

# A REMARKABLE TURNAROUND: U.S.-INDIA RELATIONS



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**S** THE WORLD'S TWO LARGEST DEMOCRACIES WERE ESTRANGED FOR 50 YEARS, BUT THEY NOW GET ALONG. HOW DID THIS OCCUR? IS THE NEWFOUND FRIENDSHIP LIKELY TO ENDURE?

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*BY DENNIS KUX*

Since 1999, relations with India have seen a remarkable turnaround. After half a century of estrangement, the world's two largest democracies are finally getting along. President Bill Clinton enjoyed a hugely successful visit to India in March 2000 and President George W. Bush has continued the effort for friendlier and more cooperative ties. And, despite the revival of intimate U.S. security links with Pakistan, since the events of Sept. 11, 2001, the improved relationship between New Delhi and Washington has so far held firm. What lies behind the shift from estrangement to engagement? How and why did this occur? This article will explore these questions and consider

whether the newfound friendship between India and the United States is likely to endure.

With the benefit of hindsight, it is clear that the end of the Cold War fundamentally altered the strategic underpinnings of U.S. interaction with India. For most of the four decades of the Cold War, the United States was a military ally of Pakistan, India's enemy. For its part, India, after adopting a policy of neutrality and nonalignment to avoid entanglement with either of the two contending global power blocs, moved closer to the Soviet Union, the chief foe of America. By the end of the 1960s, Moscow had become New Delhi's principal source of sophisticated military equipment.

The situation changed radically after 1989, when the Soviet Union withdrew its military forces from Afghanistan. In 1991, the disintegration of the Soviet Union itself deprived New Delhi of its closest security partner. Even though India has subsequently established close security ties with Russia, the much-diminished successor state, the large-scale inflow of Russian arms has stirred scant U.S. concern. Washington no longer regards Moscow either as an enemy or as a major threat to its security. In the case of Pakistan, that nation's importance for the United States diminished with the Soviet pullout

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from Afghanistan. And, after Islamabad refused to heed Washington's warnings about its nuclear weapons program, American economic and military aid was suspended in October 1990. This action effectively ruptured U.S.-Pakistan security ties. During the decade of the 1990s, bilateral relations further soured

because of Islamabad's support for militant Islamic groups in Afghanistan and Kashmir and its lackadaisical approach to anti-narcotics efforts.

Yet there was little significant warming between Washington and New Delhi for nearly a decade, despite the disappearance of the two principal bones of bilateral contention, the Indo-Soviet and U.S.-Pakistan security links. India's economic reforms launched in 1991 led to expanded economic relations and Prime Minister P.V. Narasimha Rao's 1994 visit to the United States focused on promoting further growth in trade and commerce. Still, during Bill Clinton's first term India remained largely off Washington's radar screen, except for the issue of nuclear nonproliferation. In both New Delhi and Washington, an underlying mistrust continued, the lingering legacy of past differences. When South Asian Affairs Assistant Secretary Robin Raphel, in a 1993 press background briefing, slipped in commenting that the United States had never recognized the accession of Kashmir to India, foreign policy mandarins and media pundits in New Delhi took this as "proof" that America was still following a pro-Pakistan policy.

At the start of Clinton's second term in 1997, he decided to seek a new and friendlier chapter in relations with India, stressing common interests and values, placing reduced emphasis on the nuclear issue and initiating a series of high-level visits that would culminate in a presidential trip. The effort was, however, derailed, first by internal political disarray in India and then by the decision of the Hindu nationalist Bharatiya Janata Party government that took power after winning elections in early 1998 to test India's nuclear weapons. The angry U.S. response to the May 1998 tests and the imposition of economic sanctions caused relations to plummet once more.

### Key Benchmarks

But the downturn did not last long. Nine rounds of talks between Deputy Secretary of State Strobe Talbott and India's Jaswant Singh helped clear the air and gave both Washington and New Delhi a more distinct picture of what each wanted and could expect from the other. It finally began to dawn on foreign policy-makers in both capitals that with Cold War differences history, there was considerable convergence between U.S. and Indian interests and policies. Moreover, the fact that the nuclear tests were a fait accompli helped lance the boil of nonproliferation that had previously infected bilateral relations.

The Talbott-Singh dialogue was followed by another key benchmark — the forceful intervention by President Clinton in July 1999 to pressure Pakistan to withdraw its forces after its rash attempt to seize strategic heights near Kargil on the Indian side of the line of control in Kashmir. Although the Americans acted from fear lest Pakistan's action trigger broader conflict, possibly involving nuclear weapons, India interpreted the presidential arm-twisting of Prime Minister Nawaz Sharif as a sign that Washington no longer automatically backed Pakistan on Kashmir.

The Kargil episode set the stage for the enthusiastic welcome that Bill Clinton received during his March 2000 visit to India. The president charmed both India's parliament and the public during a wildly successful five-day trip — the first by a U.S. chief executive in two decades. India's Prime Minister Atal Behari Vajpayee paid a more muted but still successful return visit to the United States in September 2000. By the time Clinton vacated the White House in January 2001, he had succeeded in achieving his goal: a new chapter in U.S.-India relations had begun.

Yet it was uncertain whether his successor George W. Bush would continue the effort or would revert to the more traditional Republican preference for Pakistan. It soon became clear that the new president wanted to take up with India where Clinton had left off. Bush was especially impressed that India, despite its one billion people and severe economic and social problems, had made a success of democracy unlike many third world nations. Once the word was out that Bush "liked" India, his foreign policy advisers found a strategic rationale to buttress the president's stance — common American and Indian security concerns about China.

For their part, the Indians saw it as very much in their interest to reciprocate the Bush administration's embrace. Even if New Delhi had little desire to become a partner in a U.S.-led grouping to contain China, it wanted to develop security ties with America, the global superpower, and firm up economic ties, especially the links that had burgeoned in the latter half of the 1990s between U.S. and Indian information technology sectors. Reflecting this attitude, the Vajpayee government responded to the Bush administration's controversial missile defense proposal more positively than America's own traditional allies in Europe and Asia. New Delhi also downplayed differences with Washington over environmental issues and the Kyoto Protocol, which India strongly supported in contrast to Bush's defiant opposition.

Osama bin Laden's terrorist attacks of Sept. 11, 2001, put the new U.S.-India relationship to an early test. India promptly endorsed Bush's stance and promised full cooperation. In the process, Delhi hoped to turn the "war on terrorism" to its advantage as a lever to end Pakistan's decade-long covert support for the anti-India insurgency in disputed Kashmir. But when Pakistan itself joined the coalition, ditching its former Taliban allies, New Delhi feared that Washington would tilt toward Islamabad once more. In particular, Indians fretted that the Americans would turn a blind eye to Pakistani support for infiltration by Islamic militants across the Kashmir line of control, the de facto border in the disputed state.

The Bush administration, however, adroitly managed to walk both sides of the street at once, gaining Pakistan's cooperation in the war against the Taliban and al-Qaida without jeopardizing the new ties with India. The price was Washington's acceptance of the Indian contention that Pakistan's activities in Kashmir amounted to terrorism and should end. When faced with India's threat of war against Pakistan after the Dec. 13, 2001, attempt to blow up the Indian parliament and after terrorist attacks in May 2002, the United States acted forcefully. The Bush administration repeatedly pressed President Pervez Musharraf to stop supporting cross-border infiltration. Along the way it also spurned Pakistani requests for advanced military hardware, such as F-16 fighter-bombers, the supply of which would be certain to cause a severe backlash in India.

### **Forging Stronger Ties**

Surprisingly, it is in the security field that the new relationship with India has moved ahead fastest. After nearly four decades of almost no interaction between the two defense establishments, the Bush administration has launched a host of new initiatives. A steady stream of high-level military visitors has traveled to and from India. Sales of U.S. military equipment and training of Indian military personnel in the United States have resumed. There have been joint naval patrols in the Malacca Straits and joint special forces exercises in Agra near the fabled Taj Mahal. Given India's traditional aversion to U.S. naval activities in the Indian Ocean and to the presence of foreign troops on Indian soil, these two activities dramatically underscore how much the relationship has changed. India and the United States have taken significant steps toward establishing the sort of ties that the American military enjoys with a host of friendly nations around the globe.

In a very different sense, the emergence of the Indian ethnic community in the United States has played a major role in paving the way for improved relations. Before the liberalization of immigration laws in the early 1960s, Americans of Indian origin numbered no more than 25,000. The 2000 census counted 1.7 million. On the whole — and in contrast to many other immigrant groups — Indian-Americans are well educated and economically successful. In medicine, the sciences and especially in the computer field, the Indian ethnic community has made a name for itself.

Indian-Americans also brought to the United States a political savvy acquired from experience with India's own democratic system. And as the community progressed economically, it became active in the political arena, making generous financial contributions to election campaigns. This led to the birth of a bipartisan India caucus in the House of Representatives in 1993, founded by Representatives Frank Pallone, D-N.J., whose district has a large concentration of Indian-Americans, and Bill McCollum, R-Fla. The caucus quickly grew in size and now has about 130 members. It has become a force for better bilateral relations as well as a dampener on anti-India legislation on the Hill. Its growing clout is measurable: in 1989, an amend-

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ment barring U.S. economic aid to India was defeated by a mere four votes, 204-208. Anti-India congressmen like Dan Burton, R-Ind., continued to propose the amendment annually, but after the birth of the caucus it received fewer and fewer "yes" votes. Finally, after 1997, when the anti-India amendment lost by 260 votes, Burton

threw in the towel.

The fact that English has emerged as the de facto national language of India has provided a further significant bond. This has been true not only in the high-tech area where India boasts a large pool of well-trained, English-speaking engineers, but in literature as well. A few decades back, the sole well-known Indian writer in English was the recently deceased R. K. Narayan. His tales of small-town life in South India earned him praise in the 1940s, 1950s and 1960s as an Indian Chekhov. Narayan stood almost alone, but since then many young Indian authors have won prestigious prizes and best-seller status in the West for their literary efforts.

Business and commercial links between the United States and India have, however, not prospered to the extent expected after India launched its economic reforms in 1991. American investment, following a significant initial rise, has slipped back to about \$500 million annually, split between direct and portfolio investment. Nor has trade surged. Thanks mainly to burgeoning information technology-related sales, Indian exports have passed the \$10 billion annual level, but Indian imports from America have leveled off at about \$4 billion annually. Although the United States is India's largest trading partner, India ranks only No. 25 for the United States. Both trade and investment figures pale in comparison with U.S. economic interaction with China, with which India, because of its size and population, is often compared.

Despite many reforms, India continues to be considered a difficult place to do business. Especially for large-scale undertakings, Indian bureaucracy remains a formidable bar to rapid action. Inadequate infrastructure, restrictive labor laws and serious power shortages pose significant restraints. Nonetheless, the Indian economy is currently growing at a better than 6 percent

annual rate and many American companies are happy with their Indian operations, especially those in the information technology sector.

India has become far more open to the global market than it used to be, despite continuing high tariffs. Coca-Cola, Pepsi-Cola, McDonald's (no beef hamburgers, however) and most other major U.S. consumer products are now readily available. After the end of the central government monopoly on television, Indians have access to about as many TV channels as Americans, including four 24-hour news channels. For better or worse, TV advertising in India bears a striking resemblance to what appears on U.S. screens.

### **The Road Ahead**

Looking ahead, what are the potholes in the path of what U.S. Ambassador Robert Blackwill terms the "transformed" relationship? The major problem relates to Pakistan. The Bush administration has asserted that it has delinked relations with the two sparring neighbors, and

will allow each relationship to develop on its own separate track. In theory, such an approach is fine, but in practice it is difficult to implement because both India and Pakistan regard the other's relations with America as a zero-sum game. Thus, if New Delhi concludes that Washington has put insufficient pressure on Islamabad to deliver on President Musharraf's repeated promises to end support for cross-border infiltration in Kashmir, U.S.-India relations will suffer. Now, as in the past, the way around this problem lies in somehow effecting a major reduction in India-Pakistan tensions. Trying to achieve this difficult goal, however, quickly lands one in the marshland of the half-century-old Kashmir dispute.

The last time Washington actively tried to "solve" Kashmir was four decades ago; ever since, the United States has been content to limit its role to conflict avoidance. During 1962 and 1963, John F. Kennedy strove without success to get India's Jawaharlal Nehru and Pakistan's Ayub Khan to agree to a settlement. The problem, as veteran diplomat W. Averell Harriman counseled

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## F O C U S

Kennedy, was that any solution acceptable to India was unacceptable to Pakistan, and vice versa. In the year 2002, not that much has changed, and prospects for an early resolution are dim.

The current dilemma the Bush administration confronts — apart from the impact of U.S. actions on relations with India and Pakistan — is that left to themselves, the two protagonists are unlikely to overcome their differences and are thus likely to face periodic crises over Kashmir. If the United States wants to prevent these, and the related risk of military conflict between nuclear-armed enemies, it cannot limit its high-level engagement to times when India and Pakistan are on the brink of war. It needs to undertake a sustained effort to get New Delhi and Islamabad into a process of serious dialogue on the issues that divide them, including Kashmir. This task will not be easy, especially as India has refused to begin talks until it is satisfied Pakistan has ended its clandestine support for the anti-India insurgency.

What had been the major issue between India and the U.S. in the 1990s, the nuclear problem, is off the radar screen for the time being. The Bush administration has eased sanctions on export of dual-use items to India, overcoming a stiff rear-guard action from nonproliferation proponents. India has embraced the U.S. national missile defense initiative. Still, the issue is unlikely to go away. More than anything else, concern about possible nuclear war triggered Clinton's intervention to defuse the Kargil crisis in 1999 and, together with worries about the impact of India-Pakistan conflict on the war against terrorism, spurred Bush administration efforts to reduce tensions over Kashmir during the past year. Clearly some confidence-building measures are desirable to reduce the risk of nuclear war between the two countries. The more complex policy challenge, which the Bush administration has so far chosen to duck, is to find some way to bring India (and also Pakistan) into the global nuclear regime without upsetting the system established by the Nuclear Non-Proliferation Treaty.

Then there is the China factor. If security policy planners in the Bush administration see ties with India strategically important mainly as a way to provide the United States with a partner in containing China, they are making a mistake. Although common concerns about Beijing do exist, they do not provide a sound basis for improved bilateral ties. While worried about China as a security threat, India has no interest in becoming part of a U.S.-

led anti-China grouping. India sees itself as an independent player in the international arena with a major regional and eventually global role. New Delhi has been working to improve relations not just with the United States but with other major power centers, including Europe, Japan, China and the nations of Southeast Asia. Even though Indians acknowledge that substantially greater economic growth is needed to claim genuine Great Power status, they believe that the country's more than one billion people — one-sixth of humanity — warrant a seat on the U.N. Security Council. Nonetheless, the U.S. has remained unwilling to support India's bid for Council membership. In the not-too-distant future, however, Washington will need to shift gears or face a significant bilateral problem.

In dealing with political issues, Washington and New Delhi need to show continued sensitivity to each other's views. For America, apart from supporting India's membership in the U.N. Security Council, this mainly means avoiding actions in South Asia, especially regarding Pakistan, that India sees as threatening its interests. For India, this means avoiding a reversion to the knee-jerk anti-Americanism that prevailed until recent years and is still favored under the guise of anti-globalism by the far left and right extremes of the political spectrum. Substantial expansion in economic ties would provide greater ballast against political upsets by broadening and deepening the links between the two countries. Whether or not this occurs depends mostly on India's continued pursuit of economic reforms to enable it to play a role in the world economy more commensurate with its size and potential, but also on American willingness to eschew protectionist trade policies.

As the Bush administration nears the two-year mark, prospects that the world's two largest democracies will be able to maintain friendly and cooperative relations remain on the whole encouraging. In both capitals, there exists bipartisan agreement — in Washington between Republicans and Democrats and in New Delhi between the BJP and the Congress Party — in favor of an improved relationship. With India's representative government firmly institutionalized despite serious problems of corruption and — as in the United States — major campaign finance difficulties, the two countries share the values common to democracies. Although coincidence of national interests will remain the key factor in sustaining friendly ties, shared values matter — and this has become increasingly true between India and the United States. ■