

SOUTH ASIA DISCUSSION PAPERS



TRUMP AND MODI: PROSPECTS FOR US-INDIA BURDEN SHARING



The Asia Foundation



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South Asia Discussion Papers

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India, the US and the Free and Open Indo-Pacific: Confluence over the Two Seas?

Tanvi Madan

When Donald Trump won the 2016 United States (US) election, there was considerable uncertainty in India about his approach to the international order, the Asia-Pacific region, and India itself. The Trump administration's Free and Open Indo-Pacific concept—and the view that it reflects of the challenges and opportunities in the region—has helped alleviate some of those concerns. It is now helping to drive the US-India relationship. But it has also reinforced some anxieties and created new ones.

Trump, the Indo-Pacific and India

In late 2016, Delhi had a number of questions about President-elect Trump's future foreign policy. These included what approach he would take to the Asia-Pacific. Would he be tough on China or do a deal with it? Would he reduce or add conditions to the American role in Asia, as he had suggested during the campaign, or heed his advisers advocating for continuing commitment to Asian allies and greater military spending?

There were also questions about Trump's India policy. Would it figure as a priority at all? And how transactional would the president-elect be? India had benefited significantly from the strategic view that Bush and Obama had taken of the country. They had seen the relationship with India as an investment, one that might have limited pay-offs for the US in the short term, but that would show major strategic and economic returns over the medium-to-long term. Thus, despite their other domestic and foreign policy preoccupations, they had devoted time, attention, and resources to India, even making exceptions for it at times. Trump, however, was known to be far more transactional than his predecessors. So, would his administration subscribe to their strategic view? And what would Trump want Delhi to put on the table?

Some initial signs after he took office, particularly related to the administration's approach to China, caused concern. The Trump–Xi Jinping summit at Mar-a-Lago in April 2017 raised the prospect of a Sino-US deal encompassing trade and North Korea and eventually involving

a broader acceptance by Trump of a spheres-of-influence (or G2) world. An administration official's participation in Beijing's Belt and Road Forum in May only added to Indian anxiety.

However, developments from summer 2017 were more reassuring for India on the Indo-Pacific front. The US-India joint statement after Prime Minister Narendra Modi met with Trump in June in Washington led with the importance of a close partnership between these two “democratic stalwarts in the Indo-Pacific.”¹ themes of their 2015 Joint Strategic Vision, it also laid out a set of shared principles for the region. Subsequently, the Trilateral Strategic Dialogue ministerial in August noted the importance of Australia, Japan, and the US ensuring “a free, open, peaceful, stable, democratic, and prosperous Asia-Pacific and Indian Ocean region and world, based on the rule of law.”² The US-India-Japan ministerial in September specifically highlighted “the importance of a free and open Indo-Pacific region.”³ Significantly, in October, Secretary of State Rex Tillerson outlined the “free and open Indo-Pacific” (FOIP) concept, setting the US-India relationship within that context and highlighting India's critical role in the region.⁴ Tillerson, and subsequently the State Department, also suggested supplementing US-India-Japan trilateral cooperation by including Australia. And in November, that led to the revival of the quadrilateral consultations after a decade in abeyance.

Since then, American actions and words—including the president's and vice president's remarks in the region, the National Security Strategy (NSS), the National Defense Strategy (NDS), and the renaming of the US Pacific Command as the US Indo-Pacific Command—have made clear that the FOIP as a concept has staying power.

1 Whitehouse.gov (2017), “United States and India: Prosperity through Partnership”, fact sheet, June 26, <https://www.whitehouse.gov/briefings-statements/united-states-india-prosperity-partnership/>.

2 US Department of State (2017), “Australia-Japan-United States Trilateral Strategic Dialogue Ministerial Joint Statement”, media note, August 6, <https://www.state.gov/australia-japan-united-states-trilateral-strategic-dialogue-ministerial-joint-statement/>.

3 US Department of State (2017), “Secretary of State Tillerson's Participation in the Second U.S.-India-Japan Ministerial-level Trilateral Dialogue”, readout, September 18, <https://www.state.gov/secretary-of-state-tillersons-participation-in-the-second-u-s-india-japan-ministerial-level-trilateral-dialogue/>.

4 US Department of State (2017), “Remarks by Secretary Tillerson on ‘Defining Our Relationship With India for the Next Century’”, transcript, October 18, <https://www.state.gov/remarks-on-defining-our-relationship-with-india-for-the-next-century/>.

Convergence and Cooperation

This concept has had implications for India and the US-India relationship. The FOIP reiterates—and even amplifies—the “linchpin” role for India envisioned in the Barack Obama administration’s rebalance strategy.⁵ It portrays this democratic Asian giant as one of the four critical democratic “anchors” in the region. Thus, in crucial ways, the FOIP has reinforced the strategic rationale for the US-India relationship.

The FOIP fits well with the Modi government’s desire to be a “leading power” and its ‘Act East’ policy, with principles that India also embraces in the Indo-Pacific.⁶ These include the importance of a rules-based order; the vision of a free, open, and inclusive region where there is respect for international law; freedom of navigation and overflight; good governance; sustainable development; and the safeguarding of sovereignty and territorial integrity. ‘Act East’ also emphasizes many of the same partnerships as the FOIP, including in South and Southeast Asia. Most importantly for India, ‘Act East’ includes the US, which the Modi government sees as a crucial, if not critical, partner.

Given the importance it places on the US role in the region, Delhi has been relieved—if not pleased—that the FOIP has come with statements, policies, and legislation that emphasize the importance of the Indo-Pacific for American security and prosperity, and within that the continued significance of alliances, partnerships, and regional mechanisms. Moreover, the FOIP is bringing American resources to the region—and not just in terms of military capability. The Better Utilization of Investment Leading to Development Act, which passed with bipartisan support, has paved the way for the establishment of the Development Finance Corporation, with US\$60 billion in resources. This comes at a time when India and Japan have been highlighting the need for quality infrastructure projects in the region that are different from those being offered under China’s Belt and Road Initiative. And it comes with American efforts to do more bilaterally, with Japan, and trilaterally, with Australia and Japan (and India and Japan), in this space. The administration has also announced that under

5 US Department of Defense website (2012), “Remarks by Secretary Panetta at the Institute for Defense Studies and Analyses in New Delhi”, transcript, June 6, <https://archive.defense.gov/Speeches/Speech.aspx?SpeechID=1682>.

6 Government of India, Ministry of External Affairs website (2016), “Speech by Foreign Secretary at the inauguration of CEIP India Center”, April 6, https://mea.gov.in/Speeches-Statements.htm?dtl/26602/Speech_by_Foreign_Secretary_at_the_inauguration_of_CEIP_India_Center_April_06_2016.

the FOIP it will double security assistance in the Indo-Pacific and enhance partner capabilities for maritime security and domain awareness, humanitarian assistance and disaster response, and peacekeeping.

Delhi has limited capacity in the broader region, and so partner efforts of this kind are crucial. Even in India's neighborhood, American involvement could facilitate or overlap with Indian interests. Washington can bring diplomatic and financial resources, while carrying less historical baggage. And it has already picked up the pace of engagement in South Asia, not just with Indian Ocean countries like the Maldives or Sri Lanka, but also with Bangladesh and Nepal.

A significant driver of these American efforts—and those of India—is concern about the nature and extent of Chinese involvement and influence in the region. More broadly, through the FOIP, the Trump administration has made clear that it sees China's behavior as the major challenge to a free, open, and rules-based order in the Indo-Pacific. India shares American concerns about China: its uncertain intentions; unilateral changes to the status quo with the threat or use of force, whether in the South China Sea or in the Bhutan-China-India trijunction; trade deficits; limited market access; intellectual property theft; preference for state-owned enterprises and the blurring of public-private sector lines; forced technology transfer; the nature and effect of Chinese economic engagement in the region (exacerbating, among other things, unsustainable debt burdens); and Beijing's use of economic leverage—and even coercion—for strategic and political ends.

Strategic convergence on China has been a major driver of US-India relations in the past, and the Trump administration's competitive view of China and response under the FOIP rubric have once again envisioned a key role for India—as a balancer, as a contrast, and as a like-minded partner willing and able to burden-share. This, in turn, has led to increased defense and security cooperation over the last two years. This has included a cabinet-level defense and diplomatic dialogue, high-level exchanges, regular working-level meetings, progress in technology transfer processes, interoperability agreements, expansion of military exercises, greater institutionalization, and capacity-building work in third countries. It has also driven the upgrading of the US-India-Japan trilateral, the rebirth of the quadrilateral,

communication and cooperation during crises (such as the 2017 Doklam boundary stand-off at the Bhutan-China-India trijunction and the 2019 Pulwama terrorist attack), and coordination in regional and multilateral forums and third countries. And it has given a greater voice in Washington to Indian perspectives and concerns about the broader region.

The US view of India's importance in the FOIP has arguably also shaped the way it dealt with the recent India-Pakistan crisis. In a departure from the American responses to crises in 2001 and 2008, but more akin to the one in 2016, Washington did not try to be even-handed. Senior policymakers recognized that, not just for counter-terrorism reasons, but also because of their desire for Indian partnership in the Indo-Pacific, it was important to tilt toward that country.

The two countries' need for one another in the Indo-Pacific—and as part of their respective China strategies—has also contributed to their willingness to manage differences in the US-India relationship. This was evident in the US granting India at least one six-month waiver from Iran oil sanctions, and Congress giving the president waiver authority to limit the impact on partners like India of the Countering America's Adversaries Through Sanctions Act. It has also been seen in the relatively muted Indian reaction to the US withdrawal of India's trade benefits under the Generalized System of Preferences.

Divergence and Difficulties

But the FOIP itself has been the subject of some differences between the US and India. For one, they have different geographic concepts of the Indo-Pacific: India, unlike the US, includes the western Indian Ocean region (IOR). For another, the US and India have different areas of priority: for India, it is the IOR; for the US, it is the Pacific. And they have had differences on issues in those respective priority areas—for example, the China-Pakistan Economic Corridor and North Korea. Relatedly, India thinks the US' emphasis is on the maritime domain, whereas Delhi also has continental concerns. The US, in turn, is concerned about the technological domain—it wants allies and partners, for example, to exclude Huawei from 5G networks. India, on the other hand, is still debating the costs and benefits of doing so.

The US and India also have different ideas about where other partners fit into their Indo-Pacific strategies. This is particularly evident in the case of Russia. India sees Russia as a partner in its balancing strategy towards China and its effort to build military capability; the Trump administration's NSS and NDS see Russia as an adversary and a disruptor in the Indo-Pacific. Delhi, in turn, has concerns about the US partnering with countries in India's neighborhood as part of the FOIP. And the two countries differ on whether and when values or interests should be given priority in countries like Bangladesh and Myanmar.

The US and India, moreover, see each other as falling short in terms of the FOIP principles. Nowhere is this clearer than in the economic arena. Washington sees India as not that "open" on the trade and investment front. Delhi sees the US as a disruptor of the rules-based order. The economic element of the Obama administration's rebalance strategy had been the Trans-Pacific Partnership. Trump has replaced that with what many in Delhi see as a unilateral approach, using tariffs that have affected not just China, but partners like India as well. With a focus on reducing trade deficits, the president has also specifically targeted India. Add to this India's concern about potential American restrictions on highly skilled immigration, which it considers a trade issue.

The FOIP could also become a source of contention if the US and India fail to fulfill their commitments to the region or fall short in terms of their capabilities. There is uncertainty in India about whether the views of the president and administration officials on the US approach in the region converge. There are also concerns that Trump's desire for a trade deal with China will come at the expense of the FOIP and other regional actors, like India. On the flip side, India worries about Sino-US conflict and being asked to choose sides. The US, in turn, has questions about India's approach to China. There is a sense that Delhi's desire not to provoke Beijing has limited its cooperation with the US and other countries. American policymakers point, for example, to Indian reluctance to upgrade the quadrilateral consultations to the ministerial level, or to include Australia in the US-India-Japan annual maritime exercises.

There are also concerns in the US about whether India is developing sufficient capability—military, economic, bureaucratic, etc.—to play the role that Washington envisions for it.

Delhi, in turn, worries about whether and how the US will deploy its capabilities. It watches with concern the American debate—on the campaign trail and on Capitol Hill—about the nature and extent of American global commitments, and it hopes that the outcome will be rebalancing rather than retrenchment.

Conclusion

The FOIP and 'Act East' provide the strategic rationale for the US-India relationship, and they facilitate the management of differences between the two countries in the Indo-Pacific and beyond. But, for these approaches to drive the relationship and not disrupt it, both countries will have to deliver on these Indo-Pacific strategies. If they succeed, it can propel the partnership forward at an even faster pace; if they fail, it can lead to disappointment, disillusionment, and even disruption in the relationship.

