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**International Relations**

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## 22.1 Overview

India-US bilateral relations have developed into a *'global strategic partnership'*, based on shared democratic values and increasing convergence of interests on bilateral, regional and global issues. The emphasis placed by the Government of India on development

and good governance has created opportunity to reinvigorate bilateral ties and enhance cooperation under the motto – *'Chalein Saath Saath: Forward Together We Go'*, and *'Sanjha Prayas, Sab ka Vikas'* (Shared Effort, Progress for All) adopted during the summits of our leaders in September 2014 and January 2015 respectively.

1949	<ul style="list-style-type: none"> <li>Indian PM meets USA president</li> <li>This trip precedes India's formal proclamation of neutrality in the developing cold-war</li> </ul>
1959	<ul style="list-style-type: none"> <li>Inspired by Gandhi's non-violent struggle, Martin Luther arrives in India</li> <li>Also, first serving USA president visits India</li> </ul>
1962	<ul style="list-style-type: none"> <li>Nine American universities and the U.S. Agency for International Development (USAID) help establish one of the first Indian Institutes of Technology at Kanpur</li> </ul>
1962	<ul style="list-style-type: none"> <li>Washington supports India in the Indo-China border conflict, recognizing the McMahon line as the border, and provides air assistance and arms</li> </ul>
1963	<ul style="list-style-type: none"> <li>Norman Borlaug travels to India to begin testing high-yield wheat varieties. His collaboration with Indian scientist Dr. M.S. Swaminathan results in the "Green Revolution," and India goes from food scarcity to self-sufficiency</li> </ul>
1974	<ul style="list-style-type: none"> <li>India completes first Nuclear test- the move contributes to a period of estrangement between the USA and India</li> </ul>
1978	<ul style="list-style-type: none"> <li>USA enacts the Nuclear Nonproliferation Act, which requires countries not included in the Nonproliferation Treaty—which includes India—to allow inspections of all nuclear facilities by the International Atomic Energy Agency. India refuses, and Washington ends all nuclear assistance to Delhi</li> </ul>
1991	<ul style="list-style-type: none"> <li>India Launches Economic Reforms that help expand economic ties with USA</li> </ul>
1998	<ul style="list-style-type: none"> <li>India tests Nuclear devices and badly damages its relationship with USA</li> </ul>
2000	<ul style="list-style-type: none"> <li>The visit of US president ends the estrangement of the post-1998 Indian nuclear weapons tests</li> </ul>
2001	<ul style="list-style-type: none"> <li>USA lifts all remaining sanctions that were imposed on India after its 1998 nuclear test</li> </ul>
2005	<ul style="list-style-type: none"> <li>The United States and India sign the New Framework for the U.S.-India Defense Relationship</li> </ul>
2010	<ul style="list-style-type: none"> <li>The United States and India formally convene the first U.S.-India Strategic Dialogue</li> </ul>
2011	<ul style="list-style-type: none"> <li>The United States and India sign a Memorandum of Understanding in New Delhi to promote closer cybersecurity cooperation</li> </ul>
2016	<ul style="list-style-type: none"> <li>The United States elevates India to a major defense partner, a status no other country holds</li> </ul>
2018	<ul style="list-style-type: none"> <li>During a "two-plus-two" dialogue in New Delhi, COMCASA signed</li> </ul>
2020	<ul style="list-style-type: none"> <li>The Basic Exchange and Cooperation Agreement (BECA) is the last of four foundational military agreements signed by both countries over the past two decades</li> </ul>



Regular exchange of high level political visits has provided sustained momentum to bilateral cooperation, while the wide-ranging and ever-expanding dialogue architecture has established a long-term framework for India-U.S. engagement. Today, the India-U.S. bilateral cooperation is broad-based and multi-sectoral, covering trade and investment, defence and security, education, science and technology, cyber security, high-technology, civil nuclear energy, space technology and applications, clean energy, environment, agriculture and health. Vibrant people-to-people interaction and support across the political spectrum in both countries nurture our bilateral relationship.

## 22.2 Historical Background

India and the United States are widely recognised as the world's largest and oldest democracies respectively. The relationship between these two countries is thus one of the most fascinating interactions witnessed in the relations among nations. The added significant features are marked by the fact that India is one of the oldest civilisations in the world, whereas the United States is relatively a younger civilisation.

Factors related to civilisation, statehood and governance have made the relations between India and the US one of the most complex bilateral relations in world history. Soon after independence, India chose not to join any of the two power blocs, and adopted the policy of Non-Alignment (*Non Alignment Movement 'NAM'*). As and when the US promoted the formation of military blocs and security alliances, India vehemently opposed them. India was particularly critical about the formations of *South East Asia Treaty Organisation (SEATO)* and *Central Treaty Organisation (CENTO)*. These two organisations brought Cold War to India's door-steps with Pakistan becoming an active member in them.

The Cold War-related political divergences between India and the US were particularly visible and pronounced on issues related to decolonisation of colonial territories, the Korean War, Vietnam War, Suez crisis, Hungarian Crisis, Czechoslovakia Crisis, and the People's Republic of China's membership in the United Nations.

## 22.3 Evolution: Cold War to Present

India's entry into the international community of nations as an independent political entity almost coincided with the spread of the Cold War between the two erstwhile

superpowers – the United States and the Soviet Union. As the two superpowers clashed and competed for spreading their influence around the world, India was faced with a Hobson's choice to take sides in the Cold War.

Prime Minister Jawaharlal Nehru decided against making a choice and announced a policy of Non-Alignment. This policy challenged the ethical basis of the Cold War and aimed at preventing the Cold War and sought to adopt a policy that would facilitate India's friendly relations with both the US and the USSR. Nevertheless, at times, the Indian position was disliked by the U.S.A and it went out of the way to support Pakistan and adopted anti-India posture.

US supported India during China war but conditionally, and also with no offer of long term aid. In Indo-Pak war USA tilted towards Pakistan. Also, it helped India during food crisis by PL-480 program.

The Bangladesh Liberation War 1971, created a new crisis in Indo-US relationship. This was primarily because of USA support to Pakistan and India's signing of Treaty of Peace, Friendship and Cooperation with USSR. USA even moved anti-India resolution in Security Council. However, in the spirit to boost ties India hosted President Carter in 1977.

Relations improved further when Indira Gandhi came back to power in 1980. The Soviet Union had invaded Afghanistan, and this tilted India towards the United States. India placed orders for F-5 aircraft, super computers, etc, and the US, in 1984, agreed to share technology to help India build naval frigates and an indigenous light combat aircraft.

However, the same year India witnessed the assassination of Indira Gandhi and the Bhopal toxic gas leak that killed thousands. US-based Union Carbide's pesticide plant in Bhopal was involved and India's effort to seek extradition of the firm's Chief Executive proved futile. With the advent of the Missile Technology Control Regime (MTCR) in 1987, India also faced embargoes on missile related technology. In 1992-94, the United States allowed India to buy a cryogenic rocket engine from Russia, but blocked the transfer of related technology.

## 22.4 Improvement in Relationship

India's relations with the US had considerably improved during the relaxation of Cold War, but the collapse of the Soviet Union brought in unprecedented uncertainties to international relations, including Indo-US relations.

The American position on the Kargil War between India and Pakistan in mid-1999 had removed yet another irritant in Indo-US relations, and President Bill Clinton was heartily welcomed in India. New Delhi had appreciated Clinton's pressure on Pakistan to stop its misadventure in the Kargil Sector of Kashmir in 1999, and Washington had praised India's restraint in not crossing the Line of Control (LoC) and responsible conduct of the Kargil war.

After the end of the cold war, India-US relations in the first half of the 1990s have been described as one of *'missed opportunities and contradictory policies'*. India and the US continued to have differences on various issues, including the extension of the Non-Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT). The situation was further complicated when it was revealed that China had supplied M11 missiles to Pakistan and the US did not apply sanctions on China for violating the MTCR. In May, 1998, the decision of Prime Minister Atal Bihari Vajpayee's government to conduct nuclear tests at Pokhran saw the ties with the US return to a new low.

## 22.5 Vision for 21<sup>st</sup> Century

The warmth in the relationship can be seen post President Clinton visit to India in 2000. Indian Prime Minister Shri Vajpayee and Mr. Clinton signed a joint statement on bilateral relations entitled *'USA-India Relations: A Vision for the 21<sup>st</sup> Century'*. Post September 11, 2001 attacks in the US and December 13 terror strike on the Indian Parliament in the same year, the two countries decided to collaborate closely in the global war against terror. In 2004, India and USA signed strategic partnership under the name of *'Next Steps Strategic Partnership'* highlighting 4 areas of cooperation viz., Civil Nuclear Cooperation, Civil Space Cooperation, High technology cooperation group, Missile Defence cooperation.

The landmark moment came on July 18, 2005, when India and the US signed the Civil Nuclear Cooperation Initiative. As part of the landmark deal, India agreed to separate its civil and military nuclear facilities, while allowing IAEA inspection of the power-generation facilities. President Bush visited India in March 2006 to hold further talks on the civil nuclear deal and also give a push to defence and economic ties. The improved relationship between the two countries was highlighted once again when US agencies cooperated very closely with their Indian counterparts in the aftermath of 26/11 Mumbai terror attacks. With the visit of Barack Obama in 2010, the relations again took to new heights. He

supported India's bid for a seat on the UN Security Council and signed trade deals worth US \$15 billion.

In 2013, USA accepted India's proposal to develop Defence Hardware jointly. Till 2013, only UK's and Australia's proposals have been accepted for Joint Development Defence Technology and India is the third country in this row. In the same year, US offered to co-develop an anti-tank missile named as 'Javelin'.

In 2014, Indian Prime Minister made his first visit to the United States, aiming to attract investment and firm up the U.S.-India strategic partnership. India-USA reached agreement on a memorandum of understanding between the Export-Import Bank and an Indian energy agency, which provides up to \$1 billion to help India develop low-carbon energy alternatives and aid U.S. renewable energy exports to India.

During his 2<sup>nd</sup> visit to India, former US President Obama heralded the relationship between the two democracies, saying, "America can be India's best partner". India-USA announced a 'breakthrough' on nuclear-related issues that could help implement the U.S.-India civil nuclear deal. Later in 2015, India-USA signed documents to renew the ten-year U.S.-India Defence Framework Agreement.

The New Security Strategy of USA released in December 2017 marked out India's emergence as a *'leading global power'*, which is a significant upgrade in Washington's assessment of India in the last 15 years. The strategy also places special emphasizes on the term 'Indo-Pacific region', which was defined as region "which stretches from the west coast of India to the western shores of the United States".

## 22.6 Significance of India-USA Relationship

The relationship between the United States and India, the two democracies collectively housing over a billion and a half people, is one of the world's most important bilateral relationships in the 21<sup>st</sup> century. They share strategic interests, but more significantly, they share deep-seated values underpinning their common experience of democratic governance amidst multihued social and cultural diversity.

### Strategic Convergence

India-USA share the threats they perceive namely terrorism, instability in Middle East, security challenges in Afghanistan, freedom of navigation, regional security balance, migration, drug trafficking, etc.

## Middle East

Given its vital national interests connected to West Asia, particularly, the Persian Gulf in terms of energy requirement, huge Indian population working in the region, remittances flow, etc, India needs peace and stability in the region. The United States and India also share support for the existence and security of both Israel and Palestine.

## South China Sea

India-USA share the view of freedom of navigation in Ocean. In 2015, during former President Obama's visit, the joint statement noted concern about the South China Sea. Whereas previous such statements had exhorted freedom of navigation in general terms, India's willingness to mention the sea by name indicated a new willingness to confront China.

## Balance in Asia

In the US National Security Strategy (NSS) 2015 report, India receives prominent mention: 'we support India's role as a regional provider of security', and 'see a strategic convergence with India's Act East policy and our continued implementation of the rebalance to Asia and the Pacific'. The joint statement of USA-India during the visit of Indian Prime Minister to USA in June, 2017 said "a close partnership between the United States and India is central to peace and stability in the region".

## Afghanistan Stability

With the withdrawal of USA from Afghanistan under Doha agreement, also known as *Agreement for Bringing Peace to Afghanistan*, India has opened channels of communication with Taliban and other stakeholders. Both India-USA commits for common objectives of peace, prosperity and security in region.

## Terrorism

USA supports a U.N. Comprehensive Convention on International Terrorism that will advance and strengthen the framework for global cooperation and reinforce the message that no cause or grievance justifies terrorism. India and USA have had terror attacks in the past. Both consider terrorism a global scourge that must be fought and believe that the terrorist safe havens should be rooted out in every part of the world. India appreciated the United States designation of the Hizb-ul-Mujahideen leader as a Specially Designated Global Terrorist as

evidence of the commitment of the United States to end terror in all its forms.

## Defence and Security

India and USA have pledged to deepen defence and security cooperation, building on the United States' recognition of India as a Major Defence Partner. 'White Shipping' data sharing arrangement, United States offer for India's consideration the sale of Sea Guardian Unmanned Aerial Systems shows increasing convergence on security interests. Agreements for the purchase of two of the most advanced American helicopters (Apache and Chinook) in a deal worth about \$3 billion are examples of growing defence ties.

Also, the New Security Strategy unveiled in December 2017 mentions that the US will expand its defence and security cooperation with India which is a major defence partner of the United States, and will also support India's growing relationships throughout the Indo-Pacific region.

## UNSC and Missile Technology Regimes

The United States support was also crucial for India's entry into Wassenaar Arrangement in December 2017, Australia Group in January 2018 and MTCR in July 2018. US also strongly support India's permanent membership in a reformed UNSC.

US has recently started using 'Indo-Pacific' phrase instead of 'Asia-Pacific', saying it captures the importance of the rise of India with which the US has strong and growing ties. China continues to address the region as Asia-Pacific.

## Coming Back of 'QUAD'

In 2007, the then Japanese PM Shinzo Abe mooted the idea of Quadrilateral Security Dialogue. However, it could not materialise due to the reluctance of Australia.

In intervening years, the world has gone through a recession, the US has lost some of its global power and influence, China has grown its military and economic might and a resurgent India has aimed to position itself as a counterweight to China in Asia. The revival of Quad, thus, is the result of China's assertiveness and ambitious agenda. Formation of Quad brings into focus the maintenance of the '*rules based order*' in the Indo-Pacific region.

India participated in the first formal official-level discussions under the regional coalition 'Quad'

in November 2017. The discussions focussed on cooperation based on their converging vision and values for promotion of peace, stability and prosperity in an increasingly inter-connected region.

The emergence of 'Quad' favours India. But the emergence of China is a reality India has to deal with. Hence, India might have to build bridges with its neighbour and biggest trade partner as well.

Pursuing this strategy, India emphasised that the QUAD was not aimed at any other country, New Delhi is also involved in similar groupings in the region to deal with security and political issues.

Apart from strategic calculations, India needs strong trade and investment relationships to meet its vast economic potential. The U.S.-India trade relationship is both substantively important for India and mutually beneficial for both economies. The United States has also remained one of the top sources of foreign direct investment in India, bringing important managerial expertise, capital, and technology with it to the dynamic Indian market. The population of India forms a huge consumer base for many countries (U.S. being one of them) and provides them skilled (STEM Skills) manpower. US companies see India as a huge market after China.

## 22.7 Areas of Cooperation

A strong, vibrant, ever-deepening U.S.-India relationship furthers the vital national interests of both nations. In this respect, India and the United States seek to:

- Slow the spread of weapons of mass destruction and ensure the safe and responsible stewardship of nuclear weapons and fissile material;
- Reduce threats from international terrorism;
- Maintain a balance of power in Asia and in Europe that promotes peace and stability;
- Promote the security of the global energy supply;
- Cooperate in the management of the global economy; and
- Effectively address climate change.

### Political

The frequency of high-level visits and exchanges between India and the U.S. has gone up significantly when Prime Minister Modi visited the U.S. on 26-30 September 2014. He held meetings with President Obama, members of the U.S. Congress and political leaders, including from various States and cities in the U.S.A. and interacted with members of President Obama's Cabinet. He also reached out to the captains of the U.S. commerce and

industry, the American civil society and think-tanks, and the Indian-American community. A Vision Statement and a Joint Statement were issued during the visit.

The visit was followed by President Obama's visit to India on 25-27 January 2015 as the Chief Guest at India's Republic Day. During the visit, the two sides issued a Delhi Declaration of Friendship and adopted a '*Joint Strategic Vision for Asia-Pacific and the Indian Ocean Region*'. Both sides elevated the Strategic Dialogue between their Foreign Ministers to Strategic and Commercial Dialogue of Foreign and Commerce Ministers. The first meeting of the Strategic and Commercial Dialogue at the level of EAM and MoS (Commerce and Industry) was held in Washington DC on 22 September 2015, it has added a commercial component to the five traditional pillars of bilateral relations on which the erstwhile Strategic Dialogue has focussed, namely:

- Strategic Cooperation;
- Energy and Climate Change, Education and Development;
- Economy, Trade and Agriculture;
- Science and Technology; and
- Health and Innovation.

India and USA are strategic partners today in the true sense of the term. A partnership between the oldest and largest democracy is about managing every situation by ensuring a continuous dialogue and channeling of differences into crafting new opportunities.

### Forums for Political Cooperation

#### Instituted Dialogue Mechanism

There are more than 50 bilateral dialogue mechanisms between the two governments. In addition, there are Ministerial-level dialogues involving finance, commerce, HRD, Science and Technology and energy.

A new High-level Consultation between Foreign Secretary of India and the U.S. Deputy Secretary of State, and a Policy Planning Dialogue were launched in September 2015.

India and the US also held the first edition of the 2+2 dialogue in New Delhi in September 2018, indicating a new maturity in the relationship.

#### Strategic Consultations

India and U.S. have in recent years, instituted structured dialogues covering East Asia, Central Asia, West Asia,

Africa and the Indian Ocean Region. India and the U.S. also have trilateral with Japan and with Afghanistan.

Matters relating to international security and disarmament, and multilateral export control regimes are reviewed under the Strategic Security Dialogue. Issues relating to high-technology trade are discussed in the India-U.S. High Technology Cooperation Group (HTCG).

The two sides have agreed to work closely for India's phased entry into the global export control regimes to strengthen global non-proliferation, arms control, as well as nuclear security.

Along these lines, US support was crucial for India's entry into Missile Technology Control Regime (MTCR) in June 2016, Wassenaar Agreement in December 2017 and Australia group in January 2018.

### International Cooperation

India and the United States cooperate closely at multilateral organizations, including the United Nations, G-20, Association of Southeast Asian Nations (ASEAN) Regional Forum, International Monetary Fund, World Bank, and World Trade Organization. The United States welcomes India joining the UN Security Council in 2021 for a two-year term, and supports a reformed UN Security Council that includes India as a permanent member. India is an ASEAN dialogue partner, an Organization for Economic Cooperation and Development partner, and an observer to the Organization of American States. India is also a member of the Indian Ocean Rim Association (IORA), at which the United States is a dialogue partner. In 2019, the United States joined India's Coalition for Disaster Resilient Infrastructure to expand cooperation on sustainable infrastructure in the Indo-Pacific region.

### Economic

The U.S. has emerged as India's biggest trading partner in 2022-23 on account of increasing economic ties between the two countries.

The bilateral trade between India and the U.S. has increased by 7.65% to USD 128.55 billion in 2022-23 as against USD 119.5 billion in 2021-22.

Exports to the U.S. rose by 2.81% to USD 78.31 billion in 2022-23 as against USD 76.18 billion in 2021-22, while imports grew by about 16% to USD 50.24 billion.

### Trade and Investment

USA is India's largest trading partner. India-US bilateral goods trade was worth \$113.391 billion from January to December 2021. India exported goods worth over \$73 billion, and imported goods worth a little over \$40 billion dollars. In 2020 – an unusual year because of the pandemic and subsequent economic restrictions – trade fell to a little over \$78.2 billion, from the high of \$92.1 billion in 2019. India had then exported goods worth \$57.8 billion and imported goods worth \$34.2 billion.

### Tax Evasion

India and USA have signed an Inter Governmental Agreement (IGA) to implement the Foreign Account Tax Compliance Act (FATCA) to promote transparency between the two nations on tax matters. The agreement underscores growing international co-operation to end tax evasion everywhere.

### Dialogue Mechanism for Economic Cooperation

There are several dialogue mechanisms to strengthen bilateral engagement on economic and trade issues including:

- Ministerial level Economic and Financial Partnership and a Ministerial Trade Policy Forum.
- For greater involvement of private sector in discussion on issues involving trade and investment, there is a bilateral India US CEO's Forum.
- Smart Cities and Urban Rejuvenation: US firms will be lead partners in developing Prayagraj, Ajmer and Vishakhapatnam as Smart Cities. USAID will serve as knowledge partner for the Urban India Water, Sanitation and Hygiene (WASH) alliance with to help leverage business and civil society (Gates Foundation) to facilitate access to clean water, hygiene and sanitation in 500 Indian cities.

### Defence

Defence relationship has emerged as a major pillar of India-U.S. strategic partnership with the signing of '*New Framework for India-U.S. Defence Relations*' in 2005 and the resulting intensification in defence trade, joint exercises, personnel exchanges, collaboration and cooperation in maritime security and counter-piracy, and exchanges between each of the three services. The Defence Framework Agreement was updated and renewed for another 10 years in June 2015.

AGREEMENT	OBJECTIVE	BENEFITS TO INDIA	POSSIBLE DISADVANTAGES
<b>Logistic Exchange Memorandum of Agreement (LEMoA) or Logistics Support Agreement (LSA)</b>	Will allow both countries to access fuel and supplies from each other's bases. Indian Defence Minister has made it clear that LEMA does not mention the stationing of American troops on Indian soil.	Makes it easier to coordinate military activities. Would help India in carrying out operations in the Indian Ocean and expanding its maritime reach in the Asia Pacific. Will help in correcting logistic deficiencies in tackling security challenges.	There are also fears that under LEMA, the United States would pressure India into allotting portions of its land bases for exclusive military use.
<b>Communication and Information Security Memorandum of Agreement (CISMOA)</b>	Will enable the countries to share confidential intelligence in both peacetime and war using advanced encryption technology.	Indian military will get critical and encrypted defence technologies from the U.S.	Could give the U.S. access to India's encrypted systems. Indian armed forces have expressed their reservations regarding this.
<b>Basic Exchange and Cooperation Agreement (BECA)</b>	Would provide India with topographical and aeronautical data as well as products aiding navigation and targeting.	Would enable technology transfer and seamless communication between the military systems of the two countries.	Could enable the United States to listen to highly confidential defence conversations within India.

### Military Exercises

The two countries now conduct more bilateral exercises with each other than they do with any other country. An Indian Navy ship took part in Rim of the Pacific (RIMPAC) exercise in 2014 for the first time. Exercise Malabar, marine exercise is aimed for secure and prosperous Indian Ocean in specific and maritime partnership and cooperation among participants in general.

Exercise 'Yudh Abhyas' strengthens and broadens interoperability and cooperation between the Indian and US armies. The exercise provided an ideal platform for the personnel of the two countries to share their experiences on counter terrorist operations, especially in mountainous terrain. 14<sup>th</sup> such exercise was conducted in September 2018. Exercise 'Vajra Prahar' is a Indo-US Special Forces joint training exercise conducted alternately in India and the US.

### Defence Acquisition

Aggregate worth of defence acquisition from U.S. Defence has crossed over USD 13 billion. The countries are also holding talks on the supply of F-16 and F/A-18 fighter jets for the Indian Air Force. These defence deals would give a significant boost to the 'Make in India' program.

### Defence Initiatives and Agreements

- Defence Technology and Trade Initiative (DTTI):** India and the United States have launched a Defence Technology and Trade Initiative (DTTI) aimed at simplifying technology transfer policies and exploring possibilities of co-development and co-production to invest the defence relationship with strategic value. The DTTI Working Group and its Task Force will expeditiously evaluate and decide on unique projects and technologies which would have a transformative impact on bilateral defence relations and enhance India's defence industry and military capabilities. The two countries have already finalised four 'pathfinder projects' and two pathfinder initiatives for joint development and production under the DTTI.
- The two sides have not only agreed in principle to transform from mere buyer-seller defence relationship to joint research, co-development and production of high end defence equipment, but have also signed a "Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region".
- Three Foundational Defence Agreements:** Recently, the Indian government has also pursued three crucial bilateral agreements – the Logistic Exchange Memorandum of Agreement (LEMA), the Communication and Information Security Memorandum (CISMOA) and the Basic Exchange and Cooperation Agreement (BECA).

The agreements clearly puts emphasis on building interoperability and capacity of the emerging partners through joint military exercises, training, and defence equipment sales. The change in government policy led to India signing LEMOA (India-specific LEMA) in August 2016, and COMCASA (India-specific CISMOA) in Sep. 2018.

### Civil Nuclear Cooperation

The bilateral civil nuclear cooperation agreement was finalized in July 2007 and signed in October 2008. The 2008 deal exempted India from an international sanctions regime that disallowed India from importing fuel or civilian nuclear technology unless it gave up its nuclear weapons. The US persuaded the international community to end this policy. During Indian Prime Minister visit to the US in September 2014, the two sides set up a Contact Group for advancing the full and timely implementation of the India-US Civil Nuclear Cooperation Agreement, and to resolve pending issues. The Group reached agreement on the compatibility of India's Nuclear Liability Law with relevant international conventions and creation of an insurance pool drawing experience of best practices to take care of nuclear liability risk. The two sides have started the preparatory work on site in India for six nuclear reactors to be set up in Andhra Pradesh.

### India-US Civil Nuclear Deal

India and the United States had signed the civilian nuclear deal in 2008 but differences remained over an Indian Nuclear Liability Law that makes equipment suppliers ultimately responsible for an accident. Countries like France and the US had been asking India to follow global norms under which the primary liability lies with the operator.

The issue of nuclear liability had been a bone of contention on reaching an agreement. As per the international norms, in case of any accident, the Indian government would have to pay heavy damages because all the nuclear plants in the country are run by the state-owned Nuclear Power Corporation of India (NPCIL).

India had ruled out changes in its 2010 liability legislation (Civil Liability for Nuclear Damage Act, 2010) but offered to set up an insurance pool to indemnify companies that build reactors in the country against liability in case of a nuclear accident.

Breakthrough was achieved during President Obama visit to India in 2015. The deadlock over the nuclear deal has been done away with during a one-on-one talk between the two countries head.

### New Plan

As per a new plan, those companies engaged in building nuclear reactors in India would buy insurance from the

state-run reinsurer GIC Re. The companies would then recoup the cost by charging more for their services. Alternatively, the NPCIL would take out insurance on behalf of these companies.

### Energy and Climate Change

The U.S. India Energy Dialogue was launched in May 2005 to promote trade and investment in the energy sector, and held its last meeting in September 2015 in Washington DC. There are six working groups in oil & gas, coal, power and energy efficiency, new technologies & renewable energy, civil nuclear co-operation and sustainable development under the Energy Dialogue.

Investment by Indian companies like Reliance, Essar and GAIL in the U.S. natural gas market is ushering in a new era of India-U.S. energy partnership. The US Department of Energy has so far given its approval for export of LNG from seven liquefaction terminals in the US, to countries with which the US does not have a free trade agreement (FTA) - with two of these five terminals, the Indian public sector entity, Gas Authority of India Limited (GAIL) has off-take agreements.

As a priority initiative under the *PACE (Partnership to Advance Clean Energy)*, the U.S. Department of Energy (DOE) and the Government of India have established the Joint Clean Energy Research and Development Center (JCERDC) designed to promote clean energy innovations by teams of scientists from India and the United States, with a total joint committed funding from both Governments of USD 50 million.

India and the US are advancing cooperation and dialogue on climate change through a high-level Climate Change Working Group and a *Joint Working Group on Hydrofluorocarbon*. India has also become the latest Asian country to buy U.S. crude after South Korea, Japan, China, Thailand, Australia and Taiwan, as the countries seek to diversify oil imports from other regions after the OPEC cuts drove up prices of Middle East heavy-sour crude, or grades with a high sulfur content.

### USA Rejoined Paris Climate Pact under Joe Biden

Former USA President Donald trump pulled out USA from Paris Climate deal. After the tenure of Trump, Joe Biden won in the elections of USA in 2020. On his first day in office, President Biden signed the instrument to bring the United States back into the Paris Agreement. As per the terms of the Agreement, the United States officially became a Party again

The United States and India launched the '*U.S.-India Climate and Clean Energy Agenda 2030 Partnership*'. Led by President Biden and Prime Minister Modi, the Partnership will represent one of the core venues for U.S.-

India collaboration and focus on driving urgent progress in this critical decade for climate action. Both the United States and India have set ambitious 2030 targets for climate action and clean energy. In its new nationally determined contribution, the United States has set an economy-wide target of reducing its net greenhouse gas emissions by 50–52 percent below 2005 levels in 2030. As part of its climate mitigation efforts, India has set a target of installing 450 GW of renewable energy by 2030. Through the Partnership, the United States and India are firmly committed to working together in achieving their ambitious climate and clean energy targets and to strengthening bilateral collaboration across climate and clean energy.

### Counter-terrorism and Internal Security

Cooperation in counter-terrorism has seen considerable progress with intelligence sharing, information exchange, operational cooperation, counter-terrorism technology and equipment.

- India-US Counter-Terrorism Cooperation Initiative was signed in 2010 to expand collaboration on counter-terrorism, information sharing and capacity building.
- India and USA have also signed an agreement to join the global terror database maintained by the Terrorist Screening Center (TSC) of the U.S. The U.S. has already finalised such agreements with 30 countries and the Terrorist Screening Center has details of 11,000 terror suspects on its database, including nationality, date of birth, photos, finger prints (if any) and passport numbers.
- Under this initiative, both sides will give each other access to terrorism screening information through designated contact points, subject to domestic laws and regulations, said the statement.

### Science and Technology

Science and technology cooperation between the United States and India strengthens bilateral relationship, promotes economic growth, and allows developing new and innovative technologies and products to address shared challenges. The United States and India believe that science, technology, and innovation are key tools that will help us address global challenges such as climate change, health, education, food, water, and energy security.

The framework of U.S.-India Science and Technology Cooperation Agreement was signed in October 2005.

In 2000, both the governments endowed the India-U.S. Science & Technology Forum (IUSSTF) to facilitate mutually beneficial bilateral cooperation in science, engineering, and health. The U.S.-India Science & Technology Endowment Fund was established in 2009.

Collaboration between the Ministry of Earth Sciences and US National Oceanographic and Atmospheric Administration has been strengthened under the 2008 MOU on Earth Observations and Earth Sciences.

A 'monsoon desk' has been established at the U.S. National Centers for Environmental Prediction. India's contribution of \$250 million towards Thirty-Meter Telescope Project in Hawaii and Indian Initiative in Gravitational Observations (IndiGO) with U.S. LIGO Laboratory are examples of joint collaboration to create world-class research facilities.

### Space

The US played a key role in the early Sixties in establishing the sounding rocket programme that marked the beginning of India's space effort. In subsequent years, NASA helped ISRO in satellite broadcasting and remote sensing – till 1974, when India-US bilateral relations became strained in the wake of India's first nuclear test and, later, the success of its first launch vehicle, the SLV-3, in 1980 (which also demonstrated the country's technological capability to build ballistic missiles). Cooperation between ISRO and NASA came to a standstill after India's nuclear tests in 1998 when the Clinton administration enforced a unilateral embargo on ISRO.

Washington, however, acknowledged this only in 2004 and India-US ties improved as civilian space programmes were made part of the India-US Next Steps in Strategic Partnership (NSSP) agreement.

Since then, both sides have collaborated on climate change research and utilised data from remote sensing satellites for weather forecasting, disaster management support and education. ISRO now launching American satellites certainly marks a dramatic upswing in bilateral space cooperation.

A bilateral Joint Working Group on Civil Space Cooperation provides a forum for discussion on joint activities in space. The last meeting of the JWG was held in September 2015 in Bengaluru. NASA and ISRO are collaborating for India's Mars Orbiter Mission and for a dual-band Synthetic Aperture Radar (NISAR).

In 2013, the US spacecraft Mars Atmosphere and Volatile Evolution mission (MAVEN) entered the Martian orbit just two days before India's Mars Orbiter Mission (MOM) did. NASA'S deep space network provided space navigation and tracking support to MOM, and now ISRO and NASA routinely share data and imagery from these spacecrafts.

Stronger India-US space ties bode well for multilateral cooperation too, with over 50 space agencies across the globe eager to participate in space exploration.

Formulating much-needed space laws needs strong leadership and ISRO's impeccable credentials could see



India play a major role in the United Nations Committee on the Peaceful Uses of Outer Space (COPUOS).

### Diaspora and Cultural Exchanges

The 3.5 million-plus strong Indian American community is an important ethnic group in the U.S., accounting for about 1% of the total population in the country. Indian American community includes a large number of professionals, business entrepreneurs and educationalists with increasing influence in the society. With two Indian Americans occupying high level posts of Governor and several representatives of the people, the Indian Diaspora has assimilated into their adopted country and is acting as a catalyst to forge closer and stronger ties between India and USA.

Cultural cooperation between India and the U.S. is rich and manifested in diverse ways. Apart from the India-focused educational programs at the Universities and educational institutions, many private institutions teach Indian cultural arts. In addition to the website 'www.indianembassy.org' and social media channels, the Embassy provides updated information on various aspects of India that are relevant to the United States, through its various digital newsletters, including the weekly "India: Partner in Growth", focusing on business and strategic matters, and the monthly "India Live", providing information on initiatives of the Embassy and the Consulates, major developments in India, and in culture and tourism.

### Other Areas of Cooperation

- **Health:** Under the 2010 U.S.-India Health Initiative, four working groups have been organized in the areas of Non-Communicable Diseases, Infectious Diseases, Strengthening Health Systems and Services, and Maternal and Child Health. In the first meeting of the Health Dialogue in September 2015 in Washington DC, both sides agreed to collaborate institutionally in the new areas of mental health and regulatory and capacity-building aspects of traditional medicine.
- **Education:** Cooperation in education sector has been made an integral part of the strategic partnership between the two countries. The Fulbright program was renewed in 2008, with enhanced mandate and joint funding, to provide more student and scholar exchange grants. About 130,000 Indian students are pursuing advanced degrees in the US. Under the Global Initiative of Academic Networks (GIAN) launched by India, upto 1000 American academics will be invited and hosted each year to teach in Indian universities at their convenience. The two sides are also collaborating to establish a new Indian Institute of Technology in Ahmedabad.

USA has passed *Gandhi-King Scholarly Exchange Initiative* to inspire young leaders from both countries to work together to advance civil rights, social justice etc.

- **Cyber Security:** Cooperation on cyber issues is a key component of the bilateral relationship between India and the United States. The two countries have a Strategic Cyber Relationship that reflects their shared values, common vision, and shared principles for cyberspace. India-USA framework on cyber security seeks to promote international security and stability in cyberspace through a framework that recognizes the applicability of international law, in particular the UN Charter, to state conduct in cyberspace and the promotion of voluntary norms of responsible state behavior in cyberspace.
- **Media:** Indian media is present in strength in the U.S., including PTI, IANS, Times of India, The Hindu, The Hindustan Times, Outlook, Pioneer and other Indian media organizations, which have correspondents based in Washington D.C. and other major cities. The TV channels represented in the U.S. include NDTV, Times Now, CNN-IBN and Asia TV. Reflecting the growing relevance of Internet based information dissemination, correspondents from websites like Rediff.com, Firstpost.com based here also cover the India-U.S. relations.

## 22.8 India on USA's 'Asia Pivot' Policy

The US Asia pivot strategy aims to maintain a dominant strategic presence in the Asia-Pacific by reinforcing its long held supremacy in the region. In 2018, USA passed Asia Reassurance Initiative Act (ARIA) as principled US policy for Indo-Pacific.

These strategies comes at a time when rising China's military assertiveness in Asia is growing, America's economic and political power is relatively declining, and the US eagerly looks forward to extricating itself from various conflicts in the greater middle east – Iraq and Afghanistan. India is seen as a lynchpin of these strategies which is quite clear from the US department of Defence guidelines and also from various official statements.

These strategies offers both opportunities as well as challenges for India. It will help further enhance its burgeoning strategic relationship with the US as well as with the Asia-Pacific countries on a range of issues. But key differences between the two countries are likely to emerge regarding the political endgame in Afghanistan, and any US attempt to push India into making a choice

of *'with us or against us'* on important strategic issues in Asia. India would rather prefer its own rebalancing strategy by not allying against any country (China) as its friendly relationship with all the major powers (including China and Russia) holds key to its rise in the coming decades. Besides, its own foreign policy towards the Asia-Pacific region has been evolving over the last two decades. It will thus adopt a very cautious approach towards this pivot strategy.

Meanwhile, India would like to develop a multilateral security architecture wherein all the Asian powers can work together and cooperate on vital economic and political issues for achieving their common interests. The US' economic condition also demands a cooperative approach towards the Asian powers, including China. Amidst recent geo-political changes the US recognizes that India and the US may not agree on every issue but would continue to enhance their strategic partnership. It also emphasises respect for India's strategic autonomy and lauds India for being an important and consequential democracy.

## 22.9 Recent Developments

Prime Minister Narendra Modi had a three-day state visit to the United States adding momentum to the India-USA bilateral relationship.

### Significance of the State visit

- Prime Minister Narendra Modi's 3-day state visit to the US has had a significant impact on India's global standing.
- It highlights the country's dual identity as a spiritual democracy and an economic power.
- The visit showcased India's cultural heritage, diplomatic prowess, and its growing influence on the world stage.
- The bilateral meeting between the two sides brought out several strategic outcomes for India ranging from emerging technologies, space, energy and defence.
- It strengthened the bilateral relationship between India and the U.S.

### The key takeaways from PM's U.S. visit

- Semiconductor Supply Chains - A MoU on Semiconductor Supply Chain and Innovation Partnership was signed between the countries.
- Critical Minerals - India became the newest partner of the U.S.'s Minerals Security Partnership (MSP) to diversify and secure critical mineral supply chains.
- Telecommunications - India and the United States launched public-private Joint Task Forces.

## INDIA - US TIES

STRATEGIC PARTNERSHIP ACROSS SECTORS



<p><b>TECHNOLOGY</b></p> <ul style="list-style-type: none"> <li>▶ The Indo-US Quantum Coordination Mechanism</li> <li>▶ A \$2-million grant programme for joint development of AI</li> <li>▶ Jointly funded research projects on cybersecurity</li> </ul> <p><b>DEFENCE</b></p> <ul style="list-style-type: none"> <li>▶ Adoption of the Defense Industrial Cooperation Roadmap</li> <li>▶ A defence acceleration platform for joint tech innovation</li> </ul> <p><b>ENERGY TRANSITION</b></p> <ul style="list-style-type: none"> <li>▶ An India-US multibillion-dollar investment fund for green tech</li> <li>▶ India to co-lead multilateral Hydrogen Breakthrough Agenda to boost availability of low-carbon hydrogen globally</li> </ul>	<p><b>TRADE</b></p> <ul style="list-style-type: none"> <li>▶ Mutual resolution of six WTO trade disputes</li> <li>▶ India now part of the Minerals Security Partnership</li> </ul> <p><b>SPACE</b></p> <ul style="list-style-type: none"> <li>▶ Nasa, Isro to develop strategic framework for human spaceflight by the end of 2023</li> </ul> <p><b>IMMIGRATION</b></p> <ul style="list-style-type: none"> <li>▶ New US consulates in Bengaluru and Ahmedabad; an Indian consulate in Seattle</li> </ul> <p><b>AVIATION</b></p> <ul style="list-style-type: none"> <li>▶ Boeing to invest \$100 mn to train 31,000 pilots in India in 20 years</li> </ul>
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- India's Bharat 6G and the U.S. Next G Alliance will co-lead this public-private research.
- Space - India has signed the Artemis Accords, a common vision of space exploration for the benefit of all humankind. To know more about this, Click [here](#).
- Quantum tech - A Joint Quantum Coordination Mechanism was established to facilitate joint research between the public and private sectors across both countries.
- iCET - 'Innovation Handshake', a commercial Dialogue will be launched to connect each country's start-up ecosystems, supporting U.S.-India Initiative on Critical and Emerging Technology (iCET).
- Civil Aviation - Air India strike a historic agreement with Boeing to acquire more than 200 American-made aircraft.
- Defence - The India-U.S. Defence Acceleration Ecosystem (INDUS-X) was inaugurated joint innovation on defense technologies integrating India's private defense industry.
- Student Exchange - Launched a new Joint Task Force of the Association of American Universities and leading Indian educational institutions, including the Indian Institutes of Technology.
- Research - Launched a university network of Indo-U.S. Global Challenge Institutes to help create more research partnerships and exchanges in agriculture, energy, health, and technology.
- Energy - USAID signed an MOU with the Ministry of Railways to work together on Indian Railways' target to become a "net-zero" carbon emitter by 2030.
- India and the United States committed to creating innovative investment platforms for Green Technology.
- Medicine - The U.S. National Cancer Institute through two new grants to develop an artificial-intelligence (AI)-enabled digital pathology platform.

## 22.10 Challenges in Relations

The relationship between India and USA has been a mix of dilemma and confusion. Since 1974, India and USA have seen many instances of waxing and waning in the bilateral relationship. The India-USA relation does face issues hampering national interest of one or the other. Some of the challenges in the Indo-US relations are:

### Maintaining Strategic Autonomy

India maintains good relations with Russia and Iran. This has been under stress after India's tilt towards US post-Cold war. India's relations with Moscow are challenged by continuing escalation of tensions between US and Russia. This was witnessed in the form of US sanctions threat when India planned to buy the S-400 missiles from Russia. Similarly, US withdrawal from Iran deal posed a challenge to India's energy security interests. However, Indian must beware of seeing the US relationship in terms of a checklist of Indian expectations alone. India should also gradually move from its traditional obsession with preserving its strategic autonomy in the face of external pressure to a broader acceptance of its own responsibilities in shaping the world in which it wants to thrive.

### Visa Issue

- The U.S. has tightened the norms for issuing the most sought-after H1B and L1 visas in line with the Trump administration's goal to protect American workers from discrimination and replacement by foreign labour.
- The H1-B visa is a non-immigrant visa given by the United States to employ skilled workers from other countries for various specialised fields of occupation for a certain period of time.
- The change in the visa programme is to be brought through H1-B visa programme Bill. It prohibits companies from hiring H1-B employees if they employ more than 50 people and more than 50 per cent of their employees are H1-B and L-1 visa holders.

### Impact on India

- If changes in the Bill get through, the resultant increase in employee wages will be a cost worry for the IT industry.
- The Indian firms will face the challenge of increased local hiring and wage hikes that may hit their margin.
- Indian IT stocks fell by as much as 4 per cent after the re-introduction of the bill.

## Trade Issues

### Solar Issues

India has lost the Domestic Content Requirement (DCR) case related to solar cell manufacturing against US in WTO. The body declared that the DCR requirement in India's Jawaharlal Nehru National Solar Mission violates WTO trade agreement. The ruling will affect India's 100 GW solar energy target and raise the production cost.

Recently, US approached the WTO demanding action against India for non-compliance of the ruling. India, however, has maintained that it has complied with the WTO's ruling and had requested the WTO to set up a panel to determine its compliance with the rulings of the dispute. WTO's dispute settlement body has agreed to this and set-up a panel to determine whether India has complied with its ruling in a case against the US regarding domestic content requirements for solar cells and modules.

### Intellectual Property Rights (IPR)

The United States Trade Representative's (USTR) *Special 301 Report*, has kept India on a priority watch list. The report is an annual assessment of the state of IP laws in countries having trade relation with USA.

India asserts that its IP laws are compliant with WTO's Trade Related Intellectual Property Rights (TRIPS) and has objected 'TRIPS Plus' requirements in international trade deals.

The U.S. is against India's compulsory licensing laws for drugs in the interest of public health as well as against Section 3(d) of the India Patent Act, which prevents patents from being taken out on a product unless its efficiency is significantly enhanced.

### Trade War

A trade war is when a nation imposes tariffs or quotas on imports, and foreign countries retaliate with similar forms of trade protectionism. China and the United States are locked in an ongoing trade war as each country has introduced tariffs on goods traded between each other. US claims unfair trade practices and theft of intellectual property as the basis for its actions. Trump administration said the tariffs were necessary to protect intellectual property of U.S. businesses, and to help reduce the U.S. trade deficit with China. The policy has seen new front with change of administration in the USA under Joe Biden's leadership.

Trade wars slowdown the global economy, damage the rules-based trading system under WTO, disturb financial markets and disrupt global supply chains. While trade wars may present a short-term opportunity for India to reduce its trade deficit with China, the negative impacts outweigh the minor benefits India could attain.

### Issue of Poultry

The U.S. had filed a case against India's prohibition on importation of various agricultural products (including poultry) from the U.S. because of concerns related to Avian Influenza (bird flu).

The U.S. had objected the ban as it was against WTO norms and had hurt its poultry exports to India. The WTO Appellate Body had found that India's import prohibition 'discriminatory' and 'more trade-restrictive than required'.

### Totalization Agreement

Totalization agreements are a means of protecting the benefit rights of workers whose working career is spread over two or more countries.

Currently, more than five lakh Indian-origin professionals are working there and they contribute more than \$1 billion annually to the US social security system.

The absence of the Totalisation agreement means that the Indian-origin workers, who are working in the US, will not get back their social security contributions unless they spend minimum ten years in that country.

If the two countries sign this agreement with each other, professionals of both the countries would be exempted from social security taxes when they go to work for a short period in the other country.

### Pakistan

Since 9/11, the U.S. has disbursed over \$25 billion in military and economic aid to Islamabad. The U.S. Department of Defence also awarded a \$170 million contract for nine 'AH-1Z Viper' attack-helicopters to Pakistan to be manufactured by Bell Helicopters.

India disagreed with the U.S. rationale that such arms transfers (to Pakistan) help to combat terrorism.

However, the new US administration has signalled a shift in its policy through the New Security Strategy which seeks to apply pressure on Pakistan to intensify

its counter-terrorism efforts and demonstrate that it is a "responsible steward" of its nuclear assets. It also said that the United States continues to face threats from "transnational terrorists and militants operating from within Pakistan". Pursuing this policy, US has decided to significantly cut its financial aid to Pakistan.

### 22.11 Conclusion

The USA and India have common democratic values and convergent geopolitical, economic and strategic interest. Hence, the India-US relationship is being increasingly consolidated.

However, like in any such relationship – especially between the world's foremost political, military, economic and technological power and a large developing country advanced in certain sectors of the knowledge economy, but beset with serious problems of poverty as well as at unequal stages of development internally – differences are normal.

Success of the India-US relationship will lie in how effectively the two countries manage the differences that will inevitably arise between them.

### Keywords

Policy (Global strategic partnership, Cold war differences, Non-Aligned Movement, US support for India's permanent membership in UNSC and India's entry into multilateral export control regimes, Civil nuclear agreement (123 Agreement), non-proliferation treaty, Indo-Pacific region, 2+2 dialogue Civil Liability for Nuclear Damage Act), Security (September 2011 attacks Malabar exercise, Defence Technology and Trade Initiative, LEMOA, CISMOA-COMCASA and BECA (three foundational security agreements)), Economic (foreign account tax compliance act), US withdrawal from Paris Climate Pact, Indian American community, NISAR, GIAN.



### TRY SOME MAINS PREVIOUS YEAR QUESTIONS

1. "The USA is facing an existential threat in the form of China, that is much more challenging than the erstwhile Soviet Union." Explain. **(2021)**
2. What is the significance of Indo-US defence deals over Indo-Russian defence deals? Discuss with reference to stability in the Indo-Pacific region. **(2020)**
3. What introduces friction into the ties between India and the United States is that Washington is still unable to find for India a position in its global strategy, which would satisfy India's national self-esteem and ambitions. Explain with suitable examples. **(2019)**
4. India and the USA are two large democracies. Examine the basic tenets on which the two political systems are based. **(2018)**