing with other elements in the United States who have come to appreciate this idea, including members of the U.S. Congress, state governments, and the American private sector.

At the same time, India will have little choice but to explore alternatives to the U.S. partnership. When it comes to India's development, the United States remains the most important external actor, both in terms of the depth and breadth of collaborative efforts. But India will likely seek alternatives with Japan, Germany, China, the United Kingdom, France, and Russia, as countries with the scale and potential to contribute to India's development, particularly in areas in which they hold comparative advantages. While China has strengths when it comes to urban development and infrastructure, and Japan on transportation and manufacturing, the U.K. offers benefits when it comes to rural development and public health, France on nuclear energy and space, Germany on skill development and clean energy, and Russia on defense and security. Although few of these countries offer the same possibilities for high-skilled immigration as the United States, the opportunities for continental Europe, in particular, might increase.

In the Indo-Pacific, India will seek deeper cooperation with Japan as well as attempt to retain defense ties with an old partner, Russia. It must also consider new possibilities with smaller partners, including Australia, Indonesia, Vietnam, Singapore, South Korea, and the Philippines. On Afghanistan and Pakistan, India will continue its engagement, but may consider possibilities of working through Beijing, which now enjoys more leverage with Pakistan than the United States. Additionally, Iran

<sup>26</sup> For the disillusionment with democracy in the United States and the West, especially among youth, see: Nathaniel Persily and Jon Cohen, "Americans Are Losing Faith in Democracy – and in Each Other," *The Washington Post*, October 14, 2016, [https://www.washingtonpost.com/opinions/americans-are-losing-faith-in-democracy--and-in-each-other/2016/10/14/b35234ea-90c6-11e6-9c52-0b10449e33c4\\_story.html](https://www.washingtonpost.com/opinions/americans-are-losing-faith-in-democracy--and-in-each-other/2016/10/14/b35234ea-90c6-11e6-9c52-0b10449e33c4_story.html); Roberto Stefan Roa and Yascha Mounk, "The Signs of Deconsolidation," *Journal of Democracy* 28, no. 1 (January 2017): 5-16. For Indian public perspectives on democracy, see Jackson, Flake, et al., "The Asian Research Network: Survey on America's Role in the Indo-Pacific."

<sup>27</sup> "Background Briefing by Administration Officials on U.S.-India Relations," Office of the Spokesman, U.S. Department of State, March 25, 2005, <https://2001-2009.state.gov/r/pa/prs/ps/2005/43853.htm>.

<sup>28</sup> Ashley J. Tellis, "The U.S.-India 'Global Partnership': How Significant for American Interests?" (Testimony before U.S. House Committee on International Relations, November 17, 2005), <http://carnegieendowment.org/2005/11/17/u.s.-india-global-partnership-how-significant-for-american-interests-pub-17693>.

<sup>29</sup> Hillary Clinton, "America's Pacific Century," *Foreign Policy*, October 11, 2011, <http://foreignpolicy.com/2011/10/11/americas-pacific-century/>.

provides the possibility of access to Afghanistan and Central Asia, while the Gulf Arab states and Israel have risen as more promising partners in India's security and commercial calculus. These steps—hedging by seeking alternative partnerships—are a natural outcome of American steps toward normalcy.

## II. AN IMBALANCE OF POWER IN ASIA

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### WASHINGTON'S DANCE WITH BEIJING

During the Cold War, the United States forged some unusual alliances in its bid to contain the Soviet Union. One was with the People's Republic of China, after the United States under Richard Nixon and Henry Kissinger successfully exploited the 1960s Sino-Soviet split. In the post-Cold War era, however, the Taiwan Strait crisis of 1995-1996, the aftermath of the U.S. bombing of the Chinese embassy in Belgrade in 1999, and the midair collision of U.S. and Chinese aircraft near Hainan in 2001 exposed key differences and continuing tensions between Beijing and Washington.

Nonetheless, elements of the U.S. strategic community—perhaps informed by their Cold War-era experiences—exhibited a high tolerance for China's rise as a potential peer competitor. In part, the United States was guided both implicitly and explicitly by theories of liberalization. The expectation was that as China became more integrated into the international economy and experienced a rise in living standards, it would begin the process of political liberalization as well. George H.W. Bush—a former envoy to Beijing—tried his best to relieve China of sanctions imposed by the U.S. Congress after the Tiananmen Square massacre of 1989.<sup>30</sup> Bill Clinton, after decrying the “butchers of Beijing,” worked to bring China into the in-

ternational trading order. The administration of George W. Bush anticipated an emerging Chinese challenge, but was distracted by more immediate challenges in Iraq and Afghanistan. The Bush administration also deemed it vital that Washington work with Beijing on the Six Party Talks with North Korea.<sup>31</sup>

Barack Obama saw Chinese cooperation as necessary on a host of international issues—from North Korea and Iran, to monetary policy and climate change. This led to the early consideration of a “G-2,” the idea that the United States and China could govern the world between them, carving out areas of influence at the expense of others.<sup>32</sup> When Beijing initially displayed little enthusiasm for accommodating Washington, the result was the pivot or rebalance to Asia, announced in 2011.<sup>33</sup> The second Obama administration, however, disagreed about the purpose and priority of the pivot. It de-emphasized the military component, and sought to project it economically, via the Trans-Pacific Partnership, a 12-country mega-trade agreement.<sup>34</sup> While reflecting an attempt at securing the United States' presence in Asia by enabling TPP members to rebalance their commercial relations away from China, this did little to address the rising security challenge. By the time Obama left office, China had successfully militarized the South China Sea.<sup>35</sup>

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<sup>30</sup> David M. Lampton, *Same Bed, Different Dreams: Managing U.S.-China Relations, 1989-2000* (Berkeley: University of California Press, 2001), pp. 17-22.

<sup>31</sup> Leszek Buszynski, *Negotiating with North Korea: The Six Party Talks and the Nuclear Issue* (Abingdon: Routledge, 2013).

<sup>32</sup> Zbigniew Brzezinski, “The Group of Two That Could Change the World,” *Financial Times*, January 14, 2009, <https://www.ft.com/content/d99369b8-e178-11dd-afa0-0000779fd2ac>.

<sup>33</sup> Hillary Clinton, “America's Pacific Century,” *Foreign Policy*, October 11, 2011, <http://foreignpolicy.com/2011/10/11/americas-pacific-century/>.

<sup>34</sup> Kurt M. Campbell, *The Pivot: The Future of American Statecraft in Asia* (New York: Hachette, 2016); Mike Green, “The Legacy of Obama's ‘Pivot to Asia,’” *Foreign Policy*, September 3, 2016, <http://foreignpolicy.com/2016/09/03/the-legacy-of-obamas-pivot-to-asia/>.

<sup>35</sup> Jesse Johnson, “Beijing Continuing ‘Steady Pattern of Militarization’ in South China Sea,” *Japan Times*, February 24, 2017, <http://www.japantimes.co.jp/news/2017/02/24/asia-pacific/beijing-continuing-steady-pattern-militarization-south-china-sea/>.

## CHINA'S MISSED OPPORTUNITIES WITH INDIA

India has had a similarly mixed, complex relationship with China. India was among the first countries to recognize the People's Republic of China, and actually played a mediating role between the United States and China during the Korean War. China's annexation of Tibet brought it in direct contact with India for the first time, and the poorly demarcated border and questions over Tibet's status resulted in the 1962 India-China border war, a major humiliation for India. Normal diplomatic ties were only resumed in the 1970s. In the 1980s, China reversed its position on the border dispute, indicating it was no longer satisfied with the territorial status quo, and Beijing advanced China's claims to the Indian state of Arunachal Pradesh.<sup>36</sup> The early 1990s saw an agreement between India and China to maintain peace and tranquility on the border. Although this did not resolve their dispute, it enabled cooperation in other areas.<sup>37</sup> In the early 2000s, economic and commercial relations between India and China took off, with trade going from an almost negligible amount to over \$70 billion per year. India and China also cooperated increasingly on global governance issues, including on questions of sovereignty (humanitarian intervention, cyber security, and climate change), trade, and representation at international forums (including BRICS). At the same time, China's relations with Pakistan and, to a lesser extent, Myanmar remained a point of concern for New Delhi.

Upon becoming prime minister in 2014, Narendra Modi attempted to establish a good rapport with his counterpart Xi Jinping, inviting him to

his hometown in Gujarat. The visit was marred by an incursion by Chinese troops along the disputed boundary at Chumar.<sup>38</sup> This was a replay of a similar stand-off one year earlier at Depsang, when the Chinese military had attempted to change the facts on the ground. The Chumar incident, coinciding with Xi's visit to India, injected a level of distrust in what may have become more positive relations between the world's two most populous countries.

Other developments reinforced the negative trend. Trade, which had once been promising, plateaued overall and the deficit widened further in China's favor. This led to greater frustration among India's business community about the lack of opportunities in the Chinese market, and continuing non-tariff barriers facing Indian firms. At the same time, India and China began to part ways on many multilateral issues. China under Xi became more outspoken about global leadership, talking of a "new type of great power relationship" with the United States, one that would leave no space for a rising India. On climate change and cybersecurity, India and China began coordinating more with Washington than with each other. And on regional security, competition intensified. India expressed concerns about China's One Belt, One Road initiative, perceiving the China-Pakistan Economic Corridor and Maritime Silk Road as strategic initiatives that would constrain India.<sup>39</sup> Chinese economic, military, and political involvement in Sri Lanka, Bangladesh, and Nepal was also viewed with concern. The only silver lining was an increase in Chinese investment into India, with the Modi government showing greater flexibility about the associated security concerns.<sup>40</sup>

<sup>36</sup> John W. Garver, *The Protracted Contest: Sino-Indian Rivalry in the 20<sup>th</sup> Century* (Seattle: University of Washington Press, 2001).

<sup>37</sup> Shivshankar Menon, *Choices: Inside the Making of India's Foreign Policy* (Washington: Brookings Institution Press, 2016).

<sup>38</sup> Rajat Pandit, "India, China Set to End 16-Day Chumar Stand-off by Saturday," *The Times of India*, September 26, 2014, <http://timesofindia.indiatimes.com/India/India-China-set-to-end-16-day-Chumar-stand-off-by-Saturday/articleshow/43467644.cms>.

<sup>39</sup> "Official Spokesperson's Response to a Query on Participation of India in OBOR/BRI Forum," Ministry of External Affairs; Tanvi Madan, "What India Thinks about China's One Belt, One Road Initiative (but Doesn't Explicitly Say)," *Order from Chaos* (blog), *The Brookings Institution*, March 14, 2016, <https://www.brookings.edu/blog/order-from-chaos/2016/03/14/what-india-thinks-about-chinas-one-belt-one-road-initiative-but-doesnt-explicitly-say/>.

<sup>40</sup> Yu Xi and Liu Tian, "Chinese Firms Seen Flocking to India," *Global Times*, May 23, 2016, <http://www.globaltimes.cn/content/984724.shtml>.

## U.S.-CHINA RELATIONS: FIVE SCENARIOS

China occupies an unusual place in Trump's America. There are indications that Trump and some of his advisors have a strong and visceral concern about China's rise, seeing it as an unequivocal economic and military challenge to American primacy. This is in contrast to every single post-Cold War presidency, each of which held out some hope for China's transformation, decline, or—at the very least—willing cooperation. But even as Trump has portrayed China as an economic threat, including in his first major speech to Congress, and signaled a naval build-up in the Pacific to counter Chinese military aggression, he has sent contradictory signals. After receiving a telephone call from the president of the Republic of China, Tsai Ing-wen, suggesting that he might revisit the United States' One China policy, Trump signaled the opposite in a subsequent call with Xi.<sup>41</sup> While moving firmly to set relations with Japan and South Korea on a positive footing, the Trump administration will also have to consider Chinese cooperation in addressing North Korea's nuclear program.

The Trump administration's contradictory signals on China and Asia suggest at least five possibilities for the U.S.-China relationship moving forward. Each has potential implications for India. The first scenario is the prospect of steady, controlled military confrontation: a militarized pivot.<sup>42</sup> The trigger could well be the South China Sea, where China has found itself in violation of international law, and where the United States' freedom of navigation operations enjoy widespread support as the enforcement of an important international norm. But it is equally possible that the United States could become further embroiled in the Korean Peninsula (in the event of a North Korea-related scenario), East China Sea (should relations deteri-

orate over the Senkaku/Diaoyu Islands), or Taiwan Strait. For India, a militarized pivot, particularly if carefully calibrated and planned, would not be unwelcome. It might help manage China's rise, and retain a stable balance of power in the Indo-Pacific.

The second possibility is a deliberate policy of calculated unpredictability. This has been suggested by some of Trump's advisors and is not dissimilar to what Richard Nixon called his "Madman Theory."<sup>43</sup> In this scenario, the United States will continue sending mixed signals about its China and Asia policy, keeping its adversaries guessing. If effective and involving a degree of coordination with New Delhi, this might be a positive for India. The challenge, naturally, is the mixed signals concerning reassurance that it would send to allies and partners in the region. A third scenario is that Trump—a self-proclaimed dealmaker—is simply establishing an extreme negotiating position with Beijing in order to conclude a better deal. What such a deal might look like is entirely unclear, but certain issues or countries may end up becoming bargaining chips. Possibilities include Taiwan, the South China Sea, and the Korean Peninsula. From India's point of view, this might begin to resemble the G-2 arrangement that was contemplated by the Obama administration, even if the terms might be slightly more favorable to Washington. This would require India to deepen its other regional partnerships, and invest less in strategic relations with the United States.

A fourth possibility is that the United States becomes a paper tiger, reversing Theodore Roosevelt's dictum about speaking softly and carrying a big stick. Belligerent rhetoric by Washington, if accompanied by an absence of military preparedness, might invite tensions and low-level conflict. From India's point of view, one that it would share

<sup>41</sup> Dmitri Sevastopulo, "Trump Backs 'One China' Policy in First Presidential Call with Xi," *Financial Times*, February 10, 2017, <https://www.ft.com/content/40825e36-ef3f-11e6-930f-061b01e23655>.

<sup>42</sup> Alexander Gray and Peter Navarro, "Donald Trump's Peace through Strength Vision for the Asia-Pacific," *Foreign Policy*, November 7, 2016, <http://foreignpolicy.com/2016/11/07/donald-trumps-peace-through-strength-vision-for-the-asia-pacific/>.

<sup>43</sup> Michael Pillsbury, "Trump Can Stand Up to China without Sparking War," *The National Interest*, January 12, 2017, <http://nationalinterest.org/feature/trump-can-stand-china-without-sparking-war-19038>.

with many regional actors, this would result in unnecessary regional destabilization. Finally, there is the prospect of a trade and currency war between the United States and China, which could mean a race to the bottom. India, being vulnerable to international commercial crosswinds, could be particularly affected by resulting protectionism and increased trade barriers. All of these scenarios must be considered today, even if not all are equally likely or plausible. Given the political environment in both the United States and China, as well as growing nationalism in both countries, these scenarios could materialize even after future leadership transitions in Washington or Beijing.

## U.S. BALANCING AND INDIA'S "ACT EAST" POLICY

For India, which agreed in 2015 to a wide-ranging Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region with the United States, a U.S. military pivot would be the ideal outcome.<sup>44</sup> But it would be even better if accompanied by a conscious attempt by Washington to facilitate India's rise. The idea that China's rise, rather than being stopped or reversed, would be better managed in a world in which India is strong remains among the most important underlying principles of U.S. engagement with Asia. It will require the United States to be more forward-leaning and less narrow-minded when it comes to supporting India's growth, whether in terms of technological transfers, support at multilateral organizations, bilateral and trilateral security cooperation, and economic and commercial relations. If carefully managed, it can also assuage concerns about narrower American interests, increasing the competitiveness of American companies and preserving U.S. leadership. Equally, a case can be made by U.S. critics of India—despite shared concerns about China's

rise—particularly if “America First” is considered in its narrowest sense. India could easily become collateral damage should the United States decide to impose a border adjustment tax, underinvest in its military capabilities in the Indo-Pacific, or reach some kind of accommodation with China.

Given the high degree of uncertainty in U.S.-China relations and the United States' Asia policies, India will have to consider doubling down on its Act East policy. The purpose of Act East, rhetorically upgraded from a “Look East” policy first articulated in the early 1990s, is to ensure a multipolar Asia. Although not always clearly articulated, there are at least six distinct elements to India's Act East policy. The first, and perhaps least developed, is to deepen connectivity with Southeast Asia in a bid to integrate India into regional supply chains and diversify economic partnerships. These attempts have benefited from the recently concluded Land Boundary Agreement between India and Bangladesh and the economic and political opening of Myanmar. However, physical infrastructure, trade and transportation facilitation agreements, and port capacity remain works in progress. The second element is to exert Indian leadership in its immediate vicinity and the Indian Ocean. This means investing in maritime domain awareness and naval capabilities, proving itself as a first responder and aid provider, and advancing a notion of India-led regionalism in South Asia and the Indian Ocean. Over the past two years, discrete steps have been taken in every one of these respects.<sup>45</sup>

The third element is to preserve a favorable military balance on the disputed India-China boundary so as to reduce the prospect of Chinese adventurism. This has involved, among other things, raising mountain divisions in the Indian Army, investing in high altitude capabilities and road and logistics infrastructure, and maintaining air supe-

<sup>44</sup> “US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region,” Office of the Press Secretary, The White House, January 25, 2015, <https://obamawhitehouse.archives.gov/the-press-office/2015/01/25/us-india-joint-strategic-vision-asia-pacific-and-indian-ocean-region>.

<sup>45</sup> Dhruva Jaishankar, “Indian Ocean Region: A Pivot for India's Growth,” *Brookings Institution*, September 12, 2016, <https://www.brookings.edu/opinions/indian-ocean-region-a-pivot-for-indias-growth/>.



riority. Fourth, India must continue to advocate for better, more equitable, and more sustainable economic relations with Beijing as a win-win for both countries. Should China try to rebalance its economy in a bid to escape the middle income trap—turning to consumption, services, and imports—it would benefit from partnering with India on investments, manufacturing, and exports.

Fifth, India continues to deepen its military partnerships with other countries in China’s periphery that share New Delhi’s concerns. The United States is but one of those countries, although arguably the most important. Others are Japan, Australia, South Korea, Indonesia, Vietnam, Singapore, and the Philippines. Of these, security relations with Japan are the most advanced, featuring staff talks, political consultations, joint exercises, information exchanges, and the prospect of defense sales.<sup>46</sup> Additionally, India already offers officer training, access to military facilities, or both to the armed forces of Indonesia, Vietnam, and Singapore.<sup>47</sup> India will also have to work to preserve its long-standing defense relationship with Russia, something that it can no longer take for granted.

Finally, there is an institutional dimension to India’s Act East policy, which has mostly been completed. While India was not necessarily considered an integral part of Asia in the 1990s, today it is.

This is reflected in its membership of the East Asia Summit and other ASEAN-led institutions (such as the ASEAN Regional Forum and ASEAN Defense Ministers’ Meeting Plus), as well as other blocs consisting of major regional powers, such as the BRICS coalition, Shanghai Cooperation Organization, and G-20. The lone exception—a major Asian institution in which India is not yet a member—is the Asia Pacific Economic Cooperation (APEC) forum. As part of the 2015 Joint Strategic Vision, the United States agreed to support India’s inclusion into that summit.<sup>48</sup>

Trump’s election has ushered in a period of unprecedented uncertainty in U.S.-China relations. Legitimate questions are now being raised about the United States’ future commitment to preserving a balance of power in the Indo-Pacific. Under these circumstances, India will have little choice but to monitor developments carefully, attempt to convince the United States of the logic of facilitating India’s rise, and deepen its commitment to its Act East policy. Acting East will require India to cooperate with China wherever possible, including on bilateral economic relations, while preparing militarily, deepening security partnerships, assuming greater regional leadership, improving eastward connectivity, and participating more actively in Asian institutions.

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<sup>46</sup> Thomas F. Lynch III and James J. Przystup, “India-Japan Strategic Cooperation and Implications for U.S. Strategy in the Indo-Asia-Pacific Region” (Washington, DC: National Defense University, 2017).

<sup>47</sup> Rajat Pandit, “India, Indonesia to Hold First Air Combat Exercise with an Eye on China,” *Times of India*, February 8, 2017, <http://timesofindia.indiatimes.com/india/eye-on-china-india-indonesia-to-hold-first-air-combat-exercise/articleshow/57044771.cms>.

<sup>48</sup> “US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region,” Office of the Press Secretary, The White House, January 25, 2015, <https://obamawhitehouse.archives.gov/the-press-office/2015/01/25/us-india-joint-strategic-vision-asia-pacific-and-indian-ocean-region>.

### III. PRINCIPLED ALIGNMENT, BUT PRACTICAL DIFFERENCES ON TERRORISM

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#### THE UNITED STATES' TACTICAL COUNTERTERRORISM

Just as the United States was slow and reluctant to approach China as a challenge, it did not immediately appreciate the full deleterious effects of Islamist jihadism to American interests after the end of the Cold War. Even as the Taliban gave shelter to Osama bin Laden and al-Qaida in Afghanistan, the U.S. firm Unocal received official assistance in exploring the possibility of a Trans-Afghanistan Pipeline with the Taliban government.<sup>49</sup> In the aftermath of the 9/11 attacks, Washington insisted on cooperation from the Pakistan Army but did not push it beyond a point to crack down on terrorist groups under its protection. Bin Laden was found and killed in Abbottabad, a Pakistani garrison town, in 2011. Pakistan-based groups like Lashkar-e-Taiba and Jaish-e-Mohammed continued to operate against India, including by perpetrating the 2008 attacks in Mumbai in which U.S. citizens were killed.<sup>50</sup>

Partly as a result of its Pakistan policy, U.S. objectives in Afghanistan were unfulfilled. After the success of the surge in Iraq, the United States attempted to apply a similar counterinsurgency strategy in Afghanistan in late 2009 and 2010. There were important differences in contexts. The

U.S. had trouble finding local allies: there was no equivalent to the Anbar Awakening of Iraqi Sunnis. The foundations of governance in Afghanistan were weaker, not just a result of the U.S. invasion, but years of Taliban rule, civil war, and Soviet-era scorched earth campaigns that preceded it. Additionally, safe havens in neighboring Pakistan made a successful, classical counterinsurgency next to impossible.<sup>51</sup>

The United States' tolerance for Islamism extended to other regions, particularly in the aftermath of the Arab Spring. During the Syrian civil war, U.S. military assistance for rebels fighting against Bashar Assad's regime was directed into the hands of al-Qaida's affiliate, the Nusra Front. U.S. military support also went to black markets, often inadvertently supplying the Islamic State (ISIS). In Egypt, the United States supported the mechanics of elections over underlying democratic principles, and helped enable the rise of Mohammed Morsi and the Muslim Brotherhood. Additionally, U.S. allies in the Middle East, and their sometimes competing interests, helped create the conditions for transnational terrorist groups to survive and thrive.<sup>52</sup>

The United States' approach to terrorism in the post-9/11 era, often driven more by tactical rather than strategic considerations, produced a great

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<sup>49</sup> Steve Coll, *Ghost Wars: The Secret History of the CIA, Afghanistan, and bin Laden, from the Soviet Invasion to September 10, 2001* (New York: Penguin, 2004).

<sup>50</sup> Cathy Scott-Clark and Adrian Levy, *The Siege: 68 Hours Inside the Taj Hotel* (New York: Penguin, 2013).

<sup>51</sup> Fred M. Kaplan, *The Insurgents: David Petraeus and the Plot to Change the American Way of War* (New York: Simon & Schuster, 2013).

<sup>52</sup> Mark Mazzetti and Ali Younes, "C.I.A. Arms for Syrian Rebels Supplied Black Market, Officials Say," *The New York Times*, June 26, 2016, [https://www.nytimes.com/2016/06/27/world/middleeast/cia-arms-for-syrian-rebels-supplied-black-market-officials-say.html?\\_r=0](https://www.nytimes.com/2016/06/27/world/middleeast/cia-arms-for-syrian-rebels-supplied-black-market-officials-say.html?_r=0); Shadi Hamid, "Islamism, the Arab Spring, and the Failure of America's Do-Nothing Policy in the Middle East," *The Atlantic*, October 9, 2015, <https://www.theatlantic.com/international/archive/2015/10/middle-east-egypt-us-policy/409537/>.

deal of skepticism in New Delhi about U.S. intentions to India's west, even as cooperation and trust deepened to India's east. This is at one level confounding, given India's shared interest in tackling transnational terrorism and the fact that India—like the United States—was a major target of terrorist networks.

## DIFFERING PRIORITIES

There are suggestions that Trump has adopted a stronger, more basic position when it comes to transnational terrorism. The primary targets of his rhetoric have been ISIS and Iran.<sup>53</sup> For India, the threat of ISIS is real, although only a handful of Indian citizens have been successfully radicalized and India was mostly exempt from the global phenomenon of foreign fighters joining the group.<sup>54</sup> That said, Indian workers in Iraq were taken hostage by ISIS, and the group has promised to expand its footprint in the Indian subcontinent.<sup>55</sup> At the same time, India has been reluctant to join a global coalition against ISIS. It has maintained diplomatic relations with the Assad regime in Syria, and has mostly voiced support for stable—if undemocratic—regimes in the Middle East rather than uncertain anarchy that might follow their toppling. There are also concerns that exaggerating the ISIS threat in South Asia—including in Afghanistan and Bangladesh—overlooks local radicalization, and grants unnecessary legitimacy to the group. India has therefore expressed skepticism about claims, including by the United States and Russia, of ISIS' growing profile in South Asia.<sup>56</sup> The chal-

lenge posed by ISIS, however, is set to change with its impending military defeat in Iraq and Syria, and its possible evolution into a looser transnational network, more akin to al-Qaida.

India similarly has a different assessment of Iran than the United States. Although the depth of India-Iran relations has often been exaggerated by both parties and external observers, there has been a steady level of cooperation. This has extended to Afghanistan—where both shared an interest during the 1990s and early 2000s in countering the Taliban—including the development of alternate access routes to the landlocked country. For this reason, India has invested in the port of Chabahar in southeastern Iran and signed a tripartite transit accord with Iran and Afghanistan in 2016. Iran was also a major supplier of gas to India until this relationship was affected by international sanctions linked to Iran's nuclear program. However, despite long-standing cooperation with Iran, India has recently developed much more fruitful partnerships with both Israel and the Gulf Arab states. A tricky balancing act for India in the Middle East will therefore become harder in the years to come.<sup>57</sup>

Although the Trump administration is likely to hone in on ISIS and Iran as centers of international terrorism, India has its own priorities. It perceives Pakistan—and the Pakistan Army in particular—to be the chief enabler of international terrorism. India's Foreign Minister Sushma Swaraj noted in a speech to the U.N. General Assembly in 2016 that major attacks around the world—in Kabul, Dhaka,

<sup>53</sup> "President Trump's Speech to the Arab Islamic American Summit," Office of the Press Secretary, The White House, May 21, 2017, <https://www.whitehouse.gov/the-press-office/2017/05/21/president-trumps-speech-arab-islamic-american-summit>; Thomas Friedman, "Why Is Trump Fighting ISIS in Syria?" *The New York Times*, April 12, 2017, <https://www.nytimes.com/2017/04/12/opinion/why-is-trump-fighting-isis-in-syria.html>.

<sup>54</sup> Sushant Singh, "Of 142 'IS-Linked Indians' 96 Held, Questioned, or Killed, Says Study," *The Indian Express*, May 11, 2017, <http://indianexpress.com/article/explained/of-142-is-linked-indians-96-held-questioned-or-killed-says-study-4650315/>.

<sup>55</sup> Harleen Gambhir, "Backgrounder: ISIS in Afghanistan," *Institute for the Study of War*, December 3, 2015.

<sup>56</sup> Syed Badrul Ahsan, "In Denial in Dhaka," *The Indian Express*, July 4, 2016, <http://indianexpress.com/article/opinion/columns/dhaka-attack-bangladesh-government-deny-islamist-terror-sheikh-hasina-isis-column-2892092/>; Lesley Wroughton and Serajul Quadir, "Islamic State 'Connected' to Bangladesh, Says Kerry, Offering Security Aid," *Reuters*, August 29, 2016, <http://www.reuters.com/article/us-bangladesh-usa-idUSKCN1140W2>.

<sup>57</sup> Kabir Taneja, "The Reality of India-Iran Ties," *The Diplomat*, July 11, 2016, <http://thediplomat.com/2016/07/the-reality-of-india-iran-ties/>.

Mogadishu, and Paris—were linked in some way to training camps or financing in Pakistan.<sup>58</sup> Beyond Pakistan, Afghanistan remains a major point of concern for New Delhi, particularly as the war there appears to have declined in the American political consciousness.

Thus, while the United States and India are likely to find continuing—even perhaps greater—agreement on international terrorism at the level of first principles, the practicalities of cooperation might be complicated. India may be expected to bring more to the fight against ISIS, although on Iran, India may be exempt from any potential increase in U.S.-Iran tensions on account of other countries' refusal to follow the United States' unilateral measures. At the same time, India may not find Wash-

ington sensitive enough to Indian concerns about Pakistan. New Delhi will have to explore ways to convince the United States to adopt policies that compel Pakistan to abandon its long-standing policy of using terrorist organizations as instruments of state policy. Additionally, India could now be among the few countries to unequivocally support U.S. objectives in Afghanistan. Should the United States' commitment to that effort wane, or should the Taliban gain ground militarily in the coming years, New Delhi may have to consider ways to step up further to stabilize Afghanistan. India is already a major political player and provider of financial and technical assistance to Kabul. But beyond the training of Afghan officers, it may now have to consider ways to increase military support.<sup>59</sup>

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<sup>58</sup> Sushma Swaraj, "Text of Speech to UN General Assembly," *The Indian Express*, September 27, 2016, <http://indianexpress.com/article/india/india-news-india/sushma-swaraj-unga-speech-full-text-3051409/>.

<sup>59</sup> For a forthcoming history of India-Afghanistan relations over the past several decades, see: Avinash Paliwal, *My Enemy's Enemy: India in Afghanistan from the Soviet Invasion to the U.S. Withdrawal* (Oxford: Oxford University Press, 2017).

## IV. AN UNDER-GOVERNED WORLD

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### TWO MISSED OPPORTUNITIES

A fourth and final issue area for Indian relations with the United States—beyond bilateral relations, the Asian balance of power, and terrorism—relates to global governance. Twice in its history—in the immediate post-World War II period of 1945-1948 and the immediate post-Cold War era of 1989-1998—India was not in a position to set the rules and norms that governed the international system. Although India was in some respects able to survive and even thrive in these international conditions, in certain other matters it was deeply disadvantaged. This included security and non-proliferation, at the U.N. Security Council and later at the Nuclear Non-Proliferation Treaty (NPT) negotiations, and on such issues as trade and climate change in the 1990s and early 2000s.

In the 1940s, India was a large but newly independent and decolonized country. Although a founding member of the United Nations and a major contributor to the Allied war effort, the ambivalence of the Congress Party to the British war effort harmed India's claims to global leadership upon independence.<sup>60</sup> In a bipolar world, India resorted to nonalignment, finding common cause with other impoverished and newly decolonized states such as Indonesia and China, or those that wanted to escape a choice between the U.S. and Soviet blocs, including Yugoslavia and Egypt. Later, the transition to a post-Cold War world was far from seamless, and afforded few opportunities to revisit and reform the international system. The United States established primacy in a unipolar world, but

beyond the expansion of NATO and the European Union to several erstwhile Warsaw Pact countries, no large-scale global institutional reform took place.

### RESOLVING THE NUCLEAR ISSUE

Non-proliferation remained a particularly problematic area for India. During the Cold War, India retained the option of acquiring nuclear weapons, particularly after China's successful tests of 1964. In 1974, India successfully conducted a peaceful nuclear explosion, a move that resulted in a strengthening of global export controls through the establishment of the Nuclear Suppliers Group. But by this time, the NPT had been concluded, and only recognized five countries—the United States, Soviet Union, China, France, and the U.K.—as nuclear weapons powers. India restarted its nuclear weapons program in the late 1970s, upon learning of Pakistan's nuclear efforts, a product of A.Q. Khan's stealing of technology from a Dutch company and direct Chinese assistance. By the mid-1990s, India faced the prospect of a renewal of the NPT, a proposed Comprehensive Test Ban Treaty (CTBT), and knowledge that its two major adversaries—China and Pakistan—possessed nuclear weapons. This led to the 1998 nuclear tests, when India publicly declared its nuclear weapon capability. The tests were swiftly accompanied by international sanctions.<sup>61</sup>

The 1998 tests produced the first sustained, high-level diplomatic engagement between the

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<sup>60</sup> Srinath Raghavan, *India's War: The Making of Modern South Asia, 1939-1945* (London: Allen Lane, 2016).

<sup>61</sup> George Perkovich, *India's Nuclear Bomb: The Impact on Global Proliferation* (Berkeley: University of California Press, 1999).

United States and India in the post-Cold War period,<sup>62</sup> resulting in the eventual lifting of sanctions. George W. Bush went a step further, offering the possibility of civilian nuclear commerce with India without compromising India's nuclear weapons program, effectively recognizing India as a *de facto* nuclear power. This required India to separate its military and civilian nuclear programs, a bilateral India-U.S. nuclear agreement, the approval of the U.S. Congress, an Indian safeguards agreement with the International Atomic Energy Agency, and a unanimous waiver for India from the Nuclear Suppliers Group. This was all accomplished in three and a half years, by 2008, although at each stage, the process faced considerable opposition in India and almost led to the fall of the Manmohan Singh government.<sup>63</sup>

The Bush administration was motivated by the logic that India's nuclear status—and the associated technological denials—were hindering its evolution into a global power. The political value of the civilian nuclear agreement far outweighed its practical value, although it did enable the sale of certain defense equipment and opened the possibility of trade in civilian nuclear energy. These steps effectively neutralized India's nuclear status, making it a non-issue in India-U.S. relations.

## STRENGTHENING INSTITUTIONAL ORDER

Beyond the thorny issue of India's status in the international nuclear non-proliferation order, India was mostly successful in gaining membership to the major forums of global governance in the post-Cold War era. When that was not possible, it also sought alternatives, often in collaboration with other rising powers. In the early 2000s, India joined Brazil, Russia, and China in forming the BRICS, to which South Africa was eventually ad-

ed. For the first time, India positioned itself less as a leader of the developing world, and more as a rising power.<sup>64</sup> After the 2008 global financial crisis, India found itself part of an unwieldy G-20, which, despite its imperfections, more accurately reflected the changing distribution of international power than the G-8. India also successfully joined most major Asian multilateral organizations—including the East Asia Summit (EAS)—in part because certain countries sought Indian inclusion as a balance to China. Not only is India now part of the EAS, G-20, and BRICS, it also joined China, Russia, and other Eurasian states in the Shanghai Cooperation Organization.

India has often benefited from U.S. support in positioning itself on platforms of global governance and multilateralism. Indeed, American support is vital for India's entry to remaining apex international institutions, including export control regimes, APEC, and the U.N. Security Council. While it successfully joined the Missile Technology Control Regime (MTCR) in 2016, India's efforts at joining the Nuclear Suppliers Group (NSG) as a full member were stymied by China, supported by other countries that expressed their reservations about India's qualifications. NSG membership is important, in particular, to preserve the gains made by India's 2008 waiver. It is also recognized as a matter of prestige, consolidating India's position as a *de facto* nuclear power and facilitating its claims as a pole in an evolving international system. India also seeks eventual membership to other export control regimes, including the Wassenaar Arrangement and Australia Group, which govern exports of conventional/dual use weapons and chemical/biological weapons respectively. Early U.S. support for India's entry into these remaining export control regimes would be a valuable way of shoring up those institutions, while advancing relations with India.

<sup>62</sup> Strobe Talbott, *Engaging India: Diplomacy, Democracy, and the Bomb* (Washington, DC: Brookings Institution Press, 2004).

<sup>63</sup> Dhruva Jaishankar, "Chronicle of a Deal Foretold: Washington's Perspective on Negotiating the Indo-U.S. Nuclear Agreement," in *Indo-U.S. Nuclear Deal: Seeking Synergy in Bilateralism*, ed. P.R. Chari (New Delhi: Routledge, 2012).

<sup>64</sup> Samir Saran and Abhijnan Rej, "Building New Alliances with BRICS," *The Hindu*, March 24, 2016, <http://www.thehindu.com/opinion/op-ed/Building-new-alliances-with-BRICS/article14171411.ece>.



Beyond export controls, India still seeks membership in APEC and in a reformed U.N. Security Council as a permanent member. Given the size, profile, and potential of its economy and military capabilities, India is relatively well-positioned to stake its claim to membership in any new apex institutional entities. How much of a priority multilateral global governance will be for the United States going forward is questionable. Certainly, supporting India's rise in this manner has been

mostly a second-term issue for post-Cold War U.S. presidents, whether Clinton, Bush, or Obama. U.N. Security Council reform is unlikely in the short term and remains problematic for a number of reasons. India's inclusion in APEC is subject to its own trade policy and institutional resistance to expanded membership. While not abandoning efforts to be included, India should for the time being lower its expectations concerning U.S. support for its entry into these institutions.

## V. CONCLUSION: MAKING SENSE OF UNCERTAINTY

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Americans often express incredulity at Indians' hesitation about deepening their relationship with the United States. Indeed, even strong proponents of closer U.S.-India relations in India do not refer to the prospect of an alliance, preferring to term it a partnership. But rather than a vestige of Indian nonalignment or strategic autonomy, as it is often characterized, this hesitation reflects the reality of a post-alliance world. While U.S. alliances continue to preserve stability (particularly in Europe and Asia), all are vestiges of the Cold War. In fact, the United States has not entered into any major new alliances after 1991 (beyond new NATO members). To some degree, this reflects the reality of democratic politics. It is unfair, today, to expect citizens of a country to fight on behalf of another barring a shared, immediate security threat. Pooled security sovereignty is increasingly unrealistic.

But strategic cooperation, even close strategic cooperation, is certainly possible below the threshold of a treaty or mutual defense pact. This might well characterize India-U.S. relations for the foreseeable future, just as India might enjoy similar relations with other powers, notably Russia and Japan.<sup>65</sup> The logic of converging interests between New Delhi and Washington remains strong, and it is further supplemented by converging values.

There is no question that, in bilateral terms, the United States remains India's most important part-

ner. It is not just an important trade and investment partner, but its attractiveness as a destination for immigrants, tourists, students, and businesspeople, and its ability to provide best practices, increased capacity, technology, financing, and market access, are all unparalleled. While India can continue to stress the mutual benefits of American openness, it must prepare for the alternative by further diversifying its partnerships with Japan, Germany, China, the U.K., France, and Russia, as well as smaller countries that can play an outsized role in India's development such as Australia, Singapore, Israel, Canada, and the United Arab Emirates. New Delhi can also deepen its engagement with other potent actors in the United States, including state governments, the U.S. Congress, and the private sector. In the Indo-Pacific, various diverse scenarios remain possible. While India should still try to coordinate and cooperate with the United States, it must also continue "Acting East" on its own. This means increasing connectivity, preparing militarily, leading regionally, participating institutionally, deepening security partnerships, and seeking cooperative opportunities with China whenever possible. On terrorism, India must work to find common ground with the United States in terms of practical cooperation. But it may also mean preparing for a bigger military role in Afghanistan, resisting unilateral American measures on Iran, and advocating for U.S. policies that might compel Pakistan to abandon its policies of state-supported terrorism. And while lowering expectations about U.S.

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<sup>65</sup> Narendra Modi, "Inaugural Address by Prime Minister at Second Raisina Dialogue, New Delhi," Ministry of External Affairs, Government of India, January 17, 2017, [http://mea.gov.in/Speeches-Statements.htm?dtl/27948/Inaugural\\_Address\\_by\\_Prime\\_Minister\\_at\\_Second\\_Raisina\\_Dialogue\\_New\\_Delhi\\_January\\_17\\_2017](http://mea.gov.in/Speeches-Statements.htm?dtl/27948/Inaugural_Address_by_Prime_Minister_at_Second_Raisina_Dialogue_New_Delhi_January_17_2017).

multilateral support, India must continue to press Washington to include it in major forums of global governance.

All the while, New Delhi will have to work to convince the new administration in Washington of the central logic of its predecessors' engagement: that a stronger, wealthier, and more dynamic India—

even if it retains its independence and does not always act in accordance with the United States—advances American interests. This is always a hard sell, but it is particularly so following Donald Trump's election. "America First" can, and must, be made compatible with the notion of India as a "Leading Power."

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