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# De-Risking the India Relationship: An Action Agenda for the United States

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# Executive Summary

In the wake of a sharp deterioration in U.S.–China and India–China relations, there is an increasing emphasis in U.S. relations with India on military-to-military ties and bloc formation over other forms of relationship-building. Washington is steadily militarizing the Quadrilateral Security Dialogue, or “Quad,” a four-member security group that is intended to counter Beijing, of which New Delhi is a member. This, combined with India’s stalled economy and the outlook for longer-term post-pandemic weakness, is accentuating a risk-prone asymmetry in U.S.–India relations. There also remain key divergences in the specifics of U.S. and Indian interests, even on the question of countering China. Over-militarized U.S.–India relations could help push Asia closer to a paradigm of military blocs, frontline states, and zero-sum games, while also planting seeds for a nationalist backlash against the United States in South Asia as a whole.

The United States should therefore reorient its vital partnership with India according to these four recommendations:

- Limit the relationship’s increasing militarization and instead emphasize nontraditional areas of security cooperation such as climate change and peacekeeping, which lend themselves to inclusion rather than exclusion. The Quad should be returned to its original political-normative focus;
- Create conditions favorable to India’s comprehensive development, particularly in the energy, environmental, and supply-chain spaces, as a lower-risk path toward catalyzing a multipolar Asia;
- Drop demands on India to scale back ties with U.S. adversaries such as Russia and Iran;
- Resist the temptation to use India as a force-multiplier to pressure smaller South Asian states as to their global alignments.

# Background: Post–Cold War convergence

After a generally distant and sometimes tense relationship during the Cold War, the United States and India began to draw closer in the 1990s, when India began opening its economy to foreign trade and investment. Ties remained testy, however, on issues such as nuclear proliferation, humanitarian intervention, and the status of Kashmir.

While India's 1998 nuclear tests triggered major U.S. sanctions, they also prompted a deeper dialogue conducted at the highest levels of both governments. Building on this dialogue, the George W. Bush administration executed a major shift in attitude toward India in early 2005. It determined to help India become a “major global power in the 21<sup>st</sup> century.”<sup>1</sup> This decision was substantially motivated by the rise of China.

Consequently, the Bush administration decided to negotiate a landmark nuclear accord that removed sanctions and effectively legitimized India's nuclear weapons program. In return, India aligned some of its policies with U.S. preferences. It reversed its growing convergence with Iran by voting with the U.S. on the question of Iran's nuclear programs at the International Atomic Energy Agency in 2005 and 2006. These votes helped open the door to international sanctions against Tehran.<sup>2</sup> The U.S.–India relationship subsequently began growing closer; arms sales increased and economic ties deepened.

Progress slowed during President Obama's second term, when disputes on trade and climate change arose. India was reluctant to overtly back the U.S. on the South China Sea question, and New Delhi ruled out a naval presence in the region.<sup>3</sup> India continued to resist U.S. pressure to sign key military-to-military interoperability (foundational or

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<sup>1</sup> “Background Briefing by Administration Officials on U.S.–South Asia Relations.” U.S. State Department, March 25, 2005. <https://2001-2009.state.gov/r/pa/prs/ps/2005/43853.htm>; Ashley Tellis. “India as a New Global Power: An Action Agenda for the United States.” Carnegie Endowment for International Peace, July 14, 2005. <https://carnegieendowment.org/2005/07/14/india-as-new-global-power-action-agenda-for-united-states-pub-17079>.

<sup>2</sup> Shidore, Sarang. “Collateral Damage: Iran in a Reconfigured Indian Grand Strategy.” *India's Grand Strategy: History, Theory, Cases*. Kanti Bajpai, Saira Basit, V. Krishnappa, eds. Abingdon, Oxon. Routledge, 2015.

<sup>3</sup> “India concerned over Chinese presence in PoK: Antony.” *Indian Express*, October 12, 2011. <http://archive.indianexpress.com/news/india-concerned-over-chinese-presence-in-pok-antony/858945/>.

facilitating) agreements.<sup>4</sup> New Delhi also pulled back from increasing the intensity of the U.S.–India–Japan naval exercises known as Malabar.<sup>5</sup>

*Much, though not all, of the U.S.–India convergence over the past two decades can be explained by the spectacular rise of a single global actor – China.*

The election of Prime Minister Narendra Modi in 2014 opened the way to clearing some of these logjams. Though trade disputes persisted, Modi moved quickly to bridge gaps on climate change, a high U.S. priority. India modified its traditional defensiveness on assuming climate commitments and signed the Paris Agreement in 2015 as a major stakeholder with ambitious targets on renewable energy.<sup>6</sup> But the biggest shift in U.S.–India ties concerned the China question.

## China in mind: Militarization and the Quad

Much, though not all, of the U.S.–India convergence over the past two decades can be explained by the spectacular rise of a single global actor – China. The trajectory of U.S.–China ties, including their recent deterioration, provides a context that is crucial for understanding the recent, more risky evolution of the U.S.–India partnership.<sup>7</sup>

### A conflictual U.S.-China trajectory?

U.S.–China ties worsened markedly after 2010, when the two countries began sparring over issues related to the South China Sea and China began militarizing islands in disputed waters.<sup>8</sup> Relations worsened further on the trade, technology, and security

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<sup>4</sup> Rosen, Mark, and Douglas Jackson. "The U.S.–India Defense Relationship: Putting the Foundational Agreements in Perspective." CNA, February 2017. iii. [https://www.cna.org/cna\\_files/pdf/drm-2016-u-013926-final2.pdf](https://www.cna.org/cna_files/pdf/drm-2016-u-013926-final2.pdf); Shukla Ajai. "No defence agreements during Obama's visit." *Business Standard*, January 21, 2013.

[https://www.business-standard.com/article/economy-policy/no-defence-agreements-during-obama-s-visit-110101800053\\_1.html](https://www.business-standard.com/article/economy-policy/no-defence-agreements-during-obama-s-visit-110101800053_1.html).

<sup>5</sup> Khurana, Gurpreet. "Malabar' Naval Exercises: Trends and Tribulations." Issue Brief. National Maritime Foundation, August 5, 2014. [https://www.academia.edu/7879273/India\\_US\\_MALABAR\\_Naval\\_Exercises\\_Trends\\_and\\_Tribulations](https://www.academia.edu/7879273/India_US_MALABAR_Naval_Exercises_Trends_and_Tribulations).

<sup>6</sup> Shidore, Sarang, and Josh Busby. "What explains India's embrace of solar? State-led energy transition in a developmental polity." *Energy Policy* No. 129. 1179–1189.

<sup>7</sup> Swaine, Michael D., Jessica Lee, and Rachel Esplin Odell. "Toward an Inclusive and Balanced Regional Order: A New U.S. Strategy in East Asia." Quincy Institute for Responsible Statecraft. Quincy Paper No. 5, January 2021.

<https://quincyinst.org/wp-content/uploads/2021/01/A-New-Strategy-in-East-Asia.pdf>.

<sup>8</sup> Landler, Mark. "Offering to Aid Talks, U.S. Challenges China on Disputed Islands." *The New York Times*, July 23, 2010. <https://www.nytimes.com/2010/07/24/world/asia/24diplo.html>.

fronts during President Trump's tenure. Late in Trump's term, his administration declassified its Indo-Pacific strategy document, which spells out the more conflictual approach.<sup>9</sup> The United States began framing China as a "great power competitor" and a trade foe, even as China under the authoritarian Xi Jinping asserted its power in its neighborhood by increasing pressure on Taiwan and its neighbors in East Asia. The U.S. is currently "doubling down on dominance" in Asia at a moment China's rapid rise has raised "legitimate concerns" in the region.<sup>10</sup>

President Biden may largely continue the Indo-Pacific strategy shaped under the Trump administration. Two recent articles co-authored by Kurt Campbell, recently appointed Indo-Pacific coordinator on the National Security Council, assert that the "era of engagement with China" has "come to an unceremonious close."<sup>11</sup> While arguing against a Cold War analogy and a strategy of containment, Campbell and his co-authors (including current National Security Adviser Jake Sullivan) nevertheless make the case for a much sharper security and economic competition with China, foreseeing "considerable friction in the near term." Among their recommendations is to lead with a competitive posture and only secondarily allow for cooperation. They also recommend strengthening the balance of power in Asia through force dispersion and creation of a tighter alliance system. President Biden, in a recent interview, spoke in a similar vein, promising "extreme competition" with China without seeking to engage in conflict.<sup>12</sup> All this implies that, though the Biden team will seek to tamp down any escalatory spiral with Beijing, the 2020s are likely to be the most risk-prone decade in Asia since the end of the Cold War.

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<sup>9</sup> "U.S. Strategic Framework for the Indo-Pacific." The White House, 2018.

<https://www.whitehouse.gov/wp-content/uploads/2021/01/IPS-Final-Declass.pdf>.

<sup>10</sup> Swaine, Lee, and Odell. "Toward an Inclusive and Balanced Regional Order." 8–9.

<sup>11</sup> Campbell, Kurt, and Jake Sullivan. "Competition Without Catastrophe: How America Can Both Challenge and Coexist with China." *Foreign Affairs*, September/October 2019; Kurt Campbell and Rush Doshi. "How America Can Shore Up the Asian Order." *Foreign Affairs*, January 12, 2021. <https://www.foreignaffairs.com/articles/united-states/2021-01-12/how-america-can-shore-asian-order>.

<sup>12</sup> "Biden: China should expect 'extreme competition' from US." The Associated Press, February 7, 2021. <https://apnews.com/article/joe-biden-xi-jinping-china-8f5158c12eed14e002bb1c094f3a048a>.

## The Quad and the Indian anomaly

During Prime Minister Modi's first summit with President Obama in 2015, the two leaders issued a traditional joint statement, along with a second statement, focused solely on disputes in the South China Sea, that was implicitly critical of China. A new, expanded geography was also constructed — the “Indo–Pacific” — that added India and South Asia (except Pakistan) to the traditional “Asia–Pacific” region. The U.S.–India convergence on countering China soon went beyond diplomacy and began to acquire a military dimension. The Malabar exercise, initially bilateral, was expanded to include Japan on a permanent basis in 2015.<sup>13</sup>

The Trump administration took this aspect of the bilateral relationship still further. During Trump's term the U.S. Pacific Command was renamed the Indo–Pacific Command. This broader construction of a new geography was intended to balance China and was therefore inclusive but simultaneously exclusionary.<sup>14</sup> These developments went hand-in-hand with the revival of the Quad in 2017, also during the Trump administration.<sup>15</sup> Following the Sino–Indian face-off in the Ladakh region in 2020, Malabar was expanded to include Australia.<sup>16</sup> Thus, an originally bilateral U.S.–India drill has grown to become the Quad's signature exercise, a measure of India's centrality in the group.<sup>17</sup> India has also signed access and logistics agreements with Japan and Australia, marking India's deeper security integration with the non–U.S. members of the group.<sup>18</sup> All these moves are clear indications that the Quad is acquiring the contours of a military bloc.

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<sup>13</sup> Raghuvanshi, Vivek. “Japan To Join Malabar as Permanent Participant.” *Defense News*, October 13, 2015. <https://www.defensenews.com/naval/2015/10/13/japan-to-join-malabar-as-permanent-participant/>.

<sup>14</sup> Shidore, Sarang. “India should beware as ‘the Quad’ evolves toward an informal military alliance in Asia.” *Responsible Statecraft*, August 28, 2020. <https://responsiblestatecraft.org/2020/08/28/india-the-quad-evolves-toward-informal-military-alliance-asia/>.

<sup>15</sup> The Quad was launched in 2007 at the behest of Japanese Prime Minister Shinzo Abe, but it soon became moribund until its revival in 2017. Tanvi Madan. “The Rise, Fall, and Rebirth of the Quad.” *War on the Rocks*, November 16, 2017. <https://warontherocks.com/2017/11/rise-fall-rebirth-quad/>.

<sup>16</sup> After Chinese troops entered areas under Indian control in the Ladakh region, the two militaries clashed in June 2020, with the loss of 20 Indian lives and an unknown number of Chinese casualties.

<sup>17</sup> The centrality of the Quad's military purpose was implied by Biden's national security adviser, Jake Sullivan, in “More, Less, or Different?” *Foreign Affairs*, January/February 2019. <https://www.foreignaffairs.com/reviews/review-essay/2018-12-11/more-less-or-different>.

<sup>18</sup> “India, Japan seal military logistics cooperation pact.” Reuters. September 20, 2020.

<https://www.reuters.com/article/india-japan-idINKBN261172>; “India and Australia sign military base and cyber accords.” Reuters. June 4, 2020. <https://www.reuters.com/article/us-india-australia/india-and-australia-sign-military-base-and-cyber-accords-idUSKBN23B0LC>.

There is, however, one particularly glaring weakness in the Quad from Washington's standpoint. Whereas Japan and Australia are longstanding U.S. treaty allies, India is not. This reflects New Delhi's prized tradition of foreign policy independence, known as "strategic autonomy," which derives from its foundational grand strategy of "nonalignment."<sup>19</sup> India's strategic autonomy doctrine allows it to tilt toward great powers during contingencies but rules out alliances or foreign military bases on Indian soil.<sup>20</sup> This makes India's deeper integration into the U.S. security architecture challenging from Washington's standpoint.

*Having achieved a partial Indian entry into the operational structures of U.S. military alliances, Washington is now pushing to further center India in its security strategy.*

As a major step to overcoming this challenge, the United States succeeded in persuading New Delhi to sign three crucial military-to-military foundational agreements in the 2016–18 period. These were versions of standard agreements Washington's allies have typically signed.<sup>21</sup> The first, the Logistics Exchange Memorandum Agreement, enabled the provision of mutual logistical services between the two militaries. It was billed as a means to simplify payments for exchange of services, but it also created a structure for U.S. access to Indian naval ports and other military facilities. The other two, the Communications, Compatibility and Security Agreement and the Basic Exchange and Cooperation Agreement for Geospatial Intelligence, respectively allow for integrating communication platforms in equipment used by the two militaries and for enabling common geospatial and satellite integration of battlefield terrains

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<sup>19</sup> "History and Evolution of Non-Aligned Movement." Indian Ministry of External Affairs, August 22, 2012. <https://mea.gov.in/in-focus-article.htm?20349/History+and+Evolution+of+NonAligned+Movement>; Sarang Shidore. "Higher Order." *India Today*, December 15, 2016.

<sup>20</sup> <https://www.indiatoday.in/magazine/books/story/20161226-india-us-south-asia-foreign-policy-830047-2016-12-15>.

<sup>21</sup> Vipin, Narang, and Paul Staniland. "Institutions and Worldviews in Indian Foreign Security Policy." *India Review*, 11 (2), 2012. 76–94.

<sup>21</sup> The U.S. had been pushing India to sign these agreements for more than a decade, but previous Indian governments had essentially stonewalled the effort.

during exercises or combat. The texts of these agreements have not been made public, but they are likely to contain clauses for intrusive end-use inspections and other such commitments.<sup>22</sup>

Having achieved a partial Indian entry into the operational structures of U.S. military alliances, Washington is now pushing to further center India in its security strategy.<sup>23</sup> In November 2020, the U.S. Secretary of the Navy stated Washington's desire to locate a new U.S. fleet in or close to Southeast Asia, mentioning India or Singapore as options.<sup>24</sup> A potential staging ground could be located in the Andaman and Nicobar Islands.<sup>25</sup> The ANI are Indian territories located close to the Strait of Malacca, the choke point through which much of China's energy imports pass. A U.S. presence that close to the strait's western entry would provide Washington options to more easily monitor, interdict, or blockade shipping to and from China.

Given India's desire always to project an image of autonomy, the United States is not likely to seek (nor would India agree to) large, permanent bases in India. But neither does it need such bases. The Pentagon has long embraced more flexible options such as "forward operating sites" and "cooperative security locations" that can be activated during times of crisis and serve as de facto bases with a low profile.<sup>26</sup> President Biden's Indo-Pacific coordinator, Kurt Campbell, and National Security Adviser Jake Sullivan have argued that the United States should "diversify some of its military presence toward... the Indian Ocean, making use of access agreements rather than permanent

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<sup>22</sup> India signed the End User Monitoring Agreement with the United States in 2009, but the text reportedly ensured U.S. inspectors would not visit Indian military bases. Happymon Jacob. "Too close for comfort? On the India-U.S. 2+2 meeting." *The Hindu*, September 10, 2018. <https://www.thehindu.com/opinion/lead/too-close-for-comfort/article24910063.ece>.

<sup>23</sup> "Deputy Secretary Biegun Remarks at the U.S.-India Strategic Partnership Forum." U.S. Department of State. August 31, 2020. <https://2017-2021.state.gov/deputy-secretary-biegun-remarks-at-the-u-s-india-strategic-partnership-forum/index.html>.

<sup>24</sup> Robson, Seth. "Navy secretary pitches 1<sup>st</sup> Fleet revival in Western Pacific, possibly based in Singapore." *Stars and Stripes*, November 18, 2020. <https://www.stripes.com/news/pacific/navy-secretary-pitches-1st-fleet-revival-in-western-pacific-possibly-based-in-singapore-1.652617>.

<sup>25</sup> Singh, Abhijit. "Militarising Andamans: The costs and the benefits." *Hindustan Times*, July 29, 2020. <https://www.hindustantimes.com/analysis/militarising-andamans-the-costs-and-the-benefits/story-J3mGWFQS3NqLUiPYwIVb2N.htm>.

<sup>26</sup> Kaplan, Robert. "How we would fight China." *The Atlantic*, June 2005. <https://www.theatlantic.com/magazine/archive/2005/06/how-we-would-fight-china/303959/>.

military bases.”<sup>27</sup> In this capacity the ANI and other Indian locations are plausible sites for U.S. use in China-related contingencies.

## Military exercises and arms sales

U.S.–India military exercises have also grown steadily within and outside the Quad framework. In March 2019 the U.S. conducted a “group sail” in the South China Sea with Japan and Philippines.<sup>28</sup> The United States and India also conducted their first tri-service exercise involving their armies, navies, and air forces, Tiger Triumph, in November 2019. India has, however, not yet joined U.S. freedom of navigation operations, in which the United States military flies and sails within the 12–nautical-mile territorial limits of disputed islands in the South China Sea. There are serious proposals for increasing the complexity of U.S.–India exercises and also expanding them to include smaller South Asian states such as Sri Lanka and Bangladesh.<sup>29</sup>

Arms sales are another major dimension of the growing militarization of ties.<sup>30</sup> The United States designated India as a Major Defense Partner in 2016 and elevated it to Strategic Trade Authorization Tier 1 status in 2018, enabling India to purchase more sensitive military technologies than previously allowed.<sup>31</sup> Cumulative U.S. arms sales increased to \$20 billion in 2020, from close to zero in 2008.

## The United States: From partner to patron?

The evolving U.S.–India security relationship is not a formal alliance, as it does not have a mutual defense commitment embodied in a security treaty. It is China-focused and does not extend to other state rivals of India or the United States.<sup>32</sup>

<sup>27</sup> Campbell and Sullivan. “Competition Without Catastrophe.”

<https://www.foreignaffairs.com/articles/china/competition-with-china-without-catastrophe>.

<sup>28</sup> Werner, Ben. “U.S. Destroyers Active in 2 Separate South China Sea Operations.” United States Naval Institute, May 9, 2019.

<https://news.usni.org/2019/05/09/u-s-destroyers-active-in-2-seperate-south-china-sea-operations>.

<sup>29</sup> White, Joshua. “After the Foundational Agreements: An Agenda for U.S.-India Defense and Security Cooperation.” The Brookings Institution, January 2021.

<https://www.brookings.edu/research/after-the-foundational-agreements-an-agenda-for-us-india-defense-and-security-cooperation/>.

<sup>30</sup> Parpiani, Kashish. “India–US Defence Trade Continuity Under Trump.” Observer Research Foundation, July 2, 2020.

<https://www.orfonline.org/research/india-us-defence-trade-continuity-under-trump-68919/>.

<sup>31</sup> “U.S. Security Cooperation with India: Fact Sheet.” U.S. Department of State, July 21, 2020.

<https://www.state.gov/u-s-security-cooperation-with-india/>.

<sup>32</sup> Non-state actors such as terrorist groups with global reach (e.g., al-Qaeda) are also a common security concern.

However, the three foundational agreements greatly increased arms sales, and increasingly intense and geographically ambitious military exercises serve as institutional and material hooks enabling a qualitatively different U.S. relationship with India. Once the foundational agreements are fully operational, a significant portion of Indian military capacity will enter a relationship of intrusive dependence with the United States, possibly allowing Washington unprecedented access to Indian military communications and deployments.<sup>33</sup> Even though India will formally retain the choice of participation in any U.S.–led contingency, the evolving structure of the relationship, in its bilateral and Quad dimensions, is designed to generate favorable Indian preferences through socialization, institutionalization, and the creation of commercial profit-making stakeholders on both sides. The emerging structure will make it increasingly difficult for India to deviate from U.S. security preferences, even outside the China context, while a corresponding U.S. structural alignment with Indian security preferences is highly unlikely. The U.S.–India partnership is thus at risk of evolving into an informal alliance with patron-client characteristics.

Developments on India’s domestic front and in the wider South Asian neighborhood are further entrenching this asymmetric dependence. The Indian economy, once among the fastest-growing in the world, began slowing appreciably in 2011; growth subsequently fell to a range of 3.5 percent to 5.5 percent.<sup>34</sup> The economy slowed to a crawl in 2019, before the Covid–19 pandemic struck. Against this background, the effects of the pandemic are likely to prove particularly devastating to longer-term economic prospects.<sup>35</sup>

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<sup>33</sup> Karnad, Bharat. "Surrendering strategic space, steaming into trouble." *Security Wise*, December 21, 2019. <https://bharatkarnad.com/2019/12/21/surrendering-strategic-space-steaming-into-trouble/>; for an argument that the foundational agreements will not impinge on India’s strategic autonomy because India formally retains the choice of participation on a case-by-case basis, see Rosen and Jackson. "The U.S.–India Defense Relationship."

<sup>34</sup> Subramanian, Arvind. "India’s GDP Mis-estimation: Likelihood, Magnitudes, Mechanisms, and Implications." Working Paper No. 354. Center for International Development, Harvard University, June 2019, <https://www.hks.harvard.edu/centers/cid/publications/faculty-working-papers/india-gdp-overestimate>.

<sup>35</sup> "Which economies are most vulnerable to covid-19’s long-term effects?" *The Economist*, December 15, 2020. <https://www.economist.com/graphic-detail/2020/12/15/which-economies-are-most-vulnerable-to-covid-19s-long-term-effects>.

India's banking system is saddled with major non-performing assets, manufacturing growth has stalled, and agriculture — the main rural employer — is in deep distress, as evidenced by ongoing farmers' protests across the country. India remains a minor link in most global supply chains. Though its renewable energy policy has had many successes, air pollution and climate change impacts are growing more severe. Relations with important neighbors such as Nepal, Sri Lanka, and Bangladesh are facing increasing stress, and internal polarization is growing as India takes a majoritarian turn that puts its pluralist traditions at risk.

*In a more conflictual Asian scenario, India could evolve into a Cold War-style frontline state, serving chiefly as a western flank for U.S. power projection in China-specific strategies.*

If India fails to emerge from these weaknesses and challenges as a prosperous and internally cohesive economy and society that catalyzes regional stability, U.S. stakes in the relationship are likely to become even more security-centric. In a more conflictual Asian scenario, India could evolve into a Cold War-style frontline state, serving chiefly as a western flank for U.S. power projection in China-specific strategies. India would then effectively become a constrained, subordinate actor in a more militarized U.S.–China competition.

India's decision to sign the foundational agreements, having long resisted doing so, is an early sign of such a dynamic, but it is not the only one. India fell in line with U.S. demands on Iran during the Trump administration's "maximum pressure" campaign against the Islamic Republic.<sup>36</sup> New Delhi was also effectively shut out of the Afghanistan peace process, even though it made major investments in the country's reconstruction in support of the U.S.–led occupation.<sup>37</sup>

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<sup>36</sup> India negotiated an exception to U.S.-imposed sanctions that allowed it to continue participating in a bilateral agreement, signed in 2016, to develop Iran's Gulf of Oman port at Chabahar.

<sup>37</sup> Bagchi, Indrani. "India elbowed out of Afghanistan peace talks." *Times of India*, July 15, 2019. <https://timesofindia.indiatimes.com/world/pakistan/pakistan-to-join-us-russia-and-china-to-craft-prace-pact-with-taliban/articleshow/71911166.cms>

However, the most challenging test for Indian autonomy may be Russia. CAATSA, the 2017 U.S. law imposing sanctions on Iran, Russia, and North Korea, passed by bipartisan majorities in both houses of Congress, also threatens sanctions against third countries to end their defense and energy relationships with Moscow.<sup>38</sup> New Delhi sources close to half of its defense imports from Russia, and India's agreement to purchase Russia's S-400 missile-defense system is squarely on the U.S. radar. The Biden administration is unlikely to ease the sanctions threat; India's response remains to be seen.<sup>39</sup>

## The risks: Blocs and backlash

All the above developments may sound acceptable, even preferable, from Washington's perspective. After all, if a U.S.–China security competition is a feature of our future, wouldn't a more compliant India be beneficial to U.S. interests? Hasn't India's strategic autonomy been a major barrier for U.S. goals in the region?

There is little doubt that the 2020 Chinese military intrusions in Ladakh have seriously harmed New Delhi–Beijing relations. Thus, in the shorter term, pushing India to do more to counter China is an easy sell. However, a weaker and more compliant India is not in the longer-term interests of the United States or the region for three reasons.

First, though the United States and India are converging militarily to counter China, important differences, currently papered over, may lead to mutual frustration in an actual crisis.<sup>40</sup> Potential U.S. conflict zones with respect to China lie primarily in the western Pacific.<sup>41</sup> India's vulnerable geography lies to its west in the Arabian Sea,

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w/70219048.cms; Timor Sharan and Andrew Watkings. "A New Playbook? Europe, India, and Afghanistan beyond 2021." Friedrich Ebert Stiftung Foundation, 2021. <http://library.fes.de/pdf-files/bueros/kabul/17267.pdf>.

<sup>38</sup> United States Congress. "H.R.3364 – Countering America's Adversaries Through Sanctions Act," 2017. <https://www.congress.gov/bill/115th-congress/house-bill/3364/text>.

<sup>39</sup> Bedi, Rahul. "Why Is the US Saying India Could Face Sanctions for Buying Russian S-400 Missile Systems?" *The Wire*, January 20, 2021. <https://thewire.in/security/us-india-sanctions-caatsa-s400-russia>.

<sup>40</sup> Shidore, Sarang. "Why Eurasia Should Matter to India." *Indian Express*, July 5, 2020.

<https://indianexpress.com/article/opinion/web-edits/china-ladakh-galwan-why-eurasia-should-matter-to-india-6491412/>.

<sup>41</sup> Kurt Campbell and Jake Sullivan identify four such hotspots, all of which are far from the Indian mainland. "Competition Without Catastrophe."

through which most of India's critical energy supplies pass, and at the Chinese and Pakistani borders to its north, where its territorial integrity is in play. India is particularly vulnerable in the northwest, the site of recent deadly clashes with China and close to where Pakistan and China meet.<sup>42</sup> China has a deep, alliance-like relationship with Pakistan that is growing stronger as India–China ties deteriorate. India worries most about a coordinated China–Pakistan offensive in its northwest and a Chinese thrust into its remote northeast.

Thus, the geographies of greatest security sensitivity to India and the United States have minimal overlap. In a future China–India border conflict, Washington could help with diplomacy and intelligence inputs. It could also boost arms supplies (though a strapped India would have to pay for those). Such support has value, but as was evident during the 2020 Ladakh crisis, this is unlikely to make a decisive difference. Nor is the maritime-focused Quad likely to play a direct military role in these circumstances. For its part, India has neither the incentive nor the capacity to be dragged militarily into a crisis in the western Pacific.

Indian and U.S. operational theaters could, however, potentially converge in the Strait of Malacca, located close to the Andaman and Nicobar Islands. In a U.S.–China contingency, India could in theory play a major role in supporting the United States, through base access and direct naval participation or by executing or maintaining a blockade or interdiction effort. However, such a blockade is difficult to enforce and would be likely to prove highly escalatory from Beijing's standpoint, making it a high-risk venture for New Delhi.<sup>43</sup>

In sum, a divergence of specific interests and geographies makes joint or coordinated China–specific military action less useful from Washington's standpoint than simple

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<sup>42</sup> Shidore. "Why Eurasia Should Matter to India." Abhijnan Rej. "India's Frontier Paradox." *The Diplomat*, August 22, 2020. <https://thediplomat.com/2020/08/indias-frontier-paradox/>.

<sup>43</sup> Brewster, David. "India–China conflict: A move from the Himalayas to the high seas?" *The Interpreter*, July 10, 2010. <https://www.lowyinstitute.org/the-interpreter/india-china-conflict-move-himalayas-high-seas>.

alliance arithmetic may suggest. The Quad creates asymmetric dependence and the illusion of an alliance, without the needed equity and granular congruence of interests.

Second, the increasing militarization of the Quad is a destabilizing factor in the broader international system. It is arguable that the rise of the Quad and India's increasing presence in the U.S. Indo-Pacific strategy incentivized China to act as it did in Ladakh in 2020.<sup>44</sup> And, if not China's main driver then, the Quad could well be so in the future, as it gels into a harder bloc-like structure that can be used for compellence as much as deterrence.

## *The increasing militarization of the Quad is a destabilizing factor in the broader international system.*

U.S.-led bloc formation can have other undesirable consequences. Russia has recently backed China in opposing the Quad, the latest sign of an increasing Russia–China entente.<sup>45</sup> While global economic interdependence acts as a dampener, a mutually reinforcing dynamic of adversarial blocs (a case of the “security dilemma” in action)<sup>46</sup> detracts from the stability of the region and the international system.<sup>47</sup>

There are good reasons U.S. allies and partners such as South Korea, Philippines, Thailand, and Singapore, and quasi-adversaries of China such as Vietnam, have not joined the Quad. Vietnam even referred to it candidly as a “military alliance.”<sup>48</sup> Though South Korea and Vietnam participated in a “Quad–Plus” meeting during the coronavirus crisis, China was not the focus of the event.<sup>49</sup> The Association of Southeast Asian

<sup>44</sup> Sun, Yun. “China’s Strategic Assessment of the Ladakh Clash.” *War on the Rocks*, June 19, 2020. <https://warontherocks.com/2020/06/chinas-strategic-assessment-of-the-ladakh-clash/>.

<sup>45</sup> Haidar, Suhasini. “Russia says U.S. playing Quad ‘game’ with India.” *The Hindu*, December 9, 2020. <https://www.thehindu.com/news/national/russia-says-us-playing-quad-game-with-india/article33291351.ece>.

<sup>46</sup> For an explanation of the “security dilemma” concept, see Wivel, Anders. “Security dilemma.” Encyclopedia Britannica, January 7, 2019. <https://www.britannica.com/topic/security-dilemma>.

<sup>47</sup> Wuthnow, Joel. “Contested strategies: China, the United States, and the Indo-Pacific security dilemma.” *China International Strategy Review*, No. 1. 99–110, June 2019. <https://link.springer.com/article/10.1007/s42533-019-00006-x>.

<sup>48</sup> Parashar, Sachin. “As Quad meets, Vietnam ambivalent about the group.” *Times of India*, November 15, 2018. <http://timesofindia.indiatimes.com/articleshow/66637725.cms>.

<sup>49</sup> Grossman, Derek. “Don’t Get Too Excited, ‘Quad Plus’ Meetings Won’t Cover China.” RAND Corporation, April 9, 2020. <https://www.rand.org/blog/2020/04/dont-get-too-excited-quad-plus-meetings-wont-cover.html>.

Nations, or ASEAN, for its part, has sought to stay neutral – a rational choice for a group of nations whose prosperity depends on strongly cooperative ties with both sides.<sup>50</sup>

Third, there are wide Indo–U.S. divergences on policies with other key actors – namely Pakistan, Afghanistan, Iran, and Russia. India has aligned with Washington on Iran in most cases, put up with Washington’s twists and turns on Pakistan and Afghanistan, and worries about U.S. sanctions related to its strategically vital relationship with Russia.

If India begins to perceive more risks than gains from the U.S. partnership, positive attitudes toward Washington could sour and turn into a nationalist backlash. This is more likely if the asymmetry of power between the two worsens in the context of an increasingly securitized U.S. relationship. The example of Pakistan is pertinent.

Pakistan’s role as a securitized frontline state in countering the Soviet Union in the 1980s enabled greater authoritarianism and extremism in its state and society. Pakistan’s second wind in such a role, in 2001 (after the September 11 attacks), enabled even greater anti–U.S. sentiment among Pakistanis, which undermined U.S. objectives in the region.<sup>51</sup> In general, when the United States has relied on heavily militarized relationships with its partners in the Global South, the results have often led to less democracy and an anti–American backlash in those countries in the long term.<sup>52</sup> India is not currently susceptible to this scenario, but anticipating and minimizing risks before they materialize is what prudent policy planning is all about.

## Recommendations: A new action agenda

Given all these complexities and challenges, what should the United States do to achieve favorable and durable outcomes in its India relationship?

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<sup>50</sup> Sulaeman, Fadhil. “ASEAN, The Quad, and China: Security Contestation for the Indo–Pacific Region.” ASEAN Studies Center, April 20, 2020. <https://asc.fisipol.ugm.ac.id/2020/04/20/asean-the-quad-and-china-a-security-contestation-for-the-indo-pacific-region/>.

<sup>51</sup> Carpenter, Ted Galen, and Malou Innocent. *Perilous Partners: The Benefits and Pitfalls of America’s Alliances with Authoritarian Regimes*. Washington. Cato Institute., 2015. Ch. 14.

<sup>52</sup> Carpenter and Innocent. *Perilous Partners*.

A U.S.–India preferential partnership of some kind is almost inevitable given the rise of China under Xi Jinping – toward which wariness will, and should, persist. Additionally, the presence of an increasingly influential Indian diaspora in the United States and India’s membership in the English-speaking Anglosphere make close ties natural and desirable. The core question concerns the content and intent of this partnership. And here there is much to do, and much to correct, when it comes to Washington’s current approach.

*The Quad should be repurposed from a military mission, which has become its core calling, to its original political-normative understanding.*

First, the United States should step back from the deepening militarization of its India relationship. This does not mean an end to bilateral military ties. There are good reasons to maintain such ties – for combating nontraditional security threats such as climate change, terrorism, and cyberattacks, for instance.<sup>53</sup> But the ongoing progression of the Quad toward a military bloc-like structure, ever-growing U.S. arms sales to India, operationalization of the foundational agreements, and similar measures should not be pursued. The Quad should be repurposed from a military mission, which has become its core calling, to its original political-normative understanding. This implies a grouping of pluralist democracies employing a techno-economic, soft-balancing, and normative approach toward China rather than military bloc formation, arms racing, and intensifying exercises.<sup>54</sup> The U.S. should not invite India to participate in freedom of navigation operations or group sails in the South China Sea, and U.S.–India bilateral exercises should be limited to the Indian Ocean region, including the Arabian Sea.

Second, the United States should focus on assisting India to the fullest extent it can to develop into a successful economy and polity. This will have major benefits for the

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<sup>53</sup> Verma, Richard, and Samir Saran. “Digital crossroads: Unlocking the potential of India–US cooperation in cyberspace.” Observer Research Foundation, October 19, 2019.

<https://www.orfonline.org/research/digital-crossroads-unlocking-the-potential-of-india-us-cooperation-in-cyberspace-56803/>.

<sup>54</sup> Shidore. “India should beware as ‘the Quad’ evolves.”

United States in terms of expanded markets and long-term goodwill. It is also a smarter approach for creating alternative poles to China in Asia without the risks that come with excessive militarization and bloc formation. India's economic future will be determined primarily by Indians, of course. But there are useful steps that the United States can take that do not involve large U.S. government expenditures.

Helping redirect supply chains to create polycentric hubs of value-addition is perhaps the most important area of joint action, which the U.S. has already recognized.<sup>55</sup> But Washington tends to see the solution in terms of market openings above all else. India, on the other hand, seems to be returning to its old, overly protectionist ways.<sup>56</sup> Creating or developing successful domestic industries is often the result of judiciously combining industrial policy and openness.<sup>57</sup> The United States, along with like-minded partners such as Japan, Taiwan, and South Korea, can initiate an informal dialogue to advance India's industrialization goals, with electronics and renewable energy among key targets. Japan, Australia, and India have taken a first step toward the diversification of Asian supply chains with the launch of the Resilient Supply Chain Initiative in 2020, but this will need to include other key Asian states (including several ASEAN members) to succeed.<sup>58</sup> For its part, India could provide more policy certainty, shore up its infrastructure, and avoid moves that deter investors, such as retroactive taxation.<sup>59</sup>

Third, in an age of pandemics and climate change, the largest threats to global stability and prosperity lie in the area of nontraditional security. Climate change deserves a central place in any extensive collaboration with India. This is an area in which India can serve as a net provider of security.

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<sup>55</sup> "U.S. urges India to enhance its position in global supply chain." *The Hindu*, September 3, 2020. <https://www.thehindu.com/news/international/us-urges-india-to-enhance-its-position-in-global-supply-chain/article32514511.ece>

<sup>56</sup> Chatterjee, Shoumitro, and Arvind Subramanian. "India's Inward (Re)Turn: Is it Warranted? Will it Work?" Ashoka Center for Economic Policy, October, 2020. [https://ashoka.edu.in/static/doc\\_uploads/file\\_1603091486.pdf](https://ashoka.edu.in/static/doc_uploads/file_1603091486.pdf).

<sup>57</sup> Kohli, Atul. *State Directed Development: Political Power and Industrialization in the Global Periphery*. Cambridge: Cambridge University Press, 2004.

<sup>58</sup> "Australia–India–Japan Economic Ministers' Joint Statement on Supply Chain Resilience." Japan Ministry of Trade, Economy and Industry, September 1, 2020. <https://www.meti.go.jp/press/2020/09/20200901008/20200901008-1.pdf>.

<sup>59</sup> Findlay, Stephanie. "Manufacturers look to India to tap market and diversify supply chains." *Financial Times*, December 1, 2020. <https://www.ft.com/content/8d3b89fc-007f-4299-a519-a8bd81a7360b>.

India is among the world's major carbon emitters, coal and oil dominant in its energy mix. Its rapid decarbonization matters hugely in combating planetary warming, which the Biden administration has rightly made one of its highest priorities. The cost-competitiveness of renewable energy enables India to phase out many of its coal plants in the short to medium term. India should consider making a major commitment to reducing coal use and enhancing sustainable transportation during the next global climate conference, to be held in the United Kingdom later in 2021. Washington should also do all it can to curb or disincentivize growing U.S. exports of coal and natural gas to India and make good on its Paris Agreement commitments of financial and technology transfers to developing nations, including India.

Enabling larger volumes of low-cost finance for renewables projects in India will also make a major difference. This will require a willingness to underwrite a portion of the investment risk (e.g., foreign exchange risk) to send the appropriate market signal.<sup>60</sup>

The United States could also join the International Solar Alliance, which India and France co-founded in 2015.<sup>61</sup>

The United States and India can also enhance their cooperation on climate security. There is a major opportunity for the Indian military to work with the United States and other Asian countries (including China) in preparing the region for greater natural disasters.<sup>62</sup> Cooperation during the Asian tsunami in 2004 provides an excellent template. This is an area in which military cooperation can be highly productive.<sup>63</sup> But broader approaches, such as through the Coalition for Disaster-Resilient Infrastructure are equally critical.<sup>64</sup> The CDRI, which India helped found in 2019, is a multilateral

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<sup>60</sup> "Common Risk Mitigation Mechanism." Council on Energy, Environment and Water. <https://www.ceew.in/common-risk-mitigation-mechanism-crmm>.

<sup>61</sup> "The United States and India: Forging An Indispensable Democratic Partnership." Center for American Progress, January 2018. <https://cdn.americanprogress.org/content/uploads/2018/01/16075217/1IndiaTaskForce-report.pdf>; Sarang Shidore and Joshua Busby. "One more try: The International Solar Alliance and India's search for geopolitical influence." *Energy Strategy Reviews*, No. 26, 2019. <https://www.sciencedirect.com/science/article/pii/S2211467X19300781>.

<sup>62</sup> Shidore, Sarang, and Rachel Fleishman. "Climate Security and the Strategic Energy Pathway in South Asia: Part of the 'World Climate and Security Report 2020' Brief Series." Expert Group of the International Military Council on Climate and Security. Erin Sikorsky and Francesco Femia, eds. Center for Climate and Security, February 2021. [https://imccs.org/wp-content/uploads/2021/01/Climate-Security-and-the-Strategic-Energy-Pathway-in-SOUTH-Asia\\_February-2021.pdf](https://imccs.org/wp-content/uploads/2021/01/Climate-Security-and-the-Strategic-Energy-Pathway-in-SOUTH-Asia_February-2021.pdf).

<sup>63</sup> Shidore and Fleishman. "Climate Security."

<sup>64</sup> <https://cdri.world/index.php>

organization for expanding research and knowledge sharing in the fields of infrastructure risk management.

Climate-magnified instability and conflict will likely require more multilateral peacekeeping efforts in the future. India can collaborate more with the United States to strengthen the United Nations peacekeeping mission. India is already among the world's largest contributors to U.N. peacekeeping. The United States and India have trained African peacekeepers since 2016 and propose to do so for Southeast Asian countries.<sup>65</sup> These efforts should be expanded, potentially to Latin America.

*There is a major opportunity for the Indian military to work with the United States and other Asian countries, including China, in preparing the region for greater natural disasters.*

Third, the United States should refrain from its customary demand that India scale back ties with U.S. adversaries. In the U.S.–India context, this means Iran and Russia. India has strong, rational reasons to maintain good relations with both. Washington could instead see India as a valuable conduit for engaging these powers. Iran is a lower-cost source for Indian energy imports and a key player in Afghanistan, where India has legitimate interests. Even America's closest allies, Germany among them, have condemned the CAATSA sanctions legislation Congress passed in 2017.<sup>66</sup> Ideally, CAATSA should be repealed. Failing that, the law should be amended to allow for long-term, country-specific waivers, and these should be extended to India.

Fourth, the United States should discreetly encourage India to reverse its current slide toward majoritarianism. Recent policies in India on marriage and citizenship have raised concerns among civil society groups and may be detrimental to longer-term stability in

<sup>65</sup> Peri, Dinakar. "India, U.S. looking at training South East Asian nations in U.N. peacekeeping," *The Hindu*, November 15, 2020. <https://www.thehindu.com/news/national/india-us-looking-at-training-south-east-asian-nations-in-un-peacekeeping/article33102175.ece>.

<sup>66</sup> Chazan, Guy. "Angela Merkel warns Joe Biden to expect 'arguments.'" *Financial Times*, January 21, 2021. <https://www.ft.com/content/dd91914e-3bf2-4fb8-871a-fcef4da10dc0>.

the region.<sup>67</sup> Though such policies resonate with a major section of the Indian electorate, they conflict with stated U.S. values. They are also inconsistent with the Quad’s normative dimension of democracy and pluralism.

Fifth, the United States should resist the temptation to use India to pressure smaller South Asian states such as Sri Lanka, Nepal, and Bangladesh as to their global alignments, or to include them in military exercises with India.<sup>68</sup> These states have long considered themselves overshadowed by India and have often looked to external powers (which today means China) as a hedging strategy. Geography and relative size dictate that India will always have the upper hand in South Asia. Strategies forcing stark either-or, zero-sum choices can trigger anti-Indian and anti-American nationalism in South Asia that will harm U.S. interests in the long run.

Arguably, the economic, political, and normative aspects of the partnership can be deepened simultaneously with continuing militarization and bloc-building. The drawbacks of the latter have been detailed previously. But an “all of the above” approach is not realistic when the United States has many competing priorities other than India, most important those it must manage at home. Choices will have to be made. With the limited resources and attention available to the India relationship, it is best that these choices benefit the United States in the long term by reducing the risks of wider conflict and nontraditional threats and creating economic opportunities for both countries. This action agenda is intended to contribute to such a reorientation.

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<sup>67</sup> Tellis, Ashley, “India’s Path to the Big Leagues,” Carnegie Endowment for International Peace, September 9, 2020, <https://carnegieendowment.org/2020/09/09/india-s-path-to-big-leagues-pub-82470>.

<sup>68</sup> Kuruwita, Rathindra. “Sri Lanka Will Soon Have to Pick a Side in the China-US Rivalry.” *The Diplomat*, October 27, 2020. <https://thediplomat.com/2020/10/sri-lanka-will-soon-have-to-pick-a-side-in-the-china-us-rivalry/>.

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*The views expressed in this brief are the author's and not necessarily those of the University of Texas, Austin, or the Council on Strategic Risks.*

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