

US-INDIAN  
STRATEGIC  
COOPERATION  
INTO THE 21<sup>ST</sup> CENTURY

*More than words*

Edited by

Sumit Ganguly, Brian Shoup and Andrew Scobell



ASIAN SECURITY STUDIES

# US–INDIAN STRATEGIC COOPERATION INTO THE 21<sup>ST</sup> CENTURY

This book traces the origins, evolution, and the current state of Indo-US strategic cooperation. It shows that during the Cold War, owing to opposing grand strategies, the two states frequently found themselves at odds. With the demise of the Soviet Union and the end of the Cold War, Indo-US security cooperation started in a fitful fashion. In recent years, however, it has acquired considerable ballast and the armed forces of the two states have participated in exercises on land, sea, and air and have carried out joint humanitarian missions. Drawing on new information and with contributions from both academics and policymakers, this wide-ranging volume analyses the strategic convergence of these two states while explaining why important differences do remain. These notably include questions pertaining to the future of India's nuclear and ballistic missile programs, US–Pakistan ties and India's links with Iran. The contributors to this volume thus explore in a novel light the areas of cooperation and discord in this merging relationship and offer suggestions for expanding the scope and dimensions of future collaboration.

This volume will be of great interest to students of South Asian Politics, Asian Security, US foreign policy, and Security Studies in general.

**Sumit Ganguly** is professor of Political Science and Director of the India Studies Program at Indiana University in Bloomington, where he holds the Rabindranath Tagore Chair in Indian Cultures and Civilizations. He is a specialist on regional security issues in South Asia and is the author, co-author, or editor of some 12 books on the region.

**Brian Shoup** received his PhD in Political Science from Indiana University in 2005. His research interests focus on ethno-nationalist politics and conflict.

**Andrew Scobell** is Associate Research Professor at the Strategic Studies Institute of the US Army War College, Carlisle, Pennsylvania. He is a specialist on Asian political and military affairs.

## ASIAN SECURITY STUDIES

Edited by Sumit Ganguly

*Indiana University, Bloomington*

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## CONTRIBUTORS

**Dipankar Banerjee** was Director of the Institute of Peace and Conflict Studies, New Delhi. His areas of interest include Disarmament and Security Sector Reforms. He speaks English, Hindi, Bengali, and Nepali. His latest publications comprise of *Emerging Challenges in UN Peacekeeping Operations—An Indo-Japanese Dialogue* (Co Editor 2005); “SAARC in the 20th Year: Meeting the Challenges of a New Era” (Chapter in Dev Raj Dahal, Nischal Nath Pandey eds *New Life Within SAARC—IFA/FES*, Nepal, 2005); *Jammu & Kashmir—Charting a Future* (Co Editor, 2005); *Rethinking Security: UN and the New threats* (New Delhi, India Research Press, 2005) (Editor); “Nepal—Where Do We Go From Here?,” IPCS Issue Brief April 30, 2005; *EU–India Relations: Beginning a New Era* (New Delhi: KAF and IPCS, 2005) (Editor); *Trilateral Security Dialogue: India, China and Germany* (New Delhi: KAF and IPCS, 2004) (Co Editor).

**Brian Shoup** received his Phd from Indiana University. He specializes in institutions and conflict, nationalism, and ethnic violence. His current research explores how different electoral and economic institutions can minimize violence in plural societies.

**Shantonu Choudhry** born in December 1944 in India, PVSM, AVSM, VSM retired as The Vice Chief of Indian Army on December 31, 2004. In his career spanning more than forty-one years as an officer on active service he has held varied command, staff, and instructional appointments. The more important amongst these have been the Commands of one of the largest Counter Insurgency Force (Division size) in Kashmir, a Corps in Punjab and the Army Training and Doctrine Command, and Directorate General of Military Intelligence before assuming duties of The Vice Chief in January 2003. He has been the Director in Military Operations Directorate and an Instructor in the Defence Services Staff College in Wellington, India. He has been an active participant in numerous national and international seminars on Defence related issues. Widely traveled and read, he is a keen angler. Married to Prita, the General Officer has two children, both married.

## CONTRIBUTORS

**William Flavin** is the Professor of Multinational Dimensions of Stability Operations at the US Army Peacekeeping and Stability Operations Institute, located at the US Army War College in Carlisle, Pennsylvania. Before this assignment, he was a senior foreign affairs analyst with Booz Allen and Hamilton. From 1995 to 1999, he was a Colonel in the US Army serving as the Deputy Director of Special Operations for the Supreme Allied Commander Europe at the Supreme Headquarters, Allied Powers Europe. Professor Flavin has been one of the key authors for FM 3-07 *Stability Operations and Support Operations* and FM 3-07.31 *Tactics, Techniques and Procedures for Peace Operations*. His most recent publications are “Planning for Conflict Termination and Post-Conflict Success,” in *Parameters* Autumn 2003 and *Afghanistan: Observations on Civil Military Operations During the First Year of Operation Enduring Freedom*, US Army Peacekeeping and Stability Operations Institute, March 24, 2004. Previously, he served in conventional and special operations units in South East Asia, Africa, and the Middle East as well as Europe. He had experience dealing with interagency and civil military issues on Unified Command Staff of USCINCCENT, the Departmental Staff, DA DCSOPS, and the Secretary of Defense Staff, OSD SOLIC.

**Sumit Ganguly** holds the Rabindranath Tagore Chair in Indian Cultures and Civilizations at Indiana University in Bloomington. He has previously been on the faculty of James Madison College of Michigan State University, Hunter College of the City University of New York and the University of Texas at Austin. He has also taught at Columbia University in New York City. He has also been a Fellow and a Guest Scholar at the Woodrow Wilson International Center for Scholars in Washington, DC and a Visiting Fellow at the Center for International Security and Cooperation at Stanford University. His research and writing focused on South Asia has been supported by grants from the Asia Foundation, the Ford Foundation, the Carnegie Corporation of New York, and the W. Alton Jones Foundation. Professor Ganguly is the author, editor, or co-editor of some 12 books on South Asia. His latest book (with Devin Hagerty), *Fearful Symmetry: India and Pakistan Under the Shadow of Nuclear Weapons*, was jointly published by Oxford University Press (New Delhi) and the University of Washington Press, Seattle in 2005.

**John H. Gill (Jack)** is an associate professor on the faculty of the Near East–South Asia Center. A retired US Army South Asia Foreign Area Officer, he was assigned to the Defense Intelligence Agency as the Assistant Defense Intelligence Officer for South Asia from 1998–2001, including the 1999 Kargil crisis. During his time at the NESAC Center, he has also served as Special Assistant for India/Pakistan to the Joint Staff J-5 and as Military Advisor to Ambassador James Dobbins, the US envoy to the Afghan opposition forces (2001–02). From August 2003 to January 2004, he served in Islamabad as the CJTF-180 liaison officer to the Pakistan Army. He has been following South Asia issues from the intelligence and policy perspectives since

the mid-1980s in positions with the Joint Staff (J-5), the US Pacific Command staff (J-5), and a previous tour at DIA. He planned and participated in the first two US–India Defense Policy Group meetings and various military-to-military events with India, Bangladesh, and Sri Lanka. His earlier tours of duty include tactical and operational assignments in Germany. His publications on South Asia include an Atlas of the 1971 India–Pakistan War and chapters on current Indian and Pakistani political-military affairs in *Strategic Asia 2003–04*. Col Gill is currently working on a chapter on military operations during the Kargil conflict. He is also an internationally recognized military historian and has authored several books and numerous papers on the Napoleonic era.

**Devin T. Hagerty** is an associate professor of political science at the University of Maryland, Baltimore County. He was previously a senior lecturer in government and international relations at the University of Sydney in Australia. Hagerty was awarded a PhD by the University of Pennsylvania, an MALD by the Fletcher School of Law and Diplomacy, and a BA by Rutgers University. He is the author of *The Consequences of Nuclear Proliferation: Lessons from South Asia* (MIT Press, 1998), as well as (with Sumit Ganguly) *Fearful Symmetry: Indo-Pakistani Crises in the Shadow of Nuclear Weapons* (Oxford University Press and the University of Washington Press, 2005). His edited volume, *South Asia in World Politics*, was published in early 2005 by Rowman and Littlefield. Hagerty is also the founding managing editor of *Asian Security*, a Taylor and Francis journal that debuted in February 2005.

**V.P. Malik** was Chief of the Army Staff of the Indian Army from October 1, 1997 to September 30, 2000. Concurrently, he was also the Chairman, Chiefs of Staff Committee of India from January 01, 1999 to September 30, 2000. As Army Chief and Chairman Chiefs of Staff Committee, he planned, coordinated, and oversaw execution of Operation Vijay to successfully defeat Pakistan's attempted intrusion in Kargil Sector in 1999. His tenure saw substantial enhancement of civil-military coordination in the government of India, and military diplomacy efforts as part of India's international relations. A graduate from the Defense Services Staff College and Madras University, General Malik is an alumnus of the National Defense College, New Delhi. He has authored several papers on defense planning and security issues and addressed many national and international seminars, civil and military institutions, universities, and industrial organizations. Since retirement, he keeps himself engaged by spreading awareness and sharing his views on India's national security challenges and international relations. He was a member of the National Security Advisory Board for two years. Currently, he is President of the ORF Institute of Security Studies, Honorary Advisor to the Centre for Policy Research, and an independent director on the board of some well-known private sector companies. His book *Kargil: From surprise to victory* (Harper Collins, India) was released in April 2006.

**Polly (Mary) Nayak**—now a consultant for diverse private sector and government clients—was the US intelligence community’s senior expert and manager on South Asia before her retirement in 2002. In that capacity, she shaped intelligence and crisis support to the White House and Congress; her rank was equivalent to that of a two-star general. Over the past two years, Ms Nayak has written and consulted on issues ranging from terrorism to nuclear policy, political stability, and foreign relations, with a special emphasis on South Asia. Her latest articles include *US Security Policy in South Asia Since 9/11—Challenges and Implications for the Future* (Occasional Paper, Asia-Pacific Center for Strategic Studies, Honolulu, February 2005) and a paper about US intelligence performance on the Indian nuclear tests of 1998. She has begun work on a book on US policy in South Asia. Ms Nayak has lectured frequently, for example at the Johns Hopkins School of Advanced International Studies, Georgetown, the US Army Eisenhower Series on National Security, American University, Wesleyan University (Connecticut), the Foreign Service Institute, Washington College, the Asia-Pacific Center for Security Studies, and Thunderbird. Earlier in Ms Nayak’s career, she worked on Africa and Latin America and regularly briefed senior US Cabinet members. Ms Nayak’s earlier career included several years on an Indian corporate team negotiating international “turn-key” projects, staff work for a US organization that was resettling Middle Eastern refugees, and academic research. Ms Nayak earned an AB degree from Harvard University and an MA from the Fletcher School of Law and Diplomacy, and did graduate work at MIT. She has fluent French and Spanish, and rusty Hindustani.

**Bahukutumbi Raman** worked as sub-editor in the “Indian Express” from 1957 to 1961; in the Madhya Pradesh Police from 1962 to 1967; in the Intelligence Bureau, Ministry of Home Affairs, Govt. of India, New Delhi, from 1967 to 1968; and in the Research & Analysis Wing (R&AW), Cabinet Secretariat, Govt. of India, New Delhi, from 1968 to August 31, 1994, when he retired as Additional Secretary after having headed the counter-terrorism division of the R&AW from 1988 to 1994. He served as a member of the Government of India’s Special Task Force for the Revamping of the Intelligence Apparatus in 2000 and as a member of the Government of India’s National Security Advisory Board (NSAB) from July, 2000, to December, 2002. He is currently Director of the Institute for Topical Studies, Chennai, and was Distinguished Fellow in the Observer Research Foundation (ORF), New Delhi. He looked after its branch in Chennai and co-ordinated the activities of its International Terrorism Watch Programme. He is the author of two books: *Intelligence—Past, Present and Future*; and *A Terrorist State As A Frontline Ally*—both published in 2001 by the Lancer Publications of New Delhi. He writes regularly on security-related issues and is a guest lecturer on terrorism and intelligence-related issues at the National Police Academy, Hyderabad, the Defence Services Staff College, Wellington, Tamil Nadu, the Army War

College, Mhow, Madhya Pradesh, and the National Defence College, New Delhi. He is Honorary Editorial Consultant to the “Indian Defence Review,” published by the Lancer Publications of New Delhi. He was a member of the Working Group on Terrorism and Trans-National Crime of the Committee on Security Co-operation Asia Pacific (CSCAP) in 2002.

**Arthur Rubinoff** is currently Professor of Political Science and South Asian Studies at the University of Toronto, where he has taught since 1972. He holds a PhD from the University of Chicago and is the author of six books, including *The Construction of a Political Community: Identity and Integration in Goa* (Sage, 1998). He has written more than fifty articles for such journals as *Asian Affairs*, *Asian Survey*, and *Pacific Affairs*. Professor Rubinoff has received grants from the Ford Foundation, the Fulbright Foundation, the Shastri Indo-Canadian Institute, the Smithsonian Institution, the Woodrow Wilson Center for International Scholars, and most recently the Social Sciences and Humanities Research Council of Canada for a three year project on “Identity and Difference in India.” Currently he is writing a monograph on “The Role of Congress in U.S. South Asia Policy.”

**Varun Sahni** is Professor in International Politics at Jawaharlal Nehru University (JNU), New Delhi. He is also the Editor of *South Asian Survey*, an academic journal on the region published by Sage. He lectures regularly to foreign diplomats and officer trainees of the Indian Foreign Service at the Foreign Service Institute in New Delhi.

Professor Sahni was educated at St Stephen’s College, Delhi and at JNU, before going to New College, Oxford in 1986 as an Inlaks Scholar. From 1989 to 1992 he was Junior Research Fellow in Politics and Junior Dean at Lincoln College, Oxford. During his years at Oxford he taught Latin American Politics and wrote a doctoral dissertation on the Argentine Navy. On his return to India in 1992, Dr Sahni was a Resident Fellow of the Rajiv Gandhi Institute for Contemporary Studies, New Delhi and Reader in Latin American Politics at Goa University before joining the faculty at JNU in 1995.

Professor Sahni has held visiting fellowships/professorships at Sandia National Laboratories, Albuquerque, New Mexico (1997), CIDE, Mexico City (1997–99) and the National Defense University, Washington, DC (2003), the last of which was under the Fulbright Military Academies Initiative. He has been “*Personnalité d’Avenir*” at the French Foreign Ministry (1995) and a Member of Mexico’s *Sistema Nacional de Investigadores* (1999–2002).

**Andrew Scobell** is Associate Research Professor in the Strategic Studies Institute at the US Army War College and Adjunct Professor of Political Science at Dickinson College. He earned a PhD in political science from Columbia University. Scobell’s research focuses on political and military affairs in the Asia-Pacific Region. He is the author of *China’s Use of Military Force: Beyond the Great Wall and the Long March* (Cambridge University Press, 2003).

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## INTRODUCTION

*Brian Shoup and Sumit Ganguly*

Strategic relations between the United States and India, historically beset by mutual animosity and mistrust, are in the midst of significant improvement. US Secretary of State Condoleezza Rice's visit to India in March, 2005 typified the changing temper of dialogue between the two states. Despite the Bush administration's decision to sell F-16 aircraft to Pakistan, a move that prompted intense outcry from New Delhi in the 1990s, India's response was more reflective of annoyance than rage. In many respects, the India-US relationship is evolving in response to the changing role of India as a regional power (and potential counterweight to China), the growth of India's economy and its attendant impact on US interests in such varied realms as energy policy planning and foreign trade, and Washington's interest in continued stability in the subcontinent in light of its stated objectives in the war on terrorism.

The existence of consistencies in Washington's and New Delhi's geopolitical interests, while a clearly necessary condition for future cooperation, does not guarantee that relations will remain sanguine. There remain significant, albeit surmountable, differences between the two states, particularly in regard to India's disinclination to support the US mission in Iraq and its desire to develop energy links with Iran, and US concerns about India's reluctance to conform to the Non-Proliferation Treaty (NPT) and Comprehensive Test Ban Treaty (CTBT); agreements, it should be noted, that India never agreed to sign in the first place. Nevertheless, developments such as the Next Steps in the Strategic Partnership (NSSP), a bilateral program announced in 2004, portend a future relationship built on the recognition of mutual interests.

This volume explores these mutual interests, as well as persistent disjunctures, with a focus on long-term prospects for strategic cooperation. Are we witnessing the convergence of grand strategies between two countries with a history of tenuous security links, or does the current atmosphere of cooperation merely reflect contemporary conveniences with little hope of long-term sustainability? The contributors examine this question in the context of a number of realms of present and future cooperation.

## The Cold War era

Under Jawaharlal Nehru, India's then prime minister and the key architect of its foreign policy, New Delhi pursued a Cold War era strategy based on the principle of non-alignment. In theory, the posture of non-alignment was intended to imply that India would pursue its own interests, free from domination by either the United States and its allies or the Soviet Union and the communist bloc. By extension, the policy also included a sharp focus on issues relevant to the recently de-colonized states that were rapidly emerging following the end of the Second World War. New Delhi, by virtue of its sheer size and its status as a global role model in ending British colonial rule, assumed the mantle of leadership for much of the developing world. As such, Indian foreign policy was aimed at advancing issues like global economic redistribution and the peaceful resolution of disputes. Far from being a wholly neutral policy, non-alignment was simply intended to grant states the capacity to make foreign policy decisions outside of the constraints imposed by the two superpowers.

In practice, however, India's foreign policy was far from neutral in regards to Cold War considerations. Nehru himself was inclined to support the Soviet Union owing to Moscow's repeated statements against colonial rule. Despite Soviet domination of Eastern Europe, Nehru and his immediate successors openly collaborated with the USSR on a wide range of issues. Certainly, Soviet support for India's strategy of industrialization as import-substitution played a significant role in bolstering this relationship. By the 1970s the Soviets emerged as New Delhi's principal arms supplier and could generally depend on Indian support *vis-à-vis* Washington's grand strategy of containment. Common misgivings about China also helped cement this relationship.<sup>1</sup> Only briefly, following the 1962 Sino-India War, was there a brief period of cooperation between India and the United States and this quickly evaporated as incongruities between the two states re-emerged.<sup>2</sup> In particular, Washington's persistent support to Pakistan hindered the development of cordial relations with New Delhi. US support to Pakistan, manifest in both arms sales and ambivalence toward India's position on the issue of Kashmir, placed a considerable obstacle in the way of cooperation that persists to this day.

The upshot of India's non-aligned status was that Washington and New Delhi would maintain, at best, chilly relations for the better course of 50 years. Only with the collapse of the Soviet Union in 1991, and the subsequent loss of both its *raison d'être* and access to weaponry, did non-alignment diminish as a viable foreign policy strategy. Further, faced with the consequences of a half-century of gross economic mismanagement, Indian leaders increasingly recognized that the country could no longer maintain a system predicated on import-substitution, licentious rent-seeking by bureaucrats, and a casual dismissal of the price mechanism. Despite its status as leader of the developing world, Indian officials had roundly failed in their efforts to increase growth and improve the standard of living for literally tens of millions of people. Technological achievements notwithstanding, New Delhi's economic policies could scarcely be said to provide a sound model for the poor states of Africa, Asia, and Latin America.

Further, by the early 1990s India was facing an unprecedented financial crisis owing to the rise in oil prices following the Gulf War, the repatriation of thousands of workers from the Gulf states and the loss of their substantial remittances, and onerous debt obligations. Given the choice between short-term loans and increased debt that would only see India through for a few more years on one hand, and a radical reorientation of economic policies on the other, Prime Minister Narasimha Rao and his Finance Minister, Manmohan Singh, chose to pursue a new course based on increasing economic competitiveness, reducing bureaucratic regulations and corruption, and improving foreign investment through significant tariff reductions. While the near-term implications of this strategy are difficult to glean, there is no doubt that India's recent economic growth, consistently in excess of 6 percent, is indicative of the wisdom of their choice.

It is in this new environment of global geo-strategic change and economic reorganization that the first seeds of Indo-US cooperation have been sown. During the Clinton administration, both countries signed the Agreed Minute on Defense Cooperation a tentative framework outlining future military-to-military cooperation. This initial step, while representing a sea-change in Indo-US relations, was plagued by both New Delhi's perception that Washington was overly obsessed with the Kashmir issue and by US concerns about India's nuclear weapons program. Both concerns had merit. India's decision in 1998 to test nuclear weapons brought a swift response from the United States in the form of economic sanctions. Despite the cessation of military-to-military cooperation, these sanctions did provide an opportunity for meaningful discussion on the nuclear issue. US Deputy Secretary of State Strobe Talbott and Indian Foreign Minister Jaswant Singh led these high level talks, resulting in a significant recognition by Washington that its policy of "rolling back" India's nuclear arsenal was not a viable strategy. In its place, the United States sought to ensure that New Delhi would adhere to principles of non-proliferation by not providing nuclear technology to other states. More significantly, the dialogue represented the first discussion between the two countries that was based on a perception of mutual equality. It is from this dialogue that much of the current optimism springs, particularly in the critical areas of high technology trade and military-to-military cooperation.

### **Indo-US relations in the post-9/11 world**

The terror attacks of September 11, 2001 led to a new US strategy based on the pre-emptive elimination of suspected terror havens, including the Taliban regime in Afghanistan. Ostensibly, India was well placed to serve as a close ally to the United States India's experiences with terrorism, including the heinous attacks by the Jaish-e-Mohammad and the Lashkar-i-Taiba in December 2001, gave it a natural understanding of the challenges inherent in anti-terror tactics. For its part, India immediately offered Washington logistical cooperation and access to intelligence. The United States, however, proved reluctant to take advantage of India's offer and cast its lot, as it had so often in the past, with Pakistan and the regime

of General Pervez Musharraf. Fearful of Islamabad's conspiratorial accusations and the attendant loss of a critical regional ally, the Bush administration declined Indian assistance.

The Bush administration's decision to cooperate closely with Musharraf, widely regarded in India as a sponsor of terrorism, was met with considerable dismay by policy-makers in New Delhi. As was so often the case during the Cold War, particularly during the Soviet invasion of Afghanistan, Pakistan's geographic position astride the politically volatile regions of Central Asia gave it a natural advantage when dealing with Washington. Christened a "major non-NATO ally" in 2004, Pakistan once again finds itself in the United States' good graces, despite the fact that few states did more to precipitate the spread of radical political Islam in Central Asia, and particularly Afghanistan, than Pakistan and its military leadership.<sup>3</sup> This is an irony not lost on leaders in New Delhi.

Despite India's deep misgivings about the Pakistan-US relationship, it is increasingly clear that New Delhi sees value in the long-term strategic links it is forging with Washington. Indeed, a consistent theme running through the chapters of this volume is that India is taking proactive steps to "dehyphenate" itself from Pakistan, a reality increasingly acknowledged by the Bush administration. Washington's willingness to rescind the sanctions imposed in 1998 and to maintain and increase military-to-military cooperation, as well as high technology trade linkages, suggest that the Pakistan-US relationship is best viewed as a necessary reality in the context of broader US regional objectives.

### **Areas for cooperation**

The emerging "strategic partnership" between the United States and India is based on a shared respect for democracy and concerns about the threat of global terrorism as well as mutual unease about the long-term implications of the rise of China in Asia and beyond. At the same time, despite mutual interest in these areas, the authors in this volume note that recent improvements in Indo-US relations have largely been based on defense policy cooperation. This is not a trivial matter as meaningful bilateral relations must have a sound footing in defense related issues. Indeed, General Ved Malik and John Gill detail the expanding scope of military-to-military cooperation in their respective chapters, with a particular focus on the extent to which the improving defense relationship can pave the way for bilateral cooperation in other realms. Since 1991, when Lt. General Claude Kicklighter proposed a series of joint military exercises, Indian and US forces have coordinated on a number of training efforts, and in March of 2005 the Bush administration announced its willingness to move forward on a proposal to sell India advanced fighter aircraft and even potentially allow joint production of F-18 and F-16 aircraft. Nevertheless, wide ranging political initiatives and critical advances in bilateral trade have yet to wholly materialize.

A critical area of future focus lies in the area of high technology trade, particularly in those technologies that advance India's interests in energy security,

aerospace, and nuclear safety. Trade in the realm of these dual-use technologies is a key component of India's long-term strategy of economic and political development and is likely to be the fulcrum about which future relations will turn. To coin the phrase used by Varun Sahni in this volume, the dual-use technology issue will likely become the "litmus test" by which healthy bilateral relations will be measured. That said, the issue of making these technologies available to India is not without its detractors. In July 2005 the Bush administration reached an accord which promises to relax key legal provisions that had prevented the sale of civilian nuclear technology to India. Critics of this move argued that such a decision weakens global non-proliferation regimes by rewarding countries that openly pursue nuclear technology and would encourage proliferation by known nuclear suppliers like China and Russia.<sup>4</sup>

It is no secret that India longs to join the world's nuclear club, a status New Delhi sees as critical to achieving its aspirations as a global power. In India's defense, it was never a signatory to the NPT, consistently arguing that the treaty was biased. Indeed, critics of the NPT can point to the failure of existing nuclear powers to adhere to the spirit of Article Six of the treaty which stipulates that nuclear states make good faith efforts to phase out their arsenals. Moreover, there are scant few observers who would suggest that India's reluctance to sign on to the NPT is a consequence of some secret desire to distribute nuclear technologies. Rather, India's nuclear programs must be analyzed as both a consequence of its own broader regional security interests, particularly as they pertain to China, and also as a result of its burgeoning energy needs. Both of these dynamics are worthy of study in their own turn.

An argument made by several contributors to this volume is that only by allowing India into the community of nuclear states can global non-proliferation objectives truly be realized. To its credit, New Delhi has expressed a willingness to separate out its military programs and subject its civilian nuclear facilities to full-scope IAEA safeguards, despite its status as a non-NPT signatory. According to this line of reasoning, the Bush administration, by easing legal restrictions on the acquisition of dual-use technology, is actually enhancing the sanctity of non-proliferation objectives by incorporating a state that has clearly crossed a threshold in regards to its nuclear status. Moreover, India's legitimate security needs, coupled with its adamant refusal to share nuclear technologies with "rogue" states like Iran and Libya, stand in stark contrast to Pakistan, another state that has refused to sign the NPT. Unlike India, Pakistan has been exposed as a proliferator without peer. A.Q. Khan's veritable nuclear bazaar provided technology to a number of states that are NPT signatories, a demonstration of Islamabad's cavalier attitude toward the spread of nuclear capability.<sup>5</sup>

A second, and equally critical, factor driving India's nuclear programs is its evergrowing need for energy. As this volume goes to press, India announced a quarterly growth mark of 8 percent. India's rapid rate of economic expansion requires an attendant increase in energy availability. This need for energy reserves is a powerful motivator behind New Delhi's close relations with Iran, a state