

# Indo-US relations under Modi: the strategic logic underlying the embrace

HARSH V. PANT AND YOGESH JOSHI

In June 2016, Narendra Modi made his fourth visit to the United States as Indian prime minister to address a joint session of the US Congress. Setting out a new vision for the future, he proclaimed that finally Indo-US ties had ‘overcome the hesitations of history’.<sup>1</sup> Within two months of his address, India and the United States agreed to sign a long-pending foundational defence agreement: the Logistics Exchange Memorandum of Agreement (LEMOA), first proposed in 2004. It took approximately a decade for India to sign the agreement, mostly because New Delhi remained hesitant about entering into a close defence partnership with the US. This hesitancy was in turn attributable in part to the ideological remnants of the Cold War adversarial relationship, underpinned by India’s preference for ‘non-alignment’; in part to a leadership which was short on authority, if not conviction.<sup>2</sup>

Since the end of the Cold War, successive Indian governments have signalled a commitment to a robust partnership with the United States.<sup>3</sup> The increasing closeness of the Indo-US relationship over the last quarter of a century is therefore a pan-partisan trend. Even so, in his first two years at the helm since May 2014 Modi brought about a qualitative change in the relationship.<sup>4</sup> Some even argue that a ‘fundamental transformation’ in the Indo-US relationship is under way.<sup>5</sup> From resolving the prickly issue of civil nuclear energy cooperation to significantly upgrading defence cooperation, and in arriving at a common understanding on a range of international issues, Indo-US relations seem to have reached an ‘extraordinarily good place’.<sup>6</sup>

<sup>1</sup> ‘Text of the Prime Minister’s address to the Joint Session of US Congress’, *The Hindu*, 8 June 2016, <http://www.thehindu.com/news/resources/text-of-the-prime-minister-narendra-modis-address-to-the-joint-session-of-us-congress/article8706251.ece>. (Unless otherwise noted at the point of citation, all URLs cited in this article were accessible on 15 Nov. 2016.)

<sup>2</sup> Harsh V. Pant and Julie M. Super, ‘India’s “non-alignment” conundrum’, *International Affairs* 91: 4, July 2015, pp. 747–64.

<sup>3</sup> On Indo-US relations, see Ashley J. Tellis, ‘The transforming US–Indian relationship and its significance for American interests’, in Kanti Bajpai and Harsh V. Pant, eds, *India’s foreign policy: a reader* (Oxford: Oxford University Press, 2013); C. Raja Mohan, *Impossible allies: nuclear India, United States and the global order* (New Delhi: India Research Press, 2006).

<sup>4</sup> Harsh V. Pant, ‘Modi’s unexpected boost to US–India relations’, *Washington Quarterly* 37: 3, Fall 2014, pp. 93–112; Tunku Varadarajan, ‘Modi and the budding US–India alliance’, *Wall Street Journal*, 9 June 2016, <http://www.wsj.com/articles/modi-and-the-budding-u-s-india-alliance-1465426064>.

<sup>5</sup> Pratap Bhanu Mehta, ‘The American hug’, *Indian Express*, 2 April 2016, <http://indianexpress.com/article/opinion/columns/the-american-hug-indo-us-relations-narendra-modi-barack-obama-indias-foreign-policy/>.

<sup>6</sup> ‘Redrawing boundaries would open up a Pandora’s Box: interview with Ashley Tellis’, *Asian Age*, 18 Aug.

This is a remarkable development for two reasons. First, in the last few years under Modi's predecessor, Manmohan Singh, Indo-US relations went off course from the high point symbolized by the Indo-US nuclear deal. Second, since 2005 Narendra Modi had been denied a visa by the US government owing to his alleged involvement in the 2002 Gujarat riots, and an impression lingered in India that the visa issue might cast a shadow over Indo-US ties should Modi's Bharatiya Janata Party (BJP) achieve power.

This article examines the transformation in Indo-US relations in the first two years of the Modi government. It first discusses the state of Indo-US relations before Modi's ascent to the premiership in May 2014. The challenges confronting the relationship were not strictly bilateral; Modi's image and its historical baggage had also made them personal. Subsequently, the article elaborates on the significant progress made in the bilateral relationship during the first two years of the Modi government. The concluding section explains the rationale behind Modi's outreach to the United States. Three factors appear to have had a significant influence: a conviction that India's developmental priorities cannot be met without substantive cooperation with the US; the strong political authority Modi enjoys within his own party and in the Indian parliament; and the structural changes in India's security environment brought about by an aggressive China and its growing strategic convergence with Pakistan.

## Turbulence in US–India ties under the second UPA government

The 2008 civil nuclear deal was the high point of Indo-US relations under Manmohan Singh's first United Progressive Alliance (UPA) government. In this agreement, India and the United States finally unshackled the historical burden of their uneasy relationship. By accepting India as a *de facto* nuclear weapons power, the United States had reversed a four-decades-old policy of containing New Delhi's nuclear weapons programme.<sup>7</sup> The United States, according to the dominant narrative in Washington, was investing in a long-term relationship with India to counter China's meteoric rise in the Asia–Pacific region. For New Delhi, the process of post-Cold War reconciliation with the United States was finally yielding substantive results. The nuclear deal bolstered India's status as an emerging power and rival to China; it also signalled a clear dehyphenation of America's relationship with India and Pakistan which otherwise always strived for a balance in Washington's commitments between the subcontinental neighbours.<sup>8</sup> Henceforth, India and Pakistan were to be treated on the merits of bilateral relationship rather than the need to maintain a balance of power in south Asia. However, though the Indo-US bilateral relationship seemed poised for a dramatic makeover, its subsequent trajectory was far from smooth.

<sup>7</sup> 2016, <http://www.asianage.com/interview-week/redrawing-boundaries-would-open-pandora-s-box-957>.

<sup>7</sup> Mahesh Shankar and T. V. Paul, 'Nuclear doctrines and stable strategic relationships: a case of South Asia', *International Affairs* 92: 1, Jan. 2016, pp. 1–20.

<sup>8</sup> On the US–India nuclear deal, see Harsh V. Pant, *The US–India nuclear pact: policy, process, and Great Power politics* (Oxford: Oxford University Press, 2012).

The 2008 financial crisis left a deep impact on Indo-US relations. If a perception of American decline took hold in India's strategic mindset, under the Obama administration from the beginning of 2009 the United States started engaging with the idea of a Great Power condominium with Beijing.<sup>9</sup> The idea of a G2 (Group of Two), implying an exclusive Sino-American management of global affairs, was strongly contested in New Delhi.<sup>10</sup> Under the George W. Bush administration, India had been seen as a hedge against China. Early signals from President Obama were markedly different: in 2009 US officials communicated to India their reluctance to pursue any balance of power politics in the region,<sup>11</sup> and the initial years of the Obama administration saw the Indo-US strategic partnership losing some of the momentum it had gained during the Bush years. As the G2 concept floundered over China's aggressive behaviour in east and south-east Asia, the Obama administration adopted a more assertive foreign policy posture with the announcement of its 'pivot' to Asia.<sup>12</sup> However, a perception of vulnerability in the face of a US-China condominium had already gained traction in the minds of Indian decision-makers.

Strategic uncertainty and the perception of American decline also rekindled the Congress Party's anti-Americanism and nostalgia for 'non-alignment'. This was most visible in Manmohan Singh's second term in power as prime minister, beginning in 2009. Singh's position was by this point much weaker, as a result of both massive corruption cases brought against his government and increased interference from the Congress Party's high command—Sonia Gandhi and her son Rahul. Moreover, many in the Congress Party were not in tune with Singh's efforts to realign India with the United States.<sup>13</sup> During negotiations on the nuclear deal Manmohan Singh had asserted his authority, signalling his willingness to quit if not supported, and the Congress Party had no other option but to rally behind the Prime Minister. Nevertheless, reservations within the Congress remained, and would impinge upon Indo-US relations in a number of ways.

The first major disappointment in the bilateral relationship was the passage in 2010 of India's nuclear liability law, the Civil Liability for Nuclear Damage (CLND) Act. The most controversial aspect of the legislation was that it implicated suppliers of nuclear materials in responsibility for nuclear accidents, potentially making the US nuclear industry subject to unlimited liability in the event of major accidents in the future. For the US nuclear industry, which had hoped to reap an economic dividend from the civil nuclear deal with India, the legislation was a cause of great concern. If US nuclear firms pulled out of participation in India's nuclear industry,

<sup>9</sup> Harsh V. Pant and Yogesh Joshi, 'Indian foreign policy responds to the US pivot', *Asia Policy*, no. 19, Jan. 2015, pp. 89–114.

<sup>10</sup> Shyam Saran, 'Geo-political consequences of current financial and economic crisis', India Habitat Centre, 29 Feb. 2009, <http://www.armscontrolwonk.com/files/2013/05/Final-Is-Indias-Nuclear-Deterrent-Credible-rev1-2-1-3.pdf>; Jinghan Zeng and Shaun Breslin, 'China's "new type of Great Power relations": a G2 with Chinese characteristics?', *International Affairs* 92: 4, July 2016, pp. 773–94.

<sup>11</sup> Daniel Twining, 'Were India-US relations over sold? Part II', *Foreign Policy*, 12 June 2012, [http://shadow.foreignpolicy.com/posts/2012/06/12/were\\_us\\_india\\_relations\\_oversold\\_part\\_2](http://shadow.foreignpolicy.com/posts/2012/06/12/were_us_india_relations_oversold_part_2).

<sup>12</sup> John J. Mearsheimer, 'The gathering storm: China's challenge to US power in Asia', *Chinese Journal of International Politics* 3: 4, Winter 2010, pp. 381–96.

<sup>13</sup> Sanjaya Baru, *The accidental Prime Minister: the making and unmaking of Manmohan Singh* (New Delhi: Penguin, 2014).

Russia would be able to build nuclear reactors in India under pre-existing agreements dating from 1998.<sup>14</sup> All this engendered resentment in Washington.

The nuclear liability issue was one manifestation of the downward trend in the bilateral relationship; another was wider defence cooperation. This started with New Delhi's bypassing of US defence manufacturers in respect of the medium multiple-role combat aircraft and the eventual decision to opt for the French Rafael. Nevertheless, the US Department of Defense took a step forward in initiating the Defense Technology and Trade Initiative (DTTI) with the aim of creating 'a flexible mechanism to ensure that senior leaders from our nations are persistently focused on the opportunities and challenges associated with growing our defense partnership'.<sup>15</sup> However, the idea gained hardly any traction in the Singh government. The then Defence Minister, A. K. Antony, appeared at best uninterested in and at worst hostile towards the Indo-US defence relationship. Under him, the Indian Ministry of Defence continually declined to engage with the United States, with the effect that the Indo-US political and military dialogue initiated in 2006 virtually ceased to exist.

If the promise of the Indo-US relationship seemed to be withering away, so was the grand strategic premise on which this relationship appeared to have been based: managing China's rise in the Asia-Pacific.<sup>16</sup> Given the uncertainty in the strategic environment, the UPA government preferred a policy of hedging in the emerging strategic competition between China and the United States.<sup>17</sup> In 2010 Obama announced his policy of the 'pivot' (later termed 'strategic rebalancing') to check growing Chinese economic and military assertiveness in the region. However, under the UPA government, Indian foreign policy in response to the 'pivot' was characterized by reluctance and caution. New Delhi indicated a preference for strategic autonomy—for hedging its bets rather than taking sides in this great game—which engendered frustration in Washington.<sup>18</sup> Perhaps the lowest point in the bilateral relationship during this period was reached in December 2013 with the arrest of Devyani Khobragade, India's deputy consul-general in New York.

Manmohan Singh's first term in power marked an apogee in Indo-US relations with the civil nuclear deal of 2008. By 2013, just five years later, the relationship had nose-dived to a new low. Given the conditions before the parliamentary elections in May 2014, the new leadership had its task cut out from the very begin-

<sup>14</sup> G. Balachandran and Kapil Patil, 'Kudankulam nuclear power plant and civil nuclear liability', IDSA issue brief (New Delhi: Institute for Defence Studies and Analyses, 9 Nov. 2012).

<sup>15</sup> US Department of Defense, Office of the Under Secretary of Defence for Acquisitions, Technology and Logistics, 'US-India Defense Technology and Trade Initiative', n.d., <http://www.acq.osd.mil/ic/DTTI.html>.

<sup>16</sup> Nien-Chung Chang Liao, 'The sources of China's assertiveness: the system, domestic politics or leadership preferences?', *International Affairs* 92: 4, July 2016, pp. 817-33; Wu Xinbo, 'Cooperation, competition and shaping the outlook: the United States and China's neighbourhood diplomacy', *International Affairs* 92: 4, July 2016, pp. 835-48.

<sup>17</sup> For official and semi-official reactions, see Saran, 'Geo-political consequences of current financial and economic crisis'; Sunil Khilnani, Rajiv Kumar, Pratab Bhanu Mehta, Prakash Menon, Nandan Nilekani, Srinath Raghavan, Shyam Saran and Siddarth Varadarajan, *Nonalignment 2.0* (New Delhi: Centre for Policy Research, 2012), [http://www.cprindia.org/sites/default/files/NonAlignment%202.0\\_1.pdf](http://www.cprindia.org/sites/default/files/NonAlignment%202.0_1.pdf).

<sup>18</sup> For India's reactions to the US pivot, see Harsh V. Pant and Yogesh Joshi, *The US pivot and Indian foreign policy: Asia's evolving balance of power* (Basingstoke: Palgrave Macmillan, 2015); Harsh V. Pant and Yogesh Joshi, 'Indian navy and US pivot to Asia: it's hedging all the way', *US Naval War College Review* 68: 1, Winter 2015, pp. 47-69.

ning as far as Indo-US relations were concerned—even without the controversies attached to Modi as an individual.

## **Modi's difficult start**

Despite his strong mandate and impressive goals, the 'complications of Modi's personal history' with the United States raised eyebrows over the likely trajectory of Indo-US relations under his leadership in New Delhi.<sup>19</sup> For nearly a decade Modi had been barred from travelling to the United States under the International Religious Freedom Act,<sup>20</sup> even after 2012, when India's highest courts cleared him of complicity in the Gujarat riots. For the United States, Modi remained a pariah even when his popularity rose in many parts of India and he emerged as a favourite for the 2014 general election.

The US view, however, was not universally shared. Both Denmark and Sweden defied the European Union visa ban and reached out to Modi in 2008. The UK followed suit in 2012 when the then British High Commissioner, James Bevan, travelled to Gandhinagar to meet Modi. He was followed by the German and French ambassadors in India.<sup>21</sup> Washington remained unconvinced, and it was only in February 2014 that the United States finally ended its decade-long boycott, when the then US Ambassador to India, Nancy Powell, paid a visit to Modi.<sup>22</sup>

As the political reality of the 2014 elections indicated a clear shift in power in New Delhi, the Obama administration moved swiftly to restore normality in its relations with Modi. For Washington, the message was simple: Modi's 'historic mandate' could 'reenergize the relationship' which had appeared to be drifting during the last years of the Manmohan Singh government.<sup>23</sup>

Modi was equally pragmatic and lost no time in reaching out to the United States, agreeing on a bilateral summit meeting with President Obama in Washington in September 2014. These early indications suggested that despite personal issues of prestige and growing divergence in Indo-US relations under the second UPA government, Narendra Modi as prime minister was determined to get the bilateral relationship back on track.

<sup>19</sup> Ashley Tellis, 'Productive but joyless? Narendra Modi and India-US relations', Carnegie Endowment for International Peace, 12 May 2014, <http://carnegieendowment.org/2014/05/12/productive-but-joyless-narendra-modi-and-u.s.-india-relations/han1>.

<sup>20</sup> 'No entry for Modi into US: visa denied', *Times of India*, 18 March 2005, <http://timesofindia.indiatimes.com/india/No-entry-for-Modi-into-US-visa-denied/articleshow/1055543.cms>.

<sup>21</sup> Indrani Bagchi, 'Denmark, Sweden led the way in ending Modi's global isolation', *Times of India*, 26 May 2014, <http://timesofindia.indiatimes.com/news/Denmark-Sweden-led-the-way-in-ending-Modis-global-isolation/articleshow/35613030.cms>.

<sup>22</sup> 'Nancy Powell meets Modi, US ends 9-yr old boycott', *Hindustan Times*, 13 Feb. 2014, <http://www.hindustan-times.com/india-news/allaboutnarendramodi/us-envoy-nancy-powell-meets-modi-in-gandhinagar-today/article1-1183447.aspx>.

<sup>23</sup> US Department of State, 'US-India relations under the Modi government', testimony before House Foreign Affairs Committee by Neha Desai Biswal, Assistant Secretary, Bureau of South and Central Asian Affairs, 24 June 2014, <http://www.state.gov/p/sca/rls/rmks/2014/229739.htm#>.

## Indo-US relations under the Modi government

Within a few months of coming to power, Prime Minister Modi visited the United States for his first bilateral summit with President Obama. By June 2016, the two heads of state had met on four different occasions, including an unprecedented visit by President Obama to New Delhi as the chief guest at India's Republic Day celebrations in January 2015. This sequence of meetings represents a record for any Indian prime minister: in their first two years in power, Modi's predecessors Narashima Rao, A. B. Vajpayee and Manmohan Singh each had only one bilateral summit with their American counterparts.<sup>24</sup> These frequent high-level exchanges have been able to reinvigorate the relationship.

The changed atmospherics in the bilateral relationship are evident from the importance the two leaders have attached to their summits. If, for Obama, India has been an 'indispensable partner', Modi has on a number of occasions stressed the need to strengthen bilateral relations with the United States. During his September 2014 visit to America, the two heads of state even penned an editorial together in the *Washington Post*, calling themselves 'global partners' and their partnership one that would define the twenty-first century.<sup>25</sup> On a later visit to the United States in June 2016, Modi called upon Obama as a 'friend' with whom he shares a 'special wavelength'.<sup>26</sup> To a certain extent, it is the personalized nature of Modi's diplomacy that has allowed Indo-US relations to emerge out of the past stasis. Atmospherics notwithstanding, from the very beginning Modi's foreign policy practice displayed a firm conviction that if Indo-US relations had to progress, various obstacles that had blocked the path would have to be removed.

During the first bilateral summit the two countries established a Contact Group to address 'all implementation issues, including administrative issues, liability, technical issues, and licensing to facilitate the establishment of nuclear parks in India'.<sup>27</sup> The Contact Group met for the first time in December 2014 in New Delhi, with another meeting in January 2015 just before President Obama's trip to New Delhi. The focus of these meetings remained India's nuclear liability law, passed in 2010 by the UPA government, which, as noted above, held suppliers of nuclear equipment responsible in case of nuclear accidents: this stipulation not only infringed established international norms as enshrined in the Convention for Supplementary Compensation (CSC) for nuclear damage, but had also deterred US firms such as Westinghouse and General Electric from investing in India's nuclear industry.

Since amending the 2010 law would have been impossible for any Indian government, New Delhi approached the liability issue with a two-pronged strat-

<sup>24</sup> Information collected from annual reports issued by the Ministry of External Affairs (MEA), Government of India.

<sup>25</sup> Narendra Modi and Barack Obama, 'A renewed US-India partnership for the 21st century', *Washington Post*, 30 Sept. 2014, [http://www.washingtonpost.com/opinions/narendra-modi-and-barack-obama-a-us-india-partnership-for-the-21st-century/2014/09/29/dac66812-4824-11e4-891d-713f052086a0\\_story.html](http://www.washingtonpost.com/opinions/narendra-modi-and-barack-obama-a-us-india-partnership-for-the-21st-century/2014/09/29/dac66812-4824-11e4-891d-713f052086a0_story.html).

<sup>26</sup> Gardiner Harris, 'President Obama and India's Modi forge an unlikely friendship', *New York Times*, 5 June 2016, <http://www.nytimes.com/2016/06/06/world/asia/india-narendra-modi-obama.html>.

<sup>27</sup> MEA, *Annual Report 2014-15* (New Delhi, 2015), p. 117.

egy.<sup>28</sup> First, it proposed the creation of an insurance pool for prospective nuclear damages suffered by suppliers and primarily funded by the government of India. Second, in private, New Delhi assured the United States that specific provisions of the CLND Act, especially article 46, which deals with responsibility in case of nuclear accidents, would be read selectively, such that operators rather than suppliers would be held responsible by the government of India.<sup>29</sup> These practical measures helped assuage American concerns, and during Obama's visit to New Delhi in January 2015 the two countries declared that the logjam of civil nuclear cooperation had been cleared. New Delhi also followed up quickly on its promises. By June 2015, the government of India had established a national insurance pool of Rs1,500 crores (approximately US\$230 million); in February 2016, India ratified the CSC; and in June 2016, nuclear insurance policies for the Nuclear Power Corporation of India (NPCIL)—the government enterprise which operates nuclear power plants in India—were rolled out by the General Insurance Corporation of India.<sup>30</sup> The success of India's approach in resolving the vexed issue of nuclear liability is evident from the fact that during Modi's visit to the United States in June 2016, the two sides announced the start of preparatory work by Westinghouse to build six nuclear power plants in India.<sup>31</sup>

Closer defence relations have also been a hallmark of Indo-US relations over the past decade. In 2005, the two states had agreed on a ten-year framework for defence cooperation. By 2008, the United States had emerged as the biggest exporter of defence equipment to India. The armed forces of the two nations participate extensively in joint exercises. However, as noted above, in the UPA's second term defence relations between the two states stagnated. By contrast, during the first two years of the Modi government defence cooperation has re-emerged as a key component in the bilateral relationship. Under Modi, the Indian Ministry of Defence (MoD) has become a proactive player in pursuing closer cooperation with the United States. During Modi's September 2014 visit to America, the two sides agreed to extend the defence cooperation agreement for another decade. In June 2015, during the visit to India of US Secretary of Defense Ashton Carter, the 'New Framework for Defence Cooperation' was formally renewed.<sup>32</sup> In September 2014, the two sides had also agreed to reinvigorate the

<sup>28</sup> Robert Einhorn and Waheguru Pal Singh Sidhu, 'Operationalizing India-US civil nuclear energy cooperation', Brookings Institution, 20 Jan. 2015, <https://www.brookings.edu/opinions/operationalising-india-u-s-civil-nuclear-cooperation/>.

<sup>29</sup> Suhasini Haider, 'No liability for supplier unless it is in nuclear contract: MEA', *The Hindu*, 9 Feb. 2015, <http://www.thehindu.com/todays-paper/tp-national/no-liability-for-supplier-unless-it-is-in-nuclear-contract-mea/article6872402.ece>.

<sup>30</sup> 'Nuclear damage liability issue almost resolved: Sitharaman', *Business Standard*, 26 Aug. 2016, [http://www.business-standard.com/article/news-ians/nuclear-damage-liability-issue-almost-resolved-sitharaman-116082901313\\_1.html](http://www.business-standard.com/article/news-ians/nuclear-damage-liability-issue-almost-resolved-sitharaman-116082901313_1.html).

<sup>31</sup> MEA, 'India-US joint statement during the visit of Prime Minister to USA (the United States and India: enduring global partners in the 21st century)', multilateral/bilateral documents, 7 June 2016, [http://mea.gov.in/bilateral-documents.htm?dtl/26879/IndiaUS\\_Joint\\_Statement\\_during\\_the\\_visit\\_of\\_Prime\\_Minister\\_to\\_USA\\_The\\_United\\_States\\_and\\_India\\_Enduring\\_Global\\_Partners\\_in\\_the\\_21st\\_Century](http://mea.gov.in/bilateral-documents.htm?dtl/26879/IndiaUS_Joint_Statement_during_the_visit_of_Prime_Minister_to_USA_The_United_States_and_India_Enduring_Global_Partners_in_the_21st_Century).

<sup>32</sup> Ministry of Defence (MoD) Press Information Bureau, 'Visit of US Secretary of Defence Dr Ashton Carter to India (2-4 June 2015)', India-US joint press release, 3 June 2015, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=122262>.

DTTI to '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'.<sup>33</sup> First established in 2012 at the behest of then Secretary of Defense Leon Panetta, the DTTI had fallen into limbo owing to the negligent attitude of the Indian MoD under A. K. Antony. Senior US officials believe that the idea received a new lease of life under the Modi government.<sup>34</sup> Since the new regime came to power, the DTTI has become the principal forum for negotiations on defence technology cooperation between the two sides, yielding its first success in August 2015 when two project agreements on mobile electric power sources and a 'new generation protective ensemble' were signed.<sup>35</sup> Under the DTTI, working groups on aircraft-carrier technology cooperation and jet-engine technology cooperation have also been established. In June 2016, the Indian MoD and the Pentagon agreed to a 'master information exchange agreement' concerning aircraft-carrier technologies. This agreement will facilitate technology transfers for India's next-generation aircraft-carrier programme.

The most significant shift in India's defence relations with the United States has been the signing of LEMOA in August 2016. This is an India-specific version of the Logistics Sharing Agreement (LSA) which the United States has concluded with all its defence allies and partners across the world. The UPA government had vacillated about the agreement, partly out of concern lest it attract Chinese attention and draw India into a security relationship with the United States, but primarily for ideological reasons: the left-leaning sections of the Congress Party who had championed 'non-alignment' during the Cold War did not want to be seen as aligning India with the United States. The Modi government, undeterred by Chinese concerns and unhampered by the Congress Party's ideological baggage, realized early on that foundational defence agreements such as the LSA—along with BECA (Basic Exchange and Cooperation Agreement) and CISMOA (Communications and Information Security Memorandum of Agreement)—were important facilitators of Indo-US defence cooperation. Rather than providing any permanent basing facilities for US troops, as some critics of the agreement alleged, LEMOA pertains only to 'mutual basing facilities' on a case-by-case basis.<sup>36</sup> It would help the Indian armed forces, especially the navy, to expand its footprint in the maritime domain,<sup>37</sup> and it would facilitate joint exercises conducted by the Indian armed forces with the United States and its many allies in the Asia-Pacific. As in its resolution of the impasse in civil nuclear energy cooperation, the Modi government exhibited remarkable alacrity in removing hurdles in the way of Indo-US defence cooperation.

<sup>33</sup> MEA, *Annual Report 2014–15*, p. 116.

<sup>34</sup> Frank Kendall, 'More than just an idea', *The Hindu*, 25 Feb. 2015, <http://www.acq.osd.mil/ic/Links/DTTI%20-%20The%20Hindu.pdf>.

<sup>35</sup> MEA, *Annual Report 2015–16* (New Delhi, 2016), p. 128.

<sup>36</sup> MoD, 'India and the United States sign the Logistics Exchange Memorandum of Agreement (LEMOA)', 30 Aug. 2016, <http://pib.nic.in/newsite/mbErel.aspx?relid=149322>.

<sup>37</sup> Ajai Shukla, 'Thoughts on LEMOA: India must abandon the minnow mind-set', *Business Standard*, 2 Sept. 2016, <http://ajai.shukla.blogspot.in/2016/09/thoughts-on-lemoa-india-must-abandon.html>.



This closer defence cooperation also underlines another important factor Modi has been able to introduce into the Indo-US equation: New Delhi now appears willing to join hands with the United States in managing the consequences of China's rise in the Indo-Pacific.<sup>38</sup> Unlike the previous UPA regime, Modi has not muted his comments on China's aggressive policies. During his visit to Japan in September 2014, Modi criticized what he called the nineteenth-century mindset of expansionism, an obvious reference to China's assertive behaviour in the South China Sea.<sup>39</sup> The same tone was even more evident in the joint statement issued at the end of Modi's first bilateral summit with President Obama. For the first time, an Indo-US joint statement expressed concerns about 'rising territorial disputes' and threats to freedom of navigation and maritime security. The two leaders also 'called upon all parties to avoid the use, or threat of use, of force in advancing their claims'.<sup>40</sup>

With these objectives in view, the statement underlined the need for the two sides to pursue complementary Asia-Pacific strategies in the context of India's 'Act East' policy and the United States' 'rebalance' to Asia.<sup>41</sup> This was by far the strongest supporting statement issued by any Indian prime minister on America's 'pivot' to Asia. During President Obama's visit to New Delhi in January 2015, the two sides agreed on a 'US-India Joint Strategic Vision for Asia-Pacific and the Indian Ocean', a comprehensive enunciation of a collaborative approach to regional security issues.<sup>42</sup> Clearly, even as the strategic equation in Asia remains mired in uncertainty, Modi appears to take the view that this should translate into more responsibility for countries like India and Japan.<sup>43</sup> This is in stark contrast to the behaviour of the UPA government, which used strategic uncertainty as an excuse for not taking a serious position on Asia's future balance of power. With the coming of the Modi government, India appears ready to become a partner of the United States and its allies in its rebalancing strategy. Consequently, maritime cooperation has received a major impetus. In the joint statement issued during the bilateral summit in September 2014, the two sides had agreed to intensify consultations on maritime security.<sup>44</sup> In April 2016, these commitments were given a formal institutional mechanism with the establishment of the Indo-US Maritime

<sup>38</sup> Wu, 'Cooperation, competition and shaping the outlook', pp. 849-67.

<sup>39</sup> Government of India, Press Information Bureau, 'Text of Prime Minister Shri Narendra Modi's keynote address at the luncheon hosted by Nippon Kiedanren—the Japanese Chamber of Commerce and Industry and the Japan-India Business Cooperation Committee', 1 Sept. 2014, [http://www.pmindia.gov.in/en/news\\_updates/pms-keynote-address-at-the-luncheon-hosted-by-nippon-kiedanren-the-japanese-chamber-of-commerce-and-industry-and-the-japan-india-business-cooperation-committee/](http://www.pmindia.gov.in/en/news_updates/pms-keynote-address-at-the-luncheon-hosted-by-nippon-kiedanren-the-japanese-chamber-of-commerce-and-industry-and-the-japan-india-business-cooperation-committee/); Zhang Yunling, 'China and its neighbourhood: transformation, challenges and grand strategy', *International Affairs* 92: 4, July 2016, pp. 835-48; Zhou Fangyin, 'Between assertiveness and self-restraint: understanding China's South China Sea policy', *International Affairs* 92: 4, July 2016, pp. 869-90.

<sup>40</sup> The White House, Office of the Press Secretary, 'US-India joint statement', 30 Sept. 2014, <http://www.whitehouse.gov/the-press-office/2014/09/30/us-india-joint-statement>.

<sup>41</sup> The White House, Office of the Press Secretary, 'US-India joint statement', 30 Sept. 2014.

<sup>42</sup> The White House, Office of the Press Secretary, 'US-India Joint Strategic Vision for Asia-Pacific and the Indian Ocean', 25 Jan. 2015, <https://www.whitehouse.gov/the-press-office/2015/01/25/us-india-joint-strategic-vision-asia-pacific-and-indian-ocean-region>.

<sup>43</sup> Government of India, Press Information Bureau, 'Text of Prime Minister Shri Narendra Modi's keynote address at the luncheon hosted by Nippon Kiedanren'.

<sup>44</sup> The White House, Office of the Press Secretary, 'US-India joint statement', 30 Sept. 2014.

Security Dialogue. Another facet of increasing maritime cooperation is the expanding scope of joint naval exercises in both the Indian Ocean and the Pacific. In 2015, India and the United States agreed to make Japan a permanent participant in the annual Malabar series of exercises, a request Tokyo had been articulating for years.<sup>45</sup> India, Japan and the United States have also agreed to conduct trilateral naval exercises along the sidelines of the biannual RIMPAC naval exercises organized by the US Pacific Command around the Hawaiian Islands.<sup>46</sup> In acknowledgement of the centrality of India, Japan and the United States to Asia's future balance of power, the trilateral consultations between the three countries have been elevated to the level of foreign ministers.<sup>47</sup>

Evidently, on three major issues concerning Indo-US relations—civil nuclear cooperation, defence cooperation and cooperation on Asian security—the Modi government has been able to pursue a new and decisive course. These foreign policy decisions have also allowed bilateral relations to achieve positive momentum compared to the drift observed in the final years of the second UPA administration. Of course, the relationship faces challenges. This growing strategic partnership still lacks a firm economic anchor. Even though the United States is now India's largest trading partner and the total annual value of trade has exceeded US\$125 billion, the economic link remains the weakest in the bilateral relationship.<sup>48</sup> Durable strategic partnerships in an interdependent world are by necessity anchored in good economics. The fact that in January 2015 the annual strategic dialogue was converted into a strategic and commercial dialogue underscores the fact that the two states appreciate the role of economics in strengthening their bilateral relationship.<sup>49</sup> However, much also depends on Modi's reform agenda at home. Given the BJP's low numbers in the upper house of the Indian parliament, the Rajya Sabha, economic reforms have been relatively slow in coming. Nevertheless, the Indian economy is in a much stronger position than it was in 2014.<sup>50</sup> In August 2016, the Indian parliament passed a landmark bill to bring the whole of India under a single trade tax regime through the Goods and Services Tax (GST) Act. One of the biggest economic reforms in a decade, this has raised expectations that the process of doing business in India will be further streamlined.<sup>51</sup> The GST Act may well be the first step in the implementation of Modi's economic reform agenda. It is also evident, however, that if the vision of an 'indispensable partnership' with the United States is to bear fruit, economic reform will have to gain momentum.

<sup>45</sup> MEA, *Annual Report 2015–16*, p. 128.

<sup>46</sup> MEA, *Annual Report 2014–15*, p. 116.

<sup>47</sup> MEA, *Annual Report 2015–16*, p. 127.

<sup>48</sup> Elizabeth Roche, 'Trade is the biggest weakness in India-US ties; Ashley J. Tellis', *Livemint*, 5 Sept. 2016, <http://www.livemint.com/Politics/KC6Y5uQ7ukAHkXuS43rvI/Trade-is-the-biggest-weakness-in-India-US-ties-Ashley-J-Te.html>.

<sup>49</sup> MEA, *Annual Report 2015–16*, p. 126.

<sup>50</sup> Anant Vijay Kala and Eric Bellman, 'Modi's first two years: the economic report card', *Wall Street Journal*, 25 May 2016, <http://blogs.wsj.com/indiarealtime/2016/05/25/modis-first-two-years-economic-report-card/>.

<sup>51</sup> Press Trust of India, 'US welcomes passage of GST Bill, says will improve investment partnership', *Indian Express*, 9 Aug. 2016, <http://indianexpress.com/article/business/economy/us-welcomes-passage-of-gst-bill-says-will-improve-investment-partnership-2963128/>.

## Explaining the embrace

Under Prime Minister Modi, Indo-US relations have witnessed a qualitative shift. Even though all prime ministers before Modi have attempted to build a strong partnership with the United States, the tone and tenor of Modi's reaching out to America have been markedly different. Indian foreign policy under the new leadership appears to have left behind its former ambivalence, unhindered by the ideological baggage of non-alignment.<sup>52</sup> Modi's personalized diplomacy, meanwhile, has added a new flavour to the bilateral relationship. As well as establishing a personal relationship with President Obama, he has been equally emphatic in building relations with the Congress and the Senate. The bipartisan support for the bilateral relationship on Capitol Hill is testament to the success of India's efforts under the new leadership. Unlike his predecessors, Modi also appears to be a problem-solver: the alacrity with which the Ministry of External Affairs (MEA) and the MoD have responded to the many challenges facing them, such as the civil nuclear liability and defence cooperation agreements, stands in significant contrast to the previous regime. Even the critics of Modi's foreign policy testify to this new energy in the bilateral relationship. What, then, explains Modi's push towards this recalibration in Indo-US relations?

One reason behind this growing strategic embrace lies in individual conviction. America remains essential to Modi's vision of India's radical transformation. The success of his many ambitious plans for India's economic transformation, from 'Make in India' to 'Digital India', hinges upon greater cooperation with the United States. As he wrote in an opinion piece in the *Wall Street Journal*, both 'the US and India have fundamental stakes in each other's success'—and New Delhi's stake is even higher, given its quest for rapid transformation into a developed economy.<sup>53</sup> In this, Modi is no different from his predecessors: all Indian decision-makers since 1991 have understood the critical importance of the United States for India. The difference lies in the fact that Modi has been able to acknowledge India's bandwagoning behaviour openly, and has no qualms about doing so. It has been observed that, by pursuing the 'most unhesitating embrace of the US' in India's foreign policy behaviour, Modi has tossed away not only the hesitations but also the hypocrisies of history.<sup>54</sup> His government's open ideological commitment to the Indo-US relationship is one of the most dramatic changes in that bilateral relationship. The signing of LEMOA is significant not only because of its military consequences but precisely because it indicates a major policy shift: from the ambiguity of past times to the present government's commitment to a fruitful strategic partnership with the United States.

This conviction, coupled with a command of parliament unprecedented in India's recent history, provides firm bedrock for Modi's foreign policy. No

<sup>52</sup> Pant and Super, 'India's "non-alignment" conundrum'.

<sup>53</sup> Narendra Modi, 'An invitation to "Make in India"', *Wall Street Journal*, 25 Sept. 2014, <http://www.wsj.com/articles/narendra-modi-an-invitation-to-make-in-india-1411687511>.

<sup>54</sup> Shekhar Gupta, 'Modi's NAM-A New Alignment Movement', *Business Standard*, 2 Sept. 2016, [http://www.business-standard.com/article/opinion/shekhar-gupta-modi-s-nam-a-new-alignment-movement-116090200834\\_1.html](http://www.business-standard.com/article/opinion/shekhar-gupta-modi-s-nam-a-new-alignment-movement-116090200834_1.html).

other Indian prime minister since 1989 has enjoyed an absolute majority in the lower house. Even though the making of foreign policy has always largely been a domain of the prime minister, power calculations in the parliament have had an influence on its conduct. A weak prime minister with low numbers in the parliament is subject to various pulls and pressures exerted by party colleagues, political allies and the parliamentary opposition. Individual conviction is therefore often tempered by the lack of parliamentary authority, as was most evident in the conduct of foreign policy under Manmohan Singh.<sup>55</sup> Even when Singh himself seemed entirely convinced of the logic of a strong Indo-US partnership, the weakness of his political position resulted in a drift in bilateral relations, largely on account of differences with key ministers and the party high command. Modi experiences no such obstacles. He wields absolute authority within the BJP and in the lower house of the parliament. Given this unique alignment of party and parliamentary authority, Modi can be counted among the few Indian prime ministers, including Jawaharlal Nehru and Indira Gandhi, who have enjoyed absolute command over foreign policy matters in India.

Explanations at the level of the individual and the state, however, must be complemented by developments at the structural level. The most prominent structural variable in the upward trajectory of Indo-US relations is the rise of China and its growing nexus with the Pakistani security establishment. Indian decision-makers have long been aware of the threat posed by China's meteoric rise, both economic and military. Not only is the lingering border dispute a permanent source of tension in Sino-Indian relations, China's attempts to thwart India's rise and accommodation in the international system have generated apprehension among Indian elites. This has been evident, most recently, in China's strong opposition to India's drive for admission to the Nuclear Suppliers Group but also, though less conspicuously, to the United Nations Security Council. However, the most disconcerting development in the Sino-Indian equation has been Beijing's policy of using Pakistan as a proxy with greater vehemence than ever before.<sup>56</sup> China continues to assist Pakistan's nuclear and missile programme and arms its military, which is hostile above all to New Delhi. It is now investing heavily in developing the strategic China-Pakistan Economic Corridor (CPEC), parts of which go through the restive province of Balochistan and also Pakistani-administered Kashmir in Gilgit-Baltistan, which India considers its own.<sup>57</sup> With the help of its allies in Islamabad, China also intends to encircle India in the maritime domain, an aim reflected in the development of the all-weather port in Gwadar and the supply of submarines to Pakistan's navy.<sup>58</sup> Moreover, China remains

<sup>55</sup> For internal political dysfunction during Manmohan Singh's second term in office, see Baru, *The accidental Prime Minister*.

<sup>56</sup> Harsh V. Pant, 'The Pakistan thorn in China-India-US ties', *Washington Quarterly* 35: 1, Winter 2012, pp. 83-95.

<sup>57</sup> Press Trust of India, 'PM Modi raises India's concern over CPEC which runs through PoK', *Indian Express*, 4 Sept. 2016, <http://indianexpress.com/article/india/india-news-india/prime-minister-narendra-modi-raises-indias-concern-over-cpec-which-runs-through-pok-3013260/>.

<sup>58</sup> Government of India, *India's maritime military strategy* (New Delhi: Integrated Headquarters, Ministry of Defence (Navy), 2007), p. 41.

mute in respect of Indian concerns over Pakistan's alleged continued support of terrorism against India.

In the past, Indian governments tried to manage the strategic challenges posed by Beijing through bilateral cooperation and dialogue, hoping that China could be persuaded into a more positive disposition towards India. Modi, however, has not hesitated to confront China's hostile attitude, while continuing Sino-Indian engagement. During his visit to Beijing in May 2015, he openly 'stressed the need for China to reconsider its approach on some of the issues that hold us back from realizing [the] full potential of our partnership' and 'suggested that China should take a strategic and long-term view of our relations'.<sup>59</sup> Modi was equally outspoken about China's use of Pakistan as a proxy in south Asia.<sup>60</sup> Such statements mark a shift in India's traditional defensiveness *vis-à-vis* China.

India's capability to balance China alone has always been doubtful, given its smaller economy, structurally dysfunctional polity and ossified bureaucracy. India's military commanders, too, have gone on record to suggest that India is no match for China's military power.<sup>61</sup> Given the asymmetry in national power between the two countries, India cannot rely on internal balancing alone to cope with China's rise; and reaching out to the United States and its Asian allies will have to be a part of any Indian strategy of external balancing. Therefore, in seeking to manage China's growing military capability and the threat it poses to India's territorial integrity and its influence in the Asia-Pacific, external balancing may be the only resort available to New Delhi, at least in the short to medium term. Modi's embrace of the United States suggests that New Delhi is guided by this structural logic.

## Conclusion

This article has explicated the trajectory of Indo-US relations under the Modi government. On taking power in 2014 the new government was confronted with two major issues in the Indo-US relationship. First, it had to arrest the downward spiral in the bilateral relationship during the second UPA administration; and second, it had to overcome the complications engendered by America's decade-long visa ban on Narendra Modi. Modi was guided by pragmatism in addressing both these challenges. Even as his government focused on resolving the outstanding bilateral issues on nuclear liability and defence cooperation with the United States, his own personal experience of a US visa ban was set aside. There was also a policy realignment in so far as the new government appears keener to

<sup>59</sup> Government of India, Press Information Bureau, 'Text of PM's statement to the media at joint press statement with Chinese Premier Mr Li Keqiang at Beijing', 15 May 2015, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=121753>.

<sup>60</sup> Government of India, Press Information Bureau, 'Text of address by the Prime Minister at Tsinghua University, Beijing', 15 May 2015, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=121763>.

<sup>61</sup> Rahul Singh, 'India no match for China: navy chief', *Hindustan Times*, 11 Aug. 2009, <http://www.hindustan-times.com/india/india-no-match-for-china-navy-chief/story-OYkJQjflT0R9rOjmrECJ4H.html>; Sandeep Unnithan, 'Indian Army not ready for war with China', *India Today*, 29 Oct. 2011, <http://indiatoday.intoday.in/story/indian-army-war-readiness-against-china/1/157763.html>.

be a part of US strategy in the Asia–Pacific. Unlike the second UPA administration, which remained ambivalent on China’s assertiveness in the Asian region, Modi appears to acknowledge that India needs to actively balance China’s growing power by cooperating closely with Washington. Three factors explain this policy shift: Modi’s personal conviction that India’s developmental priorities cannot be met without substantive cooperation with America; the strong political authority he enjoys within his own party and in the lower house of the Indian parliament; and the structural changes in India’s security environment brought about by an aggressive China and its growing strategic convergence with Pakistan.

As a consequence of Modi’s leadership and his personal conviction, along with the demands of the changing regional balance of power, India has significantly expanded the scale and scope of its bilateral engagement with the United States. Since the end of the Cold War, successive Indian governments have signalled a commitment to a robust partnership with America. Yet previous governments remained wary of too close a partnership, mainly on account of weak domestic political coalitions but also because of their reluctance to shed the ideological remnants of India’s non-aligned Cold War foreign policy. Rather than providing a broad direction for foreign policy, these factors often became excuses to cover up foreign policy paralysis in the Indian establishment, most notably during the second term of the UPA government. The delays in signing LEMOA and resolving the civil nuclear liability issue are cases in point. Resolution of these differences by the Modi government signalled not only its pragmatism but also an ideological commitment to Indo-US strategic partnership hitherto missing. This signalling of the importance of the partnership with America in the Indian foreign policy matrix is the most important change the Modi government has made in India’s foreign policy. It heralds a new foreign policy dynamic in which robust Indo-US ties are viewed as an important component of an enhanced strategic autonomy for India, as opposed to the traditional view of non-alignment which saw a close relationship with the United States as constraining Indian foreign policy options. Indian foreign policy is undergoing a gradual transformation under Modi, and changing Indo-US ties are one of the most significant manifestations of this trend. Modi’s success or failure in reconfiguring Indo-US ties will determine the future trajectory of Indian foreign policy in many ways.