



Navigating India US Relations

This editorial is based on [“Old Friends in a Challenging World”](#) which was published in Indian Express on 26/06/2023. It talks about the recent developments in India-US relations and how their different foreign policy approaches pose major challenges in their relations.

For Prelims: [India-US relations](#), [India-US iCET](#) initiative, [Quad Forum](#), [GE's F414 engine for India's light combat aircraft](#), India US bilateral defence exercises

For Mains: India US relations - recent development, geopolitical challenges and way forward

The **Prime Minister of India addressing a joint session of the US congress** (a rare honour for a visiting leader from overseas) is evident of the fact that [India-US relations](#) are deepening and widening and is envisaged as **“a momentous development that will benefit not just the US and India, but the world at large”**.

The bilateral relations between India and the US are built upon various factors including the **increasing market size of the Indian economy**, growing **influence of the Indian diaspora** in American business and politics as well as their **consensus on the need of the hour to contain Chinese aggression**.

As the **US deepens its Indo-Pacific engagement** and **India solidifies its regional prowess**, the partnership between these democratic powerhouses has the potential to **reshape the geopolitical chessboard**.

What is the Current Scenario of India-US Relations?

- **Economic Progress:**
 - **Bilateral trade between the two countries has grown tenfold since 2000, to USD 191 billion in 2022**, and India became the **9th largest US trading partner** in 2021. The rise in bilateral trade in goods and services reached **~160 billion USD in 2021**.
 - The **US is India's largest trading partner** and most important export market. It is one of the few countries with which **India has a trade surplus**. In **2021-22**, India had a **trade surplus of USD 32.8 billion with the US**.
- **Political Like-mindedness:**
 - Both the countries have like-minded views about the efficiency of IPEF for continued growth, peace, and prosperity in the [Indo-Pacific region](#).
 - India has also joined the US-led [Indo-Pacific Economic Framework for Prosperity \(IPEF\)](#).
 - However, the two countries have quite contradictory responses towards the [Russia-Ukraine crisis](#), **Afghanistan issue and Iran**.
- **Defence Cooperation:**

- India, which could not access US weapons during the [Cold War](#), has bought **USD 20 billion worth of arms over the last two decades.**
 - However, the incentive for the US is **helping India reduce its historical dependence on Russia** for its military supplies.
- The armed forces of India and the US engage in extensive bilateral military exercises (Yuddha Abyas, Vajra Prahar) and unilateral ones with the four partners in the [Quad Forum \(Malabar\)](#).
- Another grouping in the **Middle East - I2U2** involving **India, Israel, UAE and the US** is being termed as the [new Quad](#)
- **Upcoming Developments:**
 - **Micron Technology** (a US company) will invest around USD 2.75 billion in the next five years to build a new [semiconductor](#) assembly and test facility in India.
 - This further involves **USD 400 million investment in 4 years** to set up a collaborative engineering centre along with the **training of 60,000 Indian engineers.**
 - The biggest takeaway is the deal between General Electric Aerospace and HAL to manufacture under licence [GE's F414 engine for India's light combat aircraft](#) - this deal marks the **end of the technology denial regime.**
- **India as a US Ally:**
 - Despite vast mutual, strategic interests of the two countries, **India cannot be termed as a 'US ally' due to its foreign policy approach of non-alignment.**
 - Indian leaders across parties and over decades have long prioritised foreign policy independence as a central feature of India's approach to the world.
 - Especially since the end of the Cold War, Indian leaders have sought to **improve ties with the US, but not by curtailing India's independent approach** to foreign policy.
- **India's 'Multi-Aligned' Foreign Policy:**
 - The PM of India has described the **"world as one family" (vasudhaiva kutumbakam)**, to frame Indian diplomacy.
 - This approach has been termed **"multialignment,"** - seeking positive ties as far and as widely as possible.
 - Along this theory, India has carefully managed its relationships with **Saudi Arabia as well as Iran;** with **Israel as well as the Palestinian Territories;** with the **US as well as Russia.**
 - India has reserved the right to engage with those who aren't the US allies - Russia, Iran and even China - if its **national interests dictate such a need.**

What are the Major Challenges between India and the US?

- **US Criticism of India's Foreign Policy:**
 - If the **Indian elite has long seen the world through the lens of non-alignment**, alliance relationships have been at the heart of US' foreign policy since the [Second World War](#).
 - **India's policy of nonalignment especially during the Cold War** has always been a point of concern for the West, especially the US.
 - After the 9/11 attacks, the US asked India to dispatch troops to Afghanistan; the **Indian military vetoed the request.**
 - When the US invaded Iraq in 2003, even then **India's erstwhile PM withheld military support.**
 - Even today, **India refuses to toe the American line on the Russian-Ukraine war** and its [import of cheap Russian oil](#) continues to break records.
 - Pro-US voices have often been raised demanding India to get **"on the right side of history"**.
- **India's Engagement with US Adversaries:**
 - India has criticised the **US decision to block Iranian and Venezuelan oil** from the open market.
 - India has **actively worked to bring Iran into the SCO** (Shanghai Cooperation Organization).
 - India has also held **18 rounds of talks with China** to resolve the [border dispute](#) besides remaining a key participant in the China-backed [Asian Infrastructure Investment Bank](#).

▪ **US' Criticism of India's Democracy:**

- Various US organisations and foundations, from time to time, with the tacit support of some Congressmen and Senators, come out with **reports questioning the present state of democratic discourse, press and religious freedom and condition of the minorities in India.**
 - Some of them include the [International Religious Freedom Report 2023](#) and the [Human Rights Report on India 2021](#) by the US State Department.

▪ **Economic Tensions:**

- The [Atmanirbhar Bharat Campaign](#) has exacerbated the view in US that **India is increasingly becoming a protectionist closed market economy.**
- Effective since June 2019, the **USA decided to withdraw duty-free benefits to Indian exporters under the GSP programme** affecting India's export-oriented sectors such as pharma, textiles, agri products and automotive parts.

What can be Done to Improve the India-US Relations?

- **Moving Ahead with Multi-Alignment:** With the Ukraine-Russia conflict, global powers have been realigning into new groupings. India has a tough task of walking a very tightrope between Russia and the US. India's approach, till now, has been in the best of its national interests and must continue to be so.
 - **India shall calibrate this balancing act and bring dialogue and diplomacy** to resolve strong differences, and **not be part of the ever-widening chasm** which can only result in **repercussions that go against world peace.**
- **Leveraging the Best Common Interest:** The new India-US defence partnership makes it possible to **conceive of an Asia that is not vulnerable to domination by any one power.**
 - Increasing defence cooperation among the two countries will also **help India bridge the massive gap in military capabilities with China** with strong support from the US.
 - Both **India and the US have a strong interest in stabilising the Asian balance of power** and coping with the geopolitical churn triggered by China's rise and Beijing's assertiveness in Asia.
- **Economic Intermingling:** Indo-US economic engagement needs more ballast with **greater flows of investment and trade.** US investments in India are pegged at \$54 billion, which **represent less than 1% of its global investments.** Also, India, too, needs to increase investments in the US, **creating interdependencies between the two nations is crucial.**
 - Bolstering India's strategic partnership with the US is critical for it to become a developed nation by encouraging manufacturing-led export growth and infrastructural development. This cannot succeed without **greater access to the US market and technological cooperation.**
 - The [India-US iCET](#) is a step in the right direction.
 - India's economic rise would be in the US' interest just as much as US leadership of technology enablers and global affairs would be in India's.
 - This reality **must not be lost in noise over India's neutrality** on the world stage and its **refusal to be bound by a NATO-like-bloc.**
- **Cooperation in Sustainable Development:**
 - Initiatives like **the revamped US-India Strategic Clean Energy Partnership (SCEP)** exemplify cooperation in fostering the growth of renewable energy deployment in India.
 - The US can **further assist by facilitating access to funds for India's ambitious goals.**
 - By deepening the partnership on clean energy and climate action, both nations can achieve their global climate goals while fostering economic growth, job creation, and energy security.
- **Engaging Private Sectors:** Many CEOs are now adopting a **"China plus one" strategy**, seeking to diversify their supply chains. Recently, **Apple's decision to establish its first retail store in India** not only enhances the country's attractiveness to other tech companies but also **showcases its capability to produce cutting-edge technology** and strengthen its **manufacturing potential.**
 - This move is a crucial indication that companies are diversifying their supply chains away from China.
 - India can also signal its readiness to become a hub for chip manufacturing and case

manufacturing **leveraging US' assistance or the same.**

- **Expanding Coverage to Food Security:** In addition to national security, food security is of equal importance to India, if not more – which, however, is being threatened by **climate change with increasing temperatures affecting poorer nations disproportionately (India being no exception).**
 - The US is at the forefront of technologies not just in defence, space, and semiconductors but also in agriculture.
 - The **next round of US-India collaboration shall involve a special attempt to include food and agriculture** as one of the core areas of cooperation.
 - It has the potential to do good to the maximum number of people in the developing world, be it in Asia or Africa.

Conclusion

- The Indian prime minister put it during his address to the joint session of the US Congress -
- “In the past few years, there have been many advances in AI — Artificial Intelligence. At the same time, there have been more momentous developments in another AI — America and India.” This reflects the growing relation between India and USA in the past recent years.

Drishti Mains Question:

“While Indian and US’ policies are at variance in countries such as Russia, Iran and Afghanistan, China is the one interest that aligns the two countries together and hence, offers a good possibility to cooperate”. Comment.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Mains:

Q. What is the significance of Indo-US defence deals over Indo-Russian defence deals? Discuss with reference to stability in the Indo-Pacific region. **(2020)**

Q. ‘What introduces friction into the ties between India and the United States is that Washington is still unable to find for India a position in its global strategy, which would satisfy India’s National self-esteem and ambitions’. Explain with suitable examples. **(2019)**

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