

US-India: Elements of a New Relationship
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The Bush Administration's nuclear deal with India has grabbed the headlines in both countries, which is somewhat unfortunate as there are compulsions – economic, strategic and political -- driving the relationship forward, no matter what happens on this particular issue at this time. While the issue is clearly important, it is not the whole relationship. However, the nuclear deal does highlight two fundamental changes in the US relationship with India.

(1) First, the US has stopped clubbing India and Pakistan together and has sought to develop a relationship with one that is not necessarily a reflection of the other.

(2) Second, the US now considers India as strategically important in itself, and not a relationship derivative of some larger goal, such as the Cold War or nuclear nonproliferation. The former had structured the US relationship with India from the late 1940s until the early 1990s and the latter throughout the 1990s.

The two major documents noting the major agreements in the two recent US – India summits, July 2005 and March 2006, underscore the importance of these two developments for the US-India relationship.

(1) The first is the move away from clubbing together the US relationship with India and Pakistan. The most dramatic demonstration of the move away from a hyphenation of our relationship with the two countries was the offer to make only India an exception to US nonproliferation legislation (through a proposed amendment of the Atomic Energy Act) without simultaneously demanding that it sign the Nuclear Nonproliferation Treaty, that is without demanding that it abandon its nuclear weapons arsenal. There is no sign that the US plans a similar offer to Pakistan. Prime Minister Shaukat Aziz in his recent visit (when?) to the US suggested similar treatment for Pakistan, and was met with diplomatic silence. The exposure of the two-decades-old international nuclear bazaar led by A.Q. Khan, long time head of Pakistan's nuclear weapons program, involving the transfer of nuclear weapons information and suppliers to such countries as North Korea and Libya, make it highly unlikely that the

US will any time soon take a similar tack with Pakistan on nuclear cooperation.

(2) The two summit documents in addition underscore the fact that the US is increasingly looking at the US as a high value ally. Behind that calculation are two strategic considerations:

(1) A strong India is in a position to balance an emerging China.

However, a prospective military alliance was not a part of either summit document, nor has it been proposed seriously by any senior US official, though some opponents of the agreement typically argue that a military relationship of some kind is what the US had in mind, and that such an Indo-US military alliance will not bring the expected security benefits to the US, especially regarding China. India for its part does not want to join the US in any anti-Chinese effort and such an objective would be quite destabilizing. But a strong India in itself is sufficient to meet the US objective for a balance of power in Asia, whether or not there is a military relationship with it.

(2) A strong India is also important for help in managing the instability along the fractious, but critically important southern tier states of Asia and the adjoining sea-lanes. Zbigniew Bryzanski called the area from the Horn of Africa in the west around to Indonesia in the east an “arc of crisis” and that characterization is still valid. In that wide stretch, an economically robust and democratic India stands out as stable. I think there is a real prospect of collaboration between the US and India in the Indian Ocean littoral.

India itself has compelling security reasons to cooperate with the US and the states of Southeast Asia to safeguard the eastern stretches of the Indian Ocean. The area is becoming an increasingly important to India as a significant arena for trade and investment. Much of the Indian – and international -- sea borne traffic passes through the Straits of Malacca and Singapore, some 50,000 vessels altogether a year. The blocking of these passes would create an international economic crisis.

India in a very low-key manner began joint exercises with some Southeast Asian states in the mid-1990s. Its blue water navy now conducts such exercises on an annual basis with virtually all regional states, and it has taken the lead in multi-nation exercises. In January this year, India organized its most ambitious naval exercises to date, involving eight Southeast and South Asian states, with observers from Australia, a country, which had once viewed Indian expansion with alarm. The change in the Australian attitude almost certainly had something to do with concerns about the rise of China. These exercises took place off the Andaman Islands, often described as India's permanent aircraft carrier dominating the entrance to the Straits of Malacca.

The growing relationship between India and the United States can only work to enhance the status of India in Southeast Asia, whose leaders are concerned by the apparent declining US interest in regional affairs. An Indian naval role was demonstrated by the four-country tsunami relief efforts at the beginning of 2005, involving the navies of the US, Japan,

Australia and India – all stable democracies. The Indian Navy played a prominent role in it, not surprising as India has the largest indigenous navy in the Indian Ocean and is now engaged in a substantial expansion of its naval fleet. A precursor to this naval cooperation has been the joint Indian and US naval patrols set up two years earlier, whose goal is anti-piracy and counter-terrorism – and aimed at keeping open the vital straits at the eastern reaches of the Indian Ocean. These patrols were a logical extension of the extensive round of Indo-US naval, army and air force exercises held in as areas as widely scattered as Alaska in the US to Kashmir in India.

India's rising economic fortunes provide US policy makers with another compelling reason to broaden the strategic dialogue between our two countries. Its growth rate has been about 6 percent per year since the mid-1990s and over the past year has jumped to 8, which Indian policy makers hope to sustain. While India still lags behind China in annual GDP growth and way behind in investment, it has other strengths with long-term implications. These include stable democratic

institutions, a larger working-age population, functioning capital markets and a large entrepreneurial class with a legal system sensitive to private property rights.

I would like to conclude with the Bush administration's efforts to make India an exception to our nonproliferation legislation. Secretary of State Condoleezza Rice spent all last Wednesday testifying before the House and the Senate. The administration's case for the nuclear agreement rests chief on the strategic case outlined above. It has decided, after four years of trying to develop a serious relationship with India while keeping the nuclear issue quarantine, that this is not possible.

Those who oppose the agreement tend to argue either that the risks to nonproliferation outweigh the alleged security gains or that India should be asked to do more for what it is getting, such as to stop producing fissile material. Because the nuclear deal was kept on close hold by a few top policymakers, the Congress will want a thorough debate. Because the agreement

represents a major departure in the international nonproliferation system, many legislators need time to adjust to the change.

But whatever happens, the same strategic compulsions that generated the nuclear deal will continue to inform the way the US looks at India, a rising power in Asia, which will play a significant role in maintaining political stability.