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List of Acronyms

Central Treaty Organization (CENTO)
Comprehensive Test Ban Treaty (CTBT)
International Atomic Energy Agency (IAEA)
International Monetary Fund (IMF)
Jawaharlal Nehru University (JNU)
North Atlantic Treaty Organization(NATO)
Non-Aligned Movement (NAM)
Nuclear Non-Proliferation Treaty (NPT)
Pakistan Atomic Energy Commission (PAEC)
People's Republic of China (PRC)
Sea Lanes of Communication (SLOC)
South East Asia Treaty Organization (SEATO)
Quadrennial Defence Review (QDR)
United Nations (UN)
United Progressive Alliance (UPA)
United States (US)

“We may talk about international goodwill and mean what we say. We may talk about peace and freedom and earnestly mean what we say. But in the ultimate analysis, a government functions for the good of the country it governs and no government dare do anything which in the short or long run is manifestly to the disadvantage of that country.”¹

- Jawaharlal Nehru

¹ Motha, Madhup and Sinha, Artish (2009): “*Indian Foreign Policy*”, Foreign Service Institute, New Delhi, p.5.

1. Introduction

Historically, India and the United States (US), the two largest democracies in the world, have often been viewed as natural allies. However, estrangement rather than engagement has dominated India - US ties for a larger part of their relationship, especially during the years of the Cold War. Although relations were not outright hostile, for decades the United States and India have disagreed on many issues, ranging from economic policy to nuclear non-proliferation. Close relations between the United States and Pakistan, along with India's diplomatic ties with the Soviet Union have most evidently prevented India from strengthening its relations with the United States. With the end of the Cold War many academics and policy makers, expected India and the United States would engage in closer cooperation now that systemic constraints of the East-West divide had disappeared. However, while the Western world celebrated the triumph of liberal democracy over authoritarian forms of government, India found itself in a difficult situation. With the collapse of the Soviet Union, India not only lost its largest and most significant trading partner, but also its most important supporter and ally with regard to national security. Recognizing the fact that the United States remained the sole super power in the international system, many experts advocated that India should pay particular attention to building a better relationship with Washington. However, problems over nuclear proliferation² and the close ties between the United States and Pakistan continued to disturb the relationship. The United States urged India to go curb nuclear proliferation but India was not ready to make any steps in signing the 'Nuclear Non-Proliferation Treaty (NPT)'³ until there was a commitment on the part of the existing nuclear weapon states for universal nuclear disarmament. The two countries remained at loggerheads over the question of nuclear weapons. When India tested nuclear weapons in 1998, the relationship appeared to have further deteriorated since the years of the Cold War.

² India is part of a group of three states (India, Pakistan and Israel) that is up to this day not a signatory of the 'Nuclear Non-Proliferation Treaty (NPT)'. The United States urged India to sign the treaty but India, arguing that the NPT creates a club of "nuclear haves" and a larger group of "nuclear have-nots" by restricting the legal possession of nuclear weapons to those states that tested them before 1967, refused to do so.

³ The NPT aims to prevent the spread of nuclear weapons and weapons technology, to foster the peaceful uses of nuclear energy, and to further the goal of disarmament. The Treaty establishes a safeguards system under the responsibility of the IAEA, which also plays a central role under the Treaty in areas of technology transfer for peaceful purposes; United Nations (1970): "*Treaty on the Non-Proliferation of Nuclear Weapons (NPT)*", New York. Accessed on:

<http://www.iaea.org/Publications/Documents/Infcircs/Others/infcirc140.pdf>

However, given these events it is more surprising that following the 1998 nuclear tests a major shift in India's US Policy can be marked for the years that followed. Even though there was confusion and an apparent loss of direction in India's foreign policy following the nuclear tests in May 1998, India seemed to be clear on one point: the country had to move closer to the United States. The message was expressed within a few hours of the first explosion on May, 11 1998 that India was ready for understanding, an accommodation, a compromise, and even for a strategic partnership with the United States. Former Prime Minister Atal Bihari Vajpayee went beyond the efforts of any previous Prime Minister in drawing out a new vision for Indo-US relations. In the 2000 'Joint Vision Statement' he referred to the United States and India as 'natural allies' and concentrated on tightening this alliance in the following years. The change in US policy that was initiated by Prime Minister Vajpayee was carried forward by Prime Minister Manmohan Singh. Immediately after the September 11 attacks in New York India was one of the first countries to declare unconditional support to the US war on terror. In the following years India and the United States increased military-to-military cooperation in a major way. Defence cooperation reached its peak when in 2005 the United States officially declared their intention to help India become a major global power in the 21st century. The India – US agreement on nuclear cooperation announced during Manmohan Singh's visit to Washington in July 2005 has been termed 'historic' by its supporters and detractors alike⁴. The deal is described to be the most important strategic realignment of recent times in Indian foreign policy. Claiming that in the 21st century, India and the United States will be partners in peace, with a common interest and responsibility towards ensuring regional and international security, an engagement process started in a period following the nuclear tests in 1998 that culminated in the nuclear deal in 2005.

1.1 Research Questions

This paper aims to understand the realignment of Indian foreign policy towards the United States, a process that started following the nuclear tests in 1998. This paper analyzes the motivations and driving factors behind the decision of Indian policy makers to reorient its foreign policy in direction United States. Moreover it also attempts to identify the most

⁴ Squassoni, Sharon (2005): "*U. S. Nuclear Cooperation with India: Issues for Congress*", Congressional Research Service, Washington.

important factors that shaped Indian foreign policy in relation to the United States after 1998 till today. The main research question can be formulated as follows:

- What are the reasons for the major shift in India's foreign policy towards the United States that started after the Indian nuclear tests in 1998?

In this context, questions of particular relevance to the present research can be grouped as follows:

- Are shared democratic values and common regime type (democracy) the main drivers in the realignment process? Did improved economic ties between India and the United States have a significant influence on the change of India's U.S. policy?
- Or did national security interests play the main role in India's realignment with the United States? Did changes in the international political system after the Cold War and a changed regional and international security environment have a significant influence on changes in India's US policy? Caused the growing concern about a Chinese hegemony in Asia fundamental changes in India's foreign policy towards the United States?

1.2 Current Research Situation

At the outset this paper will briefly summarize the current academic debate on the transformation of Indian foreign policy towards the United States. Within the current research situation, one recognizes that liberal and realist theories largely dominate the current debate. Each theoretical school has ideas and explanations on why India realigned its foreign policy towards the United States. While realists argue that the security issue has been the overriding goal, liberalists argue that shared common values and regime type are the explaining variables.

1.2.1 Liberal Theories

While analyzing the shift of India's foreign policy towards the United States this paper refers to the liberalist theories of international relations. Liberal theorists state that common democratic regime type and increased economic interdependence are the main reasons for the realignment process in India's U.S. policy that started in 1998. This paper uses two well known frameworks of liberalist theories, *Democratic Peace Theory* and *Economic Interdependence Theory* to support these assumptions:

- *Democratic Peace Theory* argues that common democratic regime types are one of the main driving forces behind the realignment in India's U.S. policy. Theorists that argue in line with Democratic Peace Theory hold that India and the United States, being the two largest democracies in the world, share fundamental democratic values, common political culture, a free press and respect the rule of law⁵. All of which has led to the two countries strengthening their relationship significantly in the last decade.
- *Economic Interdependence Theory* argues that enhanced economic cooperation between India and the United States intensively contributed to the recent improvements in India – US relations. Scholars that argue in line with *Economic Interdependence theory* hold that increased economic cooperation between India and the United States had positive effects on the states over all relations.⁶

1.2.2 Realist Theories

Structural realists ignore cultural differences in regime type, mainly because the international system creates the same basic incentives for all great powers. They treat states as black-boxes. Whether a state is democratic or autocratic matters relatively little for how it

⁵ Kux, Dennis (2002): “*India's Fine Balance*”, in: Foreign Affairs, May–June; Kux, Dennis (2007): “*India at Sixty: A Positive Balance Sheet*”, Foreign Policy Association Press, New York; Kumar, Dheeraj (2009): “*Indo – U.S. Relations: Historical Perspectives*”, in Strategic Insight, Volume 8, Issue 3

⁶ Ram, A. N. (1999): “*Challenges to Economic Diplomacy*”, in: Jetly, Nancy and Prasad, Bimal (1999): “*India's Foreign Policy – Challenges and Prospects*”, Harsha Process and Print, New Delhi.; Also Kumar, Nagesh (2009): “*India and broader economic integration in Asia: An agenda for the East Asia Summit*”, in: “*Indian Foreign Policy*”, edited by Motha, Madhup and Sinha, Artish, Foreign Service Institute, New Delhi.

acts towards other states. Nor does it matter much who is in charge of conducting a state's foreign policy. Structural realists state that national security concerns are the most important aspect in India's policy of realignment towards the United States.⁷ They state that the growing concern about a Chinese hegemony in Asia was the main driving factor for fundamental changes in India's foreign policy towards the United States.⁸ Structural realists argue that the recent shift can be seen as a strategy to cope with the changed security environment and the steadily increasing threat imposed by China. They hold that India followed a *Balance of Threat* strategy to handle its changed regional security environment and the threat imposed by China. In line with *Balance of Threat Theory* India sought to increase its own military capabilities (internal balancing) and established a formal alliance with the United States (external balancing), seeking to preserve its own national interest by checking the power of the opposing side (China).⁹

This paper gives strongly emphasizes that liberalist and realist theories cannot jointly explain the status of Indo-US ties. The theories this paper uses cannot simply be combined together so as to add up to different views of the same world of international relations; instead they actually see different worlds. It is important to stress those realists and liberalists have very different viewpoints on why India realigned its foreign policy towards the United States following the nuclear tests in 1998.

1.3 Structure of this Thesis

This study is divided into six chapters. The first chapter ('Introduction') discusses the aim of this study. It introduces the reader to the current research debate on the subject and presents the methodical approach. In the second chapter ('Theoretical Approach') this paper will define the term 'Foreign Policy' and articulate that it can be approached in many ways. It will discuss structural realist and liberalist approaches of foreign policy and give reason why they are appropriate while analysing Indian foreign policy towards the United

⁷ Nayar, Baldev Raj and Paul, T.V. (2004): "*India in the World Order – Searching for Major Power Status*", Cambridge University Press, New Delhi.

⁸ Koshy, Ninan (2006): "Under the Empire: India's New Foreign Policy", Left Word Publishing House, New Delhi.

⁹ Bajpai, Kanti (2000): "*India, China and Asian Security*", in: "The Peacock and the Dragon: India-China Relations in the 21st Century", edited by Kanti, Bajpai and Mattoo, Amitabh, Har-Anand Publications, New Delhi, p. 26-50; Also Sen, Kaushik (2000): "*India, China and the United States*", in: "The Peacock and the Dragon: India-China Relations in the 21st Century", edited by Kanti, Bajpai and Mattoo, Amitabh, Har-Anand Publications, New Delhi, p. 251-270.

States. In the third chapter ('India's Foreign Policy towards the United States: A Historical Overview') this paper critically analyze India's US policy since India became independent in 1947. This paper argues that understanding the history of India's foreign policy towards the United States is fundamental in understanding the significance of the recent realignment. Comparing India's US policy before and after the recent shift enables us to pinpoint the driving forces behind the improvements. The fourth chapter ('Analysing India's Realignment towards the United States: A Liberalist Perspective'), analyzes if common democratic regime type and increased economic interdependence are the main reasons for the realignment process in India's U.S. policy that started in 1998. The fifth chapter ('Analysing India's Realignment towards the United States: A Realist Perspective') deals with structural realist explanations of the realignment in India's U.S. policy. The last chapter ('Conclusion') sums up the results of this study and gives an outlook on how Indian foreign policy toward the United States is likely to develop in the coming years.

1.4 Significance

India's recent economic growth and its expanding political significance make it an increasingly important area of research in the academic world. The topic of this paper is valuable to the political discourse on India since the future of Indo-US relations is relevant not only to the political affairs and security in South Asia but the rest of the international community as well. This issue is further significant if one views the realignment of India's foreign policy as a strategy to contain Chinese influence in Asia. How India, the United States and China will manage their relationships over the next few years will determine whether the foundations for a lasting peace and prosperity in Asia and the rest of the world can be laid or not.

1.5 Methodical Approach

As part of a research visit in India, the author of this paper attended two semesters at Jawaharlal Nehru University (JNU)¹⁰ between October 2008 and April 2009. One of the main reasons to conduct research in India was the lack of literature on Indian foreign policy in Austria and Germany where local and residential libraries could provide very little material on the topic. The JNU library provided a vast spectrum of literature on Indian foreign policy and related subjects along with offering an archive of the External Ministry of Affairs with official documents and statements of the last 60 years. As a student of JNU the author of this paper had the access to official foreign policy guidelines and papers.

At JNU the author of this paper attended three lectures which were all related to the topic of this thesis. The lecture ‘Indian Foreign Policy’ by Mrs. Moushumi Basu presented an overview of Indian foreign policy since independence. It introduced liberalist and realist perspectives to approach Indian foreign policy. The lecture ‘Sino-India Relations’ by Mr. Srikanth Kondapalli gave an overview of major turning points in India – China relations since 1947. The lecture emphasized the ongoing border disputes and its implications on the overall relations between the two countries. The lecture ‘India – U.S. Relations’ by Professor Varun Sahni provided an overview of the countries relations since 1947. It paid particular attention to the shift in India’s foreign policy after 1998. The Jawaharlal Nehru University also maintains a strong cooperation with the India Habitat Centre¹¹ and India International Centre¹². At the India International Centre, I participated in a conference on ‘Challenges and Opportunities of Indian Foreign Policy in the 21st Century’ between the 20th and 22th of November 2009. The conference was supervised by former Foreign Secretary Shyam Saran. Furthermore I visited one public lecture on “India: Towards a New US Policy” by former External Affairs Minister Yashwant Singh on the 7th of December in 2009. During my stay in India I conducted two interviews with experts on Indian foreign

¹⁰ Jawaharlal Nehru University, also known as JNU, is located in New Delhi, India. The University is first and foremost a research oriented postgraduate University with about 6000 students and mainly occupied with social science, languages and law. It was named after Jawaharlal Nehru, the first Prime Minister of India, and was founded in 1969 by his daughter, Prime Minister Mrs. Indira Gandhi; <http://www.jnu.ac.in/main.asp?sendval=Introduction>

¹¹ Since its opening in 1997, Habitat World has firmly established itself as the country's premier cultural and entertainment destination. The activities include theatre, movies, dance & music renditions, art exhibitions, talks, walks, workshops and children's events. <http://www.indiahabitat.org/>

¹² The India International Centre is a well known non-official organization located in New Delhi, India. It was founded in 1958, and inaugurated in 1968. The Library of the India International Centre was established in 1962 and houses about 40,000 volumes on social sciences, history, biography, literature and the arts.

policy. Mr. Manoj Joshi is the publisher of the magazine '*Mail Today*'¹³ and an accounted expert on India – US relations. In an interview conducted on the 8th of May 2009 he gave me great insight in questions on India's US policy and its strategy of containing China in particular. Mrs. Moushumi Basu is a well know foreign policy expert and a Professor in Jawaharlal Nehru University. In an interview conducted on 22nd of May in 2009 she gave me important information on India's motivation to conduct its nuclear tests in 1998 and reorient its foreign policy towards the United States after the events.

¹³ Mail Today was founded in November 2007, and published by the India Today Group in a joint venture with British newspaper Daily Mail, <http://epaper.mailtoday.in/epaperhome.aspx?issue=1352010>

2. Theoretical Background – Liberalism and Structural-Realism

Looking at Indian foreign policy from a historical perspective, I. K. Gujral argues that it could never be described by a particular school of thought. Historically it was characterized by a tension of idealism and realism.¹⁴ Throughout more than five decades India followed the so called ‘Non-Alignment Policy’ which was shaped by this either- or approach. Historically idealism may find itself in opposition to realism, a worldview which argues that a nation's national interest is more important than ethical or moral considerations; however, India Non-Alignment Policy showed that there needed to be no conflict between the two.¹⁵ Today Indian foreign policy is characterized by a continuing tension of neo-realism and liberalism.

Foreign policy and diplomacy have been described as wheels with which the process of international relation operates. No state can live in isolation. Even before interdependence of states reached the present stage, the states had several types of relations among themselves. These included trade relations, cultural relations and, of course, political relations.¹⁶ A simple definition of foreign policy can be given as follows: According to Christopher Hill foreign policy is ‘the sum of official external relations conducted by an independent actor (usually a state) in international relations’¹⁷. The phrase “an independent actor” enables the inclusion of phenomena such as the European Union; external relations are “official” to allow the inclusion of outputs from all parts of the governing mechanisms of the state or enterprise while also maintaining parsimony with respect to the vast number of inter-national transactions now being conducted; policy is the “sum” of these official relations because otherwise every particular action could be seen as a separate foreign policy. Finally, the policy is “foreign” because the world is still more separated into distinctive communities than it is a single, homogenizing entity. These communities therefore need strategies for coping with foreigners in their various aspects.¹⁸ In line with Hill definitions of political activities are notoriously difficult and foreign policy is no exception. The main

¹⁴ Gujral, I.K. (1999): ‘*Indian Foreign Policy Today*’, in: “India’s Foreign Policy – Challenges and Prospects”, edited by Jetly, Nancy and Prasad, Bimal, Harsha Process and Print, New Delhi, p.22.

¹⁵ Nayar, Baldev Raj and Paul, T.V. (2004): “*India in the World Order – Searching for Major Power Status*”, Cambridge University Press, New Delhi, p. 17.

¹⁶ Khanna, V. N. (2007): ‘*Foreign Policy of India*’, Publishing House PVT, New Delhi, p. 1.

¹⁷ Hill, Christopher (2003): ‘*The Changing Politics of Foreign Policy*’, Palgrave Macmillan, London, p.3.

¹⁸ Ibid. p.3

problem of finding a universal definition of foreign policy is that it can be approached in many different ways within international relations.¹⁹ This paper concentrates on realist and liberalist approaches to foreign policy.

2.1 Liberalism

Liberalism contributes to the understanding of foreign policy by highlighting how state preferences, rather than state capabilities, are the primary determinant of state behaviour. Preferences will vary from state to state, depending on factors such as culture, economic system or government type. In contrast to realism where the state is seen as a unitary actor, liberalism argues for plurality in state actions. Therefore, Liberalism holds that interaction between states is not limited to the political (high politics), but also economic (low politics) whether through commercial firms, organizations or individuals.²⁰

History of Liberalist Approaches in International Relations

Liberalism has its roots in thinkers in the tradition of European reconnaissance, who formulated the possibility of civilizing foreign policy. Among these Immanuel Kant had a decisive impact on modern liberalism. In his 'Treaties on Perpetual Peace' published in 1795, Kant refined the liberal argument by suggesting that peace among democratic nations would be the consequence of three complementary influences.²¹ First, republican constitutions eliminate autocratic caprice in waging war. Second, an understanding of the legitimate rights of all citizens and of all republics develops with the spread of democracy, leading to the creation of a moral foundation for the liberal peace upon which eventually a structure of international law can be built. Lastly, economic interdependence enhances constitutional constraints and liberal norms by creating transnational ties that encourage

¹⁹ Ibid. p.4

²⁰ Doyle, Michael W. (1996): "Kant, Liberal Legacies, and Foreign Affairs", in "Debating the Democratic Peace", edited by Michael E. Brown, Sean M. Lynn-Jones and Steven E. Miller, MIT Press, Cambridge, p. 50.

²¹ Ibid. p. 56

accommodation rather than conflict. Consequently material incentives attach their force to law and morality.²²

However, the number of democratic states was very limited until the middle of the twentieth century. So was the number of international organizations.²³ Moreover, the ideas of liberal economic theory according to which trade and economic interdependence contribute to peace were put to rest by the First World War which was fought among economically interdependent states. Because of the events of the First World War and the failure of the League of Nations in the aftermath of war, liberal theories on peace among democratic systems or among liberal economies were regarded as utopian. Scholars such as E. H. Carr branded and condemned them as ‘idealist’ contrasting them to realism as the proper way to theorize about the international political system.²⁴ The end of the Second World War and the following wave of democratization could have brought back Kant’s ideas on peace among democratic states. However, in the wake of the Cold War, international politics was largely conceptualized as responding to the pressures of the anarchic international system and the power rivalries between the Communist East and Capitalist West. Realist balance of power theories dominated international relations theory once again²⁵. This changed only in the 1970’s. The rise of the European Union as a supranational organization of liberal states and increasing global economic integration allowed liberalist theories come to the fore another time. Kant’s basic argument fitted well to the perceived change of international reality in the 1970s: economic interdependence, increased international cooperation and international organizations spread; and democratization continued. Since all this three developments facilitate peace according to Kant’s hypothesis, democratic peace approaches became integral parts of various research programmes.²⁶ In 1982 already, Jack Levy called the ‘democratic peace’ proposition the only ‘law’ we found so far in international relations.

With the end of the Cold War liberal approaches in foreign policy gained more attention because realist theories of international relations were not able to explain the sudden decline of the Soviet Union. The most important contribution was made by the political sci-

²² Ibid. p. 57.

²³ Russett and O’Neal. (2001): “*Triangulating Peace: Democracy, Interdependence, and International Organizations*”, W. W. Norton, New York.

²⁴ See E. H. Carr (1939): ‘The Twenty Years Crisis’.

²⁵ See e. g. Waltz, Kenneth (1979): ‘Theory of International Politics’, Mass: Addison-Wesley, Reading.

²⁶ Russett and O’Neal. (2001): “*Triangulating Peace: Democracy, Interdependence, and International Organizations*”, W. W. Norton, New York., See also Czempiel, Ernst-Otto (1998): „*Friedensstrategien. Eine systematische Darstellung außenpolitischer Theorien von Machiavelli bis Madariaga*“, Westdeutscher Verlag, Opladen.

entist Andrew Moravcsik.²⁷ Moravcsik emphasized in his 'New Liberalism' on the primary role of society actors, the transformation of society preferences into state preferences and the interaction between the society level and the international system. Moravcsik concludes that his 'new theory' is not empirically sufficient to explain all of international relations, but it is analytically more fundamental than other types of international relations theory (e.g. realism).

Contemporary Liberal Theories in International Relations Theory

According to Diana Panke and Thomas Risse there is no such thing as a single theory of liberalism in international relations theory.²⁸ Rather, there are many approaches of liberalism, which roughly can be divided into classical liberalism and neo-liberalism. In the terminology of Waltz's 'three images', or 'levels of analysis', through which he theorized international politics, Panke and Risse argue liberalist approaches can be divided into 'second image-' and 'third-image approaches'.²⁹ Classical liberal theories of international relations tend to be second image approaches. By second image, they mean explanations for international outcomes that are located at the level of the state. This is significantly different to third-image approaches to liberalism which focus on the impact of regimes and international organizations on unit-level behaviour (this strand is known as neo-liberalism). According to Andrew Moravcsik contemporary liberal international relations theory is notable for its fragmentation among different schools, each with its separate literature, the most prominent of which relate to democracy and peace; commercial liberalism/economic interdependence; and international institutions and regimes.³⁰ The first of these argues that democracies are each other's natural allies, the second emphasizes on the positive consequences of commerce and interdependence, and the third highlights the increasing role of international institutions at the present time. This paper concentrates on classical theories of Liberalism, namely democratic peace and economic interdependence theory, because they are relevant for explaining the shift in India's foreign policy towards the United States.

²⁷ Moravcsik, Andrew (1997): "*Taking Preferences Seriously: A Liberal Theory of International Politics*", International Organization, 51 (4), S. 513-553.

²⁸ Panke, Diana and Risse, Thomas (2009): "Liberalism", in "*International Relations Theories: Discipline and Diversity*", Dunne, Tim, Oxford University Press, Oxford, p. 90.

²⁹ Ibid. p. 90.

³⁰ Moravcsik, Andrew (1997): "*Taking Preferences Seriously: A Liberal Theory of International Politics*", International Organization, 51 (4), S. 514.

Common to all Liberal Approaches

Despite the differences all liberalist approaches of international relations rest on the core assumption that domestic actors or structures strongly influence the foreign policy identities and interests of states as well as their actual behaviour in international relations. They highlight how individuals and the ideas and ideals they have (such as human rights, liberty, and democracy), social forces (capitalism, markets), and political institutions (democracy, representation) can have direct effects on foreign relations. Liberalists believe in the brotherhood of man, cosmopolitanism, the goodness of people and the possibility of abolishing war, optimism about the peace enhancing outcomes of increased intergovernmental international organizations, international free trade, and so forth.³¹ Liberalist approaches contradict with the assumption of realists regarding the determinative role of system structure (unipolar, bipolar, or multipolar) and the consequent assumption of state homogeneity.³² Liberalists on the other hand pay more attention to domestic structures and individual preferences than do realists, and believe that the international system has less than overriding influence and so distinguish themselves from structural realists.³³ In line with James L. Richardson liberalism rejected the traditional practice of international politics, the balance of power, alliances, spheres of influence, conquest, and colonization.³⁴

Relevant for analyzing Indian Foreign policy towards the United States are liberal approaches of *democratic peace* and *economic interdependence theory*. Liberal theorists state that common values and economic interdependence are the main reasons for the recent shift in India's US policy. They argue that common democratic regime type is one of the main driving forces behind the realignment in India's US policy. Moreover, liberalists argue that enhanced economic cooperation between India and the United States intensively contributed to the recent improvements in India – US relations. Therefore, *democratic peace* and *economic interdependence theory* apply best to analyzing the shift in India's foreign policy towards the United States.

³¹ Van de Haar, Edwin (2009): „*Classical Liberalism and International Relations Theory*“, Palgrave Macmillan, New York.

³² Doyle, Michael W. (2008): „*Liberalism and Foreign Policy*“, in Dunne, Tim, Hadfield, Amelia and Smith, Steven (2008): 'Foreign Policy: Theories, Actors, Cases', Oxford University Press, p. 50.

³³ Ibid. p. 59.

³⁴ Richardson, James L. (2001): „*Contending Liberalisms in World Politics: Ideology and Power*“, Lynne Rienner Publishers, Canberra.

2.1.1 Democratic Peace Theory

Democratic peace theory states that democracies do not go to war with one another because they share fundamental common norms and values. The idea that democracies do not fight each other can be traced back to the writings of Immanuel Kant over two hundred years ago in 'The Perpetual Peace'. However, it was not until the early 1980s and the writings of Michael Doyle that the idea received its first contemporary articulation.³⁵ According to Doyle two sets of fundamental factors are important in explaining the democratic peace. Firstly, the structural limits of democratic institutions and of democratic politics make it difficult or even impossible for war-prone leaders to drag their states into wars. Doyle stresses the joint effect of these democratic limits, together with the greater openness and transparency of liberal democracies. If both sides are governed by careful, cost-sensitive politicians that only make use of force defensively, then conflict is far less likely to occur.³⁶ Second, democratic peace theorists highlight the importance of normative instruments. Liberal and democratic norms engage shared understandings of suitable behaviour, stabilized expectations of the future, and are rooted in both institutions and political culture. Rule-governed change is a basic principle; the use of coercive force outside the structure of rules is forbidden; and trust and reciprocity, and rule of law are at the heart of democratic politics. On this view, then, the democratic peace is produced by the way in which democracies externalize their domestic political norms of tolerance and compromise into their foreign relations, thus making war with other democratic systems very unlikely.³⁷

Summing up, *democratic peace theory* is primarily concerned with the question of war and peace. This raises the question in which way democratic peace theory can be useful to explain the shift in India's foreign policy towards the United States. While on the one hand India and the US certainly were not close friends in the past (estranged democracies³⁸), on the other hand they were never really close to a serious military confrontation. Bruce Russett argues that even though the *democratic peace theory* first and foremost is concerned about questions of war and peace, it also contributes to explanations why democracies are

³⁵ Doyle, Michael W. (1996): "Kant, Liberal Legacies, and Foreign Affairs", in "Debating the Democratic Peace"; edited by Michael E. Brown, Sean M. Lynn-Jones and Steven E. Miller, MIT Press, Cambridge, p. 3.

³⁶ Ibid, p. 12-14.

³⁷ Ibid, p. 15.

³⁸ According to NAME the term 'estranged democracies' does not comprises any form of hostility

more likely to cooperate and, even form alliances, with each other.³⁹ Scholars like Ernst-Otto Czempiel and Thomas Risse-Kappen provide similar arguments.⁴⁰ On this account this paper emphasizes on explanations why democracies are more likely to cooperate with each other than democracies and non-democratic political systems.

Bruce Russett and Ernst-Otto Czempiel give evidence why democratic states are more likely to cooperate with each other.⁴¹ According to Russett one argument is that democracies tend to develop similar social identities and share common democratic values such as human rights, the commitment to solve conflicts peacefully and the rule of law. He further states that social identity creates a similar political culture in democracy, which functions as the basic concept of a state's foreign policy.⁴² Russett draws the conclusion that all these aspects lead to the fact that democracies rather trust each other while distrusting non-democratic political systems. Consequently, in case of threat democracies are more likely to support, and even form alliances, with each other.⁴³ Thomas Risse-Kappen work also highlights on cooperation between democracies.⁴⁴ He states that democratic relations are characterized through a high degree of mutual sympathy and appreciation. He argues that inter democratic relations have their own unique dynamics. He reasons that similarity in character and nature creates trust and facilitates cooperation. While relations between democracies and non-democratic states seem to be unreliable and unpredictable, relations between democracies appear to be comparatively stable and foreseeable. Risse-Kappen argues that all that facilitates a pattern of cooperative interaction, which in the longer run furthers the development of a common identity of democracies as 'part of us' (in-group) and as distinct from authoritarian as 'them'.⁴⁵ In contrast to realists, liberalist can come to appreciate that the existence of other liberal states constitutes no threat and instead constitutes an opportunity for mutually beneficial trade and (when needed) alliance against non liberal states. According to Doyle "liberals should be prepared [...] to [...] formally ally

³⁹ Russett, Bruce (1993): "Normative and Structural Causes of Democratic Peace", in American Political Science Review 87(3): 624-38.

⁴⁰ Czempiel, Ernst-Otto (1998): „Friedensstrategien. Eine systematische Darstellung außenpolitischer Theorien von Machiavelli bis Madariaga“, Westdeutscher Verlag, Opladen., See also Risse-Kappen, Thomas (1995): "Cooperation among Democracies", Princeton University Press, New Jersey.

⁴¹ Ibid., Ibid.

⁴² Russett, Bruce (1993): "Normative and Structural Causes of Democratic Peace", in American Political Science Review 87(3): 624-38.

⁴³ Ibid.

⁴⁴ Risse-Kappen, Thomas (1995): "Cooperation among Democracies", Princeton University Press, New Jersey.

⁴⁵ Ibid. 504-7.

with authentically liberal, democratic states that are subjects to threats or actual instances of external attack or internal subversion. Their alliances [...] with other democratic states are not only crucial to their present security, but the best hopes for long-term peace and the realization of ideals.”⁴⁶

2.1.2 Economic Interdependence Theory

Theorists like Montesquieu, Adam Smith and Immanuel Kant and practitioners like Woodrow Wilson asserted that economic relations between states pacify political interaction.⁴⁷ Growing evidence in recent years shows to validate these claims. Multiple studies, many identified with the democratic peace, link interstate trade with a drop of numbers in militarized disputes or wars.⁴⁸

The traditional argument, put forward by such writers as Adam Smith, Thomas Paine, Norman Angell, and, in recent times, Edward Morse, suggests that economic interdependence by itself increases the value of peace between nations that rationally calculate their interests and thereby reduces the danger of war between them.⁴⁹ The interdependence argument theory holds that economic interdependence between two states makes military conflict very unlikely. Proponents of the trade-promotes-peace proposition identify several interrelated theoretical arguments in support of their hypothesis, but give greatest emphasis to the economic opportunity cost argument: because trade generates economic benefits for both parties, the anticipation that war will disrupt trade and lead to a loss or reduction of the gains from trade helps to deter political leaders from taking actions that are likely to

⁴⁶ Doyle, Michael W. (2008): “*Liberalism and Foreign Policy*”, in Dunne, Tim, Hadfield, Amelia and Smith, Steven (2008): ‘Foreign Policy: Theories, Actors, Cases’, Oxford University Press, p. 65.

⁴⁷ Dell, Edmund (1987): “*The politics of Economic Interdependence*”, Macmillan Publishers, Hamdshire.

⁴⁸ Levy, Jack S. (2003): “*Economic Interdependence, Opportunity Costs, and Peace*”, in ‘Economic Interdependence and International Conflict - New Perspectives on a Enduring Debate’ (Edward D. Mansfield and Brian M. Pollins), The University of Michigan Press, Michigan, p. 127-48.

⁴⁹ Mastanduno, Michael (2003): ‘*The Strategy of Economic Engagement*’, in ‘*Economic Interdependence and International Conflict - New Perspectives on a Enduring Debate*’ (Edward D. Mansfield and Brian M. Pollins), The University of Michigan Press, Michigan, p. 175-89.

lead to war against key trading partners As long as high levels of interdependence can be maintained, liberals assert, we have reason for optimism.⁵⁰

Economic Interdependence Theory

While classical economic interdependence theories limit their focus only on the influence of economic ties and conflict management, recent debates also emphasize on the positive effects of economic interdependence on the states over all relations. Christopher Gelpi and Joseph M. Grieco state that economic interdependence does not only make conflict between two states unlikely, they furthermore argue that it also fosters cooperative political relations in many aspects.⁵¹ Economic interdependence reinforces constitutional constraints and liberal norms by creating transnational ties that encourage political accommodation. In line with Gelpi and Grieco, trade brings individuals of different nations into contact with one another and creates common interests.⁵² It furthermore increases the prosperity and political power of the peaceful productive members of society. Moreover, in line with Gelpi and Grieco, increased economic cooperation leads to people-to-people contact in the business world.⁵³ These contacts create more understanding between individuals, and because individuals are member of states, consequently also between states that are strongly economically engaged.⁵⁴

⁵⁰ Ibid.

⁵¹ Gelpi, Christopher and Grieco, Joseph M. (2003): “*Economic Interdependence, the Democratic State, and Liberal Peace*” in ‘Economic Interdependence and International Conflict - New Perspectives on a Enduring Debate’ (Edward D. Mansfield and Brian M. Pollins), The University of Michigan Press, Michigan, p. 44-60.

⁵² Ibid.

⁵³ Ibid. p. 51.

⁵⁴ Levy, Jack S. (2003): “*Economic Interdependence, Opportunity Costs, and Peace*”, in ‘Economic Interdependence and International Conflict - New Perspectives on a Enduring Debate’ (Edward D. Mansfield and Brian M. Pollins), The University of Michigan Press, Michigan, p. 127-48.

2.1.3 Definitions: Norms, Values and National Interest

Norms and Values

Norms are beliefs shared by a community about who they are, what the world is like, and given these two things, what they can and should do in given circumstances. They are public beliefs that are institutionalised in community discourse, doctrine, policies and practice.⁵⁵ Values are important and enduring beliefs or ideals shared by the members of a culture about what is good or desirable and what is not. Values exert major influence on the behaviour of an individual and serve as broad guidelines in all situations.⁵⁶ Values are very often strongly connected with belief and belief systems. Types of values include ethical and moral values, doctrinal and ideological or religious and political values.

Democratic values

According to Russett, democratic Values are the fundamental beliefs and constitutional principles which are shared by a democratic society.⁵⁷ In line with Russett it is difficult to give a unitary definition because democratic values may differ from state to state.⁵⁸ However according to Russett one can identify a certain line of core democratic values which are shared by all democracies worldwide.⁵⁹ These are the rule of law, the non-violent resolutions of conflicts, human rights, and the equality among citizens and beyond the state.

⁵⁵ Griffith, M. (2008): *“International Relations – The Key Concepts”*, 3rd Edition, Routledge Print House, Washington, p. 45.

⁵⁶ Ibid. p. 46.

⁵⁷ Russett, Bruce (1996): *“Why Democratic Peace?”*, in *“Debating the Democratic Peace”*, edited by Michael E. Brown, Sean M. Lynn-Jones and Steven E. Miller, MIT Press, Cambridge, p. 82 – 116.

⁵⁸ Ibid.

⁵⁹ Ibid.

National Interest

In contrast to realist definition of national interest, liberalist definition of national interest highlights how state preferences, rather than state capabilities, are the primary determinants of state behaviour. In line with a liberalist understanding of national interest, values and norms play an important role when identifying the national interest of a country.⁶⁰ From a liberalist point of view the national interest is often equivalent with the general public interest. According to Czempiel, the national interest is identified with values or norms because the latter are viewed as the prime goals of foreign policy.⁶¹

⁶⁰ Griffith, M. (2008): *“International Relations – The Key Concepts”*, 3rd Edition, Routledge Print House, Washington.

⁶¹ Czempiel, Ernst-Otto (1998): *„Friedensstrategien. Eine systematische Darstellung außenpolitischer Theorien von Machiavelli bis Madariaga“*., Westdeutscher Verlag, Opladen.

2.2 Realism

Realism contributes to the understanding of foreign policy by stressing that states are self-interested, power-seeking rational actors, who seek to maximize their security and chances of survival. Any cooperation between states is explained as functional in order to maximize each individual state's security.⁶² This paper concentrates on structural realism and the concept of balance of threat theory in particular, to analyze Indian foreign policy towards the United States.

Roots of Realism

Realism has been the dominant force guiding international relations theory and influencing foreign policy, especially since the end of World War 2. E. H. Carr and Hans J. Morgenthau had a great influence on the development of realist theory.⁶³ They were among the first scholars to use the term 'realism' and to elaborate its fundamental assumptions by contrast with the allegedly idealistic study of international relations that prevailed during the interwar period. They claimed that there was no natural harmony among states and that it was foolish and even dangerous to hope that the struggle for power among states could be tamed by international law, democratisation, and international commerce. For both writers, the failure of idealistic scholars to understand these basic points was part of the reason why the League of Nations failed to stop the outbreak of the Second World War.⁶⁴

Differences within Realism

There are significant differences among realists. According to Mearsheimer, the most fundamental divide between classical realists and structural realists is reflected in the answer to a simple but important question: why do states want power?⁶⁵ For classical realists like

⁶² Donnelly, Jack (2000): *"Realism and International Relations"*, Cambridge University Press, New York.

⁶³ Hill, Christopher (2003): *'The Changing Politics of Foreign Policy'*, Palgrave Macmillan, London, p.7.

⁶⁴ Griffith, M. (2002): *"International Relations – The Key Concepts"*, Routledge Print House, Washington, p. 262.

⁶⁵ Mearsheimer, John J. (2006): *"Structural Realism"*, in "International Relations Theories: Discipline and Diversity", edited by Tim Dune and Steve Smith, Oxford University Press, Oxford, p. 72.

Hans Morgenthau, the answer rests in the logic of human nature, whereby virtually everyone is born with a will power hardwired into them.⁶⁶ And because states are led by individuals who are bent on having their state dominate rivals, nothing can be done to alter that drive to be all-powerful.

For structural realists, human nature is not so critical to why states want power. In his book 'Theory of International Politics' Kenneth Waltz argues in favour of a systemic approach.⁶⁷ Strategic Realism rejects classical realism's basic concept of 'human nature' to explain international politics. Alternatively, strategic realist thinkers created a theory that privileges structural constraints over agents' strategies and motivations. Another main difference between classical realism and strategic realism is the explanation of wars. Classical realists put an emphasis on the self-centred and static human nature which therefore makes states egoistic and power seeking units. Strategic realists, on the other hand, argue that the conflict in international relations can be explained by the state of anarchy. Anarchy in international relations means the absence of rule or lack of government. Thus, there is no hierarchically superior, coercive power that can resolve disputes or order the system. The interaction of egoism and anarchy leads to "the overriding role of power in international relations"⁶⁸ and requires the primacy in all political life of power and security. Strategic Realists recognize that the absence of a governing authority (anarchy) causes states to worry about their security and the balance of power.⁶⁹

Common to all realist Approaches

Whatever their differences, all realist theories proceed from realism's three core assumptions of groupism, egoism, and power-centrism. According to realist thought, humans interact mainly as members of groups. People need the cohesion provided by group solidarity. Yet that very same in-group cohesion generates the potential for conflict with other groups. Today the most important human groups are nation-states and the most important

⁶⁶ Ibid, p. 72.

⁶⁷ Waltz, Kenneth (1979): "*Theory of International Politics*", Mass: Addison-Wesley, Reading.

⁶⁸ Ibid.

⁶⁹ Griffith, M. (2008): "*International Relations – The Key Concepts*", 3rd Edition, Routledge Print House, Washington.

source of in-group cohesion is nationalism.⁷⁰ Secondly, human nature, according to realists, is at its core egoistic, and thus inalterably inclined towards immorality. Self-interests ultimately drive political behaviour. Realists argue that egoism is rooted in human nature. When ultimate trade-offs between collective and self-interests must be confronted, egoism tends to trump altruism.⁷¹ Thirdly, realists believe that power is the most important feature of the international political system. Hans Morgenthau stressed the importance of power in realist theory by saying that “the struggle for power is universal in time and space”.⁷² It is important not only to have a substantial amount of power, but also to make sure that no other state sharply shifts the balance of power in its favour. Summing up, the overriding goal of each state is to maximize its share of world power, which means gaining power at the expense of other states.⁷³ According to Griffith it follows that, for realists, international relations theory is the analysis of states pursuing power. The achievement of comparative peace is the result of the manipulation of power.⁷⁴ All other issues are subordinate to this.

⁷⁰ Wohlworth, William C. (2008): “*Realism and Foreign Policy*”, in Dunne, Tim, Hadfield, Amelia and Smith, Steven (2008): ‘Foreign Policy: Theories, Actors, Cases’, Oxford University Press, p. 32., See also Baumann, Rainer, Rittberger, Volker and Wagner, Wolfgang (1998): “*Power and Power Politics: Neorealist Foreign Policy Theory and Expectations about German Foreign Policy since Unification*”, in Tübinger Arbeitspapiere zur Internationalen Politik und Friedensforschung ; 30a, Tübingen, p. 4.

⁷¹ Ibid.

⁷² Morgenthau, Hans (1973): “*Politics among Nations – The Struggle for Power and Peace*”, McGraw-Hill Press, New York, p. 8.

⁷³ Wohlworth, William C. (2008): “*Realism and Foreign Policy*”, in Dunne, Tim, Hadfield, Amelia and Smith, Steven (2008): ‘Foreign Policy: Theories, Actors, Cases’, Oxford University Press, p. 32.

⁷⁴ Griffith, M. (2008): “*International Relations – The Key Concepts*”, 3rd Edition, Routledge Print House, Washington.

2.2.1 Structural Realism

Why do states want power?

According to Mearsheimer there is simple structural explanation why states want power. It is based on five assumptions about the international system.⁷⁵ None of these assumptions alone can explain why states compete for power among each other. But when they are put together, they show a world of security competition.⁷⁶

The first assumption is that the international political system is an anarchic system. Anarchy in international relations means the absence of rule or lack of government. Thus, there is no hierarchically superior, coercive power that can resolve disputes or order the system. Anarchy does not mean the international system is characterized by chaos. The second assumption is that all states possess some form of offensive military capability. Every state has therefore the power to use offensive military capabilities against other states. These capabilities vary from state to state and they can change over time.⁷⁷ The third assumption is that states can never be certain about the intentions of other states. States ultimately want to know whether other states are determined to use force to alter the balance of power, or whether they are satisfied with the current situation. The problem is that it is almost impossible to discern another states intention with a high degree of certainty. Unlike military capabilities, intentions cannot be easily empirically verified. Intentions are in the minds of decision-makers and they are especially difficult to discern. One might argue that decision makers reveal their intentions in speeches and policy documents, which can be assessed. The problem with that argument is that policy makers sometimes lie about or conceal their true intentions. The fourth assumption is that the main goal of states is survival. States seek to maintain their territorial integrity and the sovereignty of their domestic political order. They can follow other goals like wealth and protecting human rights, but those aims always take a back seat to survival, because if a state's survival is in question, it will not be able to pursue those other goals. The fifth assumption is that states are rational actors, which is to say they are capable of coming up with sound strategies that maximize their prospects

⁷⁵ Mearsheimer, John J. (2006): "*Structural Realism*", in "International Relations Theories: Discipline and Diversity", edited by Tim Dune and Steve Smith, Oxford University Press, Oxford, p. 73.

⁷⁶ Ibid, p. 73.

⁷⁷ Ibid, p. 73.

for survival. Summing up, none of these assumptions on their own implicate that states will or should compete with each other for power. It is only by combining all these assumptions that circumstances arise where states not only become preoccupied with the balance of power, but acquire powerful incentives to gain power at each other's expense.⁷⁸

Fearful of other states, and knowing that they operate in a self-help international system, states realize that the best way to survive is to acquire power. The rationale here is straightforward: the more powerful a state is, relative to its competitors, the less likely it will be attacked. This simple logic drives great powers to constantly look for opportunities to shift the balance of power in their favor. At the very last, states want to make sure that no other state gains power at their expense and because each state in the system understands that logic, all political behavior is in the end a struggle.⁷⁹ The structural essentials portrayed above are reflected in the famous concept of the security dilemma.⁸⁰ The logic of that dilemma is that every step a state takes to increase its own security decreases the security of the other states in the international political system. For example, any country that tries to improve its position in the balance of power does so at the expense of other countries, which consequently lose relative power. According to Glaser, international politics is therefore a zero-sum game. It is difficult for states to improve their security and at the same time not to threaten the security of other states.

How much power is enough?

According to Mearsheimer, there is a disagreement among structural realists about how much power states should aim to gain.⁸¹ Offensive realists argue that states should always be looking for opportunities to gain more power and should so whenever the opportunity arises, because that is the best way to ensure survival. Defensive realists on the other hand argue that states, by their account, should instead strive for what Kenneth Waltz calls an

⁷⁸ Ibid, p. 73-4.

⁷⁹ Baumann, Rainer, Rittberger, Volker and Wagner, Wolfgang (1998): "Power and Power Politics: Neorealist Foreign Policy Theory and Expectations about German Foreign Policy since Unification", in Tübinger Arbeitspapiere zur Internationalen Politik und Friedensforschung ; 30a, Tübingen, p. 15.

⁸⁰ Glaser, Charles (1997): "The Security Dilemma Revisited", in World Politics 50, October 1997, p. 171-201., see also Herz, J. H. (1950). "Idealist Internationalism and the Security Dilemma", in World Politics 2(2), p. 157-180., and also Herz, J. H. (2003). "The Security Dilemma in International Relations: Background and Present Problems" International Relations 17(4), p. 411-416.

⁸¹ Mearsheimer, John J. (2006): "Structural Realism", in "International Relations Theories: Discipline and Diversity", edited by Tim Dune and Steve Smith, Oxford University Press, Oxford, p. 80.

‘appropriate amount of power’. This restraint is the result of three factors: Defensive realists state that if a state becomes too powerful, balancing actions take place. Specifically, the other great powers will build up their militaries and form a balancing coalition that will leave the aspiring hegemon less secure.⁸² Defensive realists argue that there is an offence-defense balance, which indicates how easy or difficult it is to conquer a territory or defeat a rival in battle. Simply put, it tells you whether or not offence pays off. Defensive realists argue that the offence-defense battle should be usually in the defender’s favor, and therefore any states that attempts to gain large amounts of additional power is likely to end up fighting a series of losing wars. Consequently, states will recognize the pointlessness of offence and concentrate instead on maintaining their position in the balance of power. If they do go on the offensive, their aims will be limited.⁸³

Mearsheimer’s theory of ‘Offensive Realism’ holds that the structure of the system forces states to act aggressively towards each other.⁸⁴ According to Mearsheimer, offensive realists expect states to be constantly looking for opportunities to increase their share of power in the international system.⁸⁵ In accordance with Mearsheimer’s theory, the security competition in this world has a tendency to become intense which in turn will increase the probability of wars amongst great powers.⁸⁶ Moreover, the grave peril of conflict will arise whenever there is a potential hegemon on the scene. Given the difficulty of determining how much power is enough for today and tomorrow, great powers recognize that the best way to ensure their security is to achieve hegemony now, thus eliminating any possibility of a challenge by another great power later.

⁸² Ibid, p. 80-81.

⁸³ Baumann, Rainer, Rittberger, Volker and Wagner, Wolfgang (1998): “*Power and Power Politics: Neorealist Foreign Policy Theory and Expectations about German Foreign Policy since Unification*”, in Tübinger Arbeitspapiere zur Internationalen Politik und Friedensforschung ; 30a, Tübingen.

⁸⁴ Mearsheimer, John J. (2001): “*The Tragedy of Great Power Politics*”, Norton and Company Press, New York.

⁸⁵ Ibid, p. 169.

⁸⁶ Ibid, p. 170.

2.2.2 Balance of Threat Theory

According to structural realists, international environment is one of the most important determinants of foreign policy.⁸⁷ In any case, foreign policy is the sum total of decisions taken by a country to regulate the behaviour of other states. Therefore, the international system at any given point of time has direct influence on foreign policies. Khanna sums up the situation as following: “The complexity of foreign policy arises from the interaction of the desire of states within the international community to achieve their own national interests, and their consequent attitudes to international issues.”⁸⁸

The term balance of power describes the relative distribution of power among states into equal or unequal shares. Traditionally, it refers to a state of affairs in which no one state predominates the other. Prescriptively, it refers to a policy of promoting power equilibrium on the assumption that unbalanced power is dangerous. A balance of power policy requires that a state moderates its independent quest for power, since too much for one state may bring about self-defeating reactions of fear and hostility from other states.⁸⁹ Balance of power theorists posit that, to manage insecurity, states make rational and calculated evaluations of the costs and benefits of particular policies that determine the state’s role in a balance of power. Should we increase our power by seeking new allies? Is our enemy (or friend) altering the balance of power to our detriment? What can we do to make the balance of power shift in our favour? By both explicitly or implicitly asking and answering those questions, states minimize their insecurity by protecting their own interests. All states are continually making choices to increase their own capabilities and to undermine the capabilities of others, and thereby the balance of power is maintained.⁹⁰ When that balance of power is jeopardized, insecurity leads states to pursue countervailing policies. A balance of power operates at both the international and regional levels. At the international level during the Cold War, for instance, a relative balance of power was maintained between the United States and the Soviet Union. If one of the superpowers augmented its power through the expansion of its alliances or through the acquisition of more deadly, more ef-

⁸⁷ Khanna, V. N. (2007): ‘*Foreign Policy of India*’, Publishing House PVT, New Delhi.

⁸⁸ Ibid, p. 6.

⁸⁹ Griffith, M. (2002): “*International Relations – The Key Concepts*”, Routledge Print House, Washington, p. 12.

⁹⁰ Walt, Stephen (1987): “*Alliance Formation and the Balance of World Power*”, in *International Security*, Spring 1985, (Vol. 9, No. 4), p. 23.

fective armaments, the other responded in kind. Absolute gains were not as critical as relative gains; no matter how much total power one state accrued, neither state could afford to fall behind the other. Not to maintaining the power balance was a too risky strategy; national survival was at stake.⁹¹ Realists' theorists argue that the balance of power is the most important technique for managing insecurity. It is compatible with the nature of man and of the state, which is to act to protect one's self-interest by maintaining one's own power position relative to others.⁹²

The '*Balance of Threat Theory*' is established from the Balance of Power Theory. The Balance of Threat Theory predicts that states will balance against threats. States will check dangerous concentrations of power by building up their own capabilities ('internal balancing') or aggregating their capabilities with other states in alliances ('external balancing'). Because states are always looking at the future to anticipate possible problems, balancing may occur even before any one state or alliance has gained an obvious power edge.⁹³ Threat, in turn, is driven by a combination of three key variables: aggregate capabilities (that is, a state's overall military and economic potential), geography, and perceptions of aggressive intentions. If one state becomes especially powerful and if its location and behaviour feed threat perceptions on the part of other states, then balancing strategies will come to dominate their foreign policies.⁹⁴

⁹¹ Mingst, Karen (2004): "*Essentials of International Relations*", W. W. Norton & Co Inc., Washington, p. 239.

⁹² Ibid. p. 240

⁹³ Walt, Stephen (1987): "*Alliance Formation and the Balance of World Power*", in *International Security*, Spring 1985, (Vol. 9, No. 4), p. 25.

⁹⁴ Wohlforth, William C. (2008): "*Realism and Foreign Policy*", in Dunne, Tim, Hadfield, Amelia and Smith, Steven (2008): '*Foreign Policy: Theories, Actors, Cases*', Oxford University Press, p. 36.

2.2.2 The Concept of National Security

National security is a widely debated term. According to Brian C. Schmidt there is no unitary definition of what are the dominant problems of a states security.⁹⁵ Different schools of international relations emphasize on different issues while defining national security. This paper concentrates on the realist definition of national security and will avoid other definitions.

What is National Security?

According to structural realists the overriding objective of national security is to secure the survival of the state. In other words, it is in the national interest of a state to ensure national security by orienting foreign policy to the achievement of that goal. According to Schmidt, national security is devoted to the four component elements of a state; its physical security (population and territory), the idea of the state (nationality and organizing ideologies), its institutions (the machinery of government), and finally, its sovereignty. Realists emphasize the importance of sovereignty: It provides both security and order to the political community living inside the territorial boundaries of the state.⁹⁶

According to realists the international political system is dominated by insecurities, dangers, and threats to the very existence of the state. Realists largely explain this on the basis that the very condition for order and security – namely, the existence of a sovereign – is missing from the international level. Strategic realists conclude that the absence of a governing authority (anarchy) causes states to worry about their security and the balance of power. This illustrates the realist argument that national security is a persuasive concern of states and explains why survival is ultimately the central goal of all foreign policy. Along with anarchy there are two additional factors that generate insecurity among states. The first is that most states possess some offensive military capability that can potentially be used against a rival state. Second, states are afflicted by a great deal of uncertainty about the intentions of other states in the international system. Consequently security can be

⁹⁵ Schmidt, Brian C. (2009): “*The Primacy of National Security*”, in: Dunne, Tim, Hadfield, Amelia and Smith, Steven (2008): ‘Foreign Policy: Theories, Actors, Cases’, Oxford University Press, p. 156.

⁹⁶ Ibid, p. 159.

threatened when states attack other states. States attack their neighbors for a number of reasons. They may seek to enhance their power position; they may want to improve access to important resources; they may be concerned that a neighboring state is becoming too powerful; or they may simply misperceive the intentions of another's state actions. Regardless of the motivation, states are endemically insecure and this leads them to place a premium on military power.⁹⁷

Threats

There is another complicating factor which must be considered simultaneously with ideas of national security: threats. The concept of security only makes sense against the backdrop of threats. One of the debates among international relations theorists today is what constitutes the most significant security threat. The traditional realist view is that threats are defined solely in terms of ability of a state to use military force against another state. According to Schmidt, there is not only a debate about what constitutes a threat to national security, there is also a debate about the source of such threats.⁹⁸ Realist theories focus on external sources of national security threats. Threats are seen as emanating outside the boundaries of the sovereign state and arising from the anarchical international system.

Following the '*Balance of Threat Theory*', threat, in turn, is driven by a combination of three key variables: aggregate capabilities (that is, a state's overall military and economic potential), geography, and perceptions of aggressive intentions. If one state becomes especially powerful and if its location and behavior feed threat perceptions on the part of other states, then balancing strategies will come to dominate the foreign policy of the threatened state.⁹⁹

How do states achieve security?

Realists view the accumulation of power, especially military power, as the best foreign policy route to achieving national security. The state must possess the military wherewithal, either alone or in alliance with other countries, to thwart military threats to its securi-

⁹⁷ Ibid, p. 160

⁹⁸ Ibid, p. 156.

⁹⁹ Wohlforth, William C. (2008): '*Realism and Foreign Policy*', in Dunne, Tim, Hadfield, Amelia and Smith, Steven (2008): '*Foreign Policy: Theories, Actors, Cases*', Oxford University Press, p. 36.

ty. For there can be no peace and prosperity without ensuring the physical security of a nation.¹⁰⁰ This assessment of the character of international relations leads realists to offer a number of prescriptive insights. If states want to survive, they have to maintain large standing armies; they must be vigilant about their defense, never trust the word of other states, and always act in the national interest. In essence, realists believe that threats to the security of the state are usually posed by other states. In order to achieve its own security (survival) each state tries to increase its own share of power. Certainly, realists acknowledge other forms of power, including wealth and geopolitical advantage. But in the final analysis, the more militarily powerful a state, the more secure it is likely to be.¹⁰¹

The most common definition holds that if the survival of a state or a number of weak states is threatened by a hegemonic state or coalition of stronger states, they should each seek to increase their own military capabilities (internal balancing) or join forces by establishing a formal alliance (external balancing), seeking to preserve their own independence by checking the power of the opposing side.¹⁰² Because states are always looking at the future to anticipate possible problems, balancing may occur even before any one state or alliance has gained an obvious power edge.

¹⁰⁰ Khanna, V. N. (2007): '*Foreign Policy of India*', Publishing House PVT, New Delhi.

¹⁰¹ Griffith, M. (2008): '*International Relations – The Key Concepts*', 3rd Edition, Routledge Print House, Washington, p. 290.

¹⁰² Wohlworth, William C. (2008): '*Realism and Foreign Policy*', in Dunne, Tim, Hadfield, Amelia and Smith, Steven (2008): '*Foreign Policy: Theories, Actors, Cases*', Oxford University Press, p. 33.

2.2.4 Definitions: Power, National Interest and National Security

Power

This paper does not intend to give a detailed analysis of power. However power is central to understanding the realist definition of foreign policy, hence, it will be appropriate to briefly touch upon the meaning and importance of power in the realm of realist international relations theory.

Most scholars focus on power as a means, the strength or capacity, which provides the ability to influence the behavior of other actors in accordance with one's own objectives. Robert Dahl explained power by stating that A has power over B to the extent that it can get B to do something that B would not do otherwise.¹⁰³ Since foreign policy is aimed at regulation of behavior of other states, power alone states to formulate and successfully implement their foreign policies.¹⁰⁴ In international relations power is the ability of a state to enforce respect and command obedience from other states. Power is based on the material capabilities a state controls. Realist discourses generally speak in terms of state power, indicating both economic and military power. Because realists believe that the international system is anarchic and states are always in danger and need power to guard their security, the importance of power is clear. Power manifests a states position in the international system and protects its security. Military strength is a predominant factor in realist understanding of power, because its use or threat secures a states existence in the international environment.¹⁰⁵ Economic power is equally important. Economic power is usually the pre-requirement for building armed forces. In that sense, it is also military power because it can easily be transformed into such power any time.¹⁰⁶

¹⁰³ Dahl, Robert (1964): "*Who governs?*", Yale University Press, Yale, p. 12.

¹⁰⁴ Khanna, V. N. (2007): '*Foreign Policy of India*', Publishing House PVT, New Delhi, p. 13.

¹⁰⁵ Griffith, M. (2008): "*International Relations – The Key Concepts*", 3rd Edition, Routledge Print House, Washington, p. 290.

¹⁰⁶ Nye, Joseph S. (2004): Soft Power. "*The Means to Success in World Politics*", Carnegie Council, 13. April 2004, www.cceia.org/resources/transcripts/4466.html , Accessed on 08.02.2009.

National Interest

Political realists assume that every state in any political situation has a national interest which benefits the whole rather than just part of the state. According to realist thinkers foreign policy is mainly the enforcement of common national interests through the people of a society embodied in the government of the state. All governments act in the service of the “national interest”.¹⁰⁷ In realist theory the national interest is often identified with security because the latter is viewed as the prime goal of foreign policy. The realist argument is basically that, unless a state is secure it cannot be sure that it will survive and, if it does not survive, it will not be able to achieve any other goals favoring its citizen’s welfare. The view that national security is the main goal of foreign policy and the most important aspect of national interest is shared by those who believe that the primary purpose of an institution is to provide the citizen with protection against external danger. Other realist scholars focus more on power rather than security as the central content of national interest.¹⁰⁸

Yet for others this is not a significant distinction. Thus Griffith finds it hard to distinguish between the two: “At its most primitive level”, he says, “power is the ability of the state to maintain its own existence. By increasing a states power it also increases its security at the same time”.¹⁰⁹ A further assumption is the belief that it is possible to discern where the national interest, whether it is defined in terms of power or security, lies. The scholar is expected to be able to see what the statesman ought to do or ought to have done in a particular situation.¹¹⁰ This is the implication of Morgenthau’s second principle of political realism which reads: “we assume that statesman think and act in terms of interest defined as power and the evidence of history bears that assumption out. The assumption allows retracing and anticipating, as it were, the steps a statesman – past, present or future – has taken or will take on

¹⁰⁷ Griffith, M. (2008): “*International Relations – The Key Concepts*”, 3rd Edition, Routledge Print House, Washington, p. 134.

¹⁰⁸ Baumann, Rainer, Rittberger, Volker and Wagner, Wolfgang (1998): “*Power and Power Politics: Neo-realist Foreign Policy Theory and Expectations about German Foreign Policy since Unification*”, in Tübinger Arbeitspapiere zur Internationalen Politik und Friedensforschung ; 30a, Tübingen, p.19.

¹⁰⁹ Griffith, M. (2008): “*International Relations – The Key Concepts*”, 3rd Edition, Routledge Print House, Washington, p. 135.

¹¹⁰ Ibid.

the political scene”.¹¹¹ The impact of this assumption is important. By making the acquisition of power the unambiguous goal of action, it theoretically makes it possible to build models of behavior based on ‘rational action’. The relatively constant and at present inexplicable relationship between power and the national interest is the basic datum for the purposes of both theoretical analysis and political practice.¹¹²

¹¹¹ Morgenthau, Hans (1973): “*Politics among Nations – The Struggle for Power and Peace*”, McGraw-Hill Press, New York, p. 5.

¹¹² Ibid. p. 26.

3. India's US Policy in a Historical Perspective

In order to understand India's foreign policy towards the United States of America today, we have to take a look at India's US policy in a historical perspective. A country's foreign policy, as every policy, is not static, but subject to constant change according to the needs of a changing world situation and the country's own requirements.¹¹³ On the other hand however, foreign policy is also based on certain principles, which are rooted in history and culture of a country. This applies equally to India's foreign policy towards the United States.¹¹⁴ This chapter will show leading principles in India's US policy till the end of the cold war. Moreover this chapter will highlight how a changing world situation affected India's US policy and established a basis for new facets in India's US policy after the cold war.

While India and the US today have often been called natural allies, it is estrangement rather than engagement that seems to have defined relations between India and the United States through much of the last century.¹¹⁵ For most of the four decades of the Cold War, the United States was a military ally of Pakistan. For its part, India, after adopting a policy of non-alignment to avoid entanglement with either of the two contending global power blocs, moved closer to the Soviet Union. By the end of the 1960s, Moscow had become New Delhi's principal source of sophisticated military equipment. Despite being one of the pioneers and founding members of the Non-Aligned Movement, India developed a closer relationship with the Soviet Union during the Cold War. India's strategic and military relations with Moscow and strong socialist policies had an adverse impact on its relations with the United States. After the collapse of the Soviet Union, India began to review its foreign policy in a unipolar world. Subsequently it took steps to develop closer ties with the European Union and the United States.

¹¹³ Jetly, Nancy (1999): *"India's Foreign Policy – Challenges and Prospects"*, Vikas Publishing House, New Delhi.

¹¹⁴ Koshy, Ninan (2006): *"Under the Empire: India's New Foreign Policy"*, Left Word Publishing House, New Delhi, p. 11.

¹¹⁵ Talbott, Strobe (2004): *"Engaging India: Diplomacy, Democracy, and the Bomb"*, Penguin Group, New York.

3.1 1947-1989: Cold War and Non-Alignment Policy

Almost at the same time the Cold War was gaining momentum, India became free of British imperialism and emerged as a new democratic nation on the political map of the world.¹¹⁶ After becoming independent, India and the United States being the two largest democracies in the world were expected to develop very close, friendly and cooperative relations. The two countries, though quite different from each other in their geographical setting, race, culture and habits, cherished common ideals.¹¹⁷ They had both lived under subjection to a common power for a long time. Both had fought vigorously for their independence, though with different methods. While the American people won their freedom through violence and bloodshed, India had preferred the path of non-violence. The democratic ideals of America also greatly fascinated the Indian leaders, especially Nehru, and they tried to develop intimate relations with the United States. Soon after independence, India tried to develop very friendly relations with the United States. The Indian leaders acknowledged with gratitude the positive role played by the American President exerting pressure on the British government to expedite the grant of independence to India.¹¹⁸ Prime Minister Nehru in an address to the American audience remarked: "May I also say that all of us in India know very well, although it might not be so known in public, what great interest President Roosevelt had in our country's freedom and how he exercised his great influence to that end."¹¹⁹ As a result the United States expected India to ally itself with America and support US policies in South Asia and the rest of the world. But instead of following Cold War power politics and joining one of the two major blocs, India decided to follow an independent foreign policy without aligning itself with any of the two power blocs. It refused to join any military-like alliance with the US. India had just obtained independence and according to Mazumdar the last thing on its mind was to be dependant on a foreign country again.¹²⁰ This newly independent foreign policy became known as the policy of 'Non-Alignment'.

¹¹⁶ On 3 June, 1947 Lord Louis Mountbatten, the last British Governor-General of India, announced the partitioning of the British Indian Empire into India and Pakistan, under the provisions of the Indian Independence Act 1947. At the stroke of midnight, on 14 August, 1947 India became an independent nation. This was preceded by the first Prime Minister Jawaharlal Nehru's famous speech titled *Tryst with Destiny*.

¹¹⁷ Mazumdar, Haridas (1957): "*America's Contribution to India's Freedom*", Indian Review, New Delhi, p. 388.

¹¹⁸ Ibid. p. 389.

¹¹⁹ Nehru, Jawaharlal (1964): "*Speeches*", September 1957-April 1963, Vol. 4, New Delhi, 1964, p. 593.

¹²⁰ Mazumdar, Haridas (1957): "*America's Contribution to India's Freedom*", Indian Review, New Delhi, p. 389.

3.1.1 Excursus: Non-Alignment

The political international system during the cold war was dominated by the two major power blocs. It was described by the continuing political conflict and military tension between the Soviet Union and its satellite states and on the other hand the powers of the Western world, led by the United States. In this context, India's Non-Alignment policy meant not entering into military alliances with any country, or in particular with any country either of the Western or the Soviet Bloc. The term 'Non-Alignment' itself was first mentioned by Indian Prime Minister Nehru during a speech in Sri Lanka in 1954. In this speech, Nehru described the five pillars to be used as a guide for Sino-Indian relations, which were first put forth by Chinese Premier Zhou Enlai. They were called Panchsheel (five restraints). These principles would later serve as the basis of the 'Non-Alignment Policy'.¹²¹ The five principles were:

- Mutual respect for each other's territorial integrity and sovereignty
- Mutual non-aggression
- Mutual non-interference in domestic affairs
- Equality and mutual benefit
- Peaceful co-existence

During the course of his lecture at Columbia University on October 17, 1949 Nehru maintained that one of the major objectives of Indian foreign policy was "the pursuit of peace, not through alignment with any major power or group of powers, but through an independent approach to each controversial or disputed issue".¹²² This made India follow the policy of non-alignment or keeping itself aloof from the bloc politics, while supporting or opposing either of the blocs on the merit of issue by issue basis. Though the Indian leaders like Nehru refuted time and again that non-alignment is not for developing another bloc in international politics, their efforts resulted in the development and projection of non-aligned countries as a group in international politics. His misgivings on bloc politics influenced Nehru to turn down the offer of the US to join the military alliances like South East Asia Treaty Organization¹²³ (SEATO) and Central Treaty Organization¹²⁴ (CENTO), so as

¹²¹ Damodaran, A. K. (2009): "Non-alignment Movement and its Future", in Indian Foreign Policy, Foreign Service, New Delhi, p. 125.

¹²² Nehru, Jawaharlal (1964): "Speeches", September 1957-April 1963, Vol. 4, New Delhi, 1964, p. 45.

¹²³ Southeast Asia Treaty Organization (SEATO), alliance organized (1954) under the Southeast Asia Collective Defence Treaty by representatives of Australia, France, Great Britain, New Zealand, Pakistan, the Phil-

to stay away from military alliances and obligations. He opposed the American military aid to Pakistan as a part of the 'alliance system' on the plea that "a new factor making for tension and instability should have been introduced by this arms aid".¹²⁵ While reacting to the SEATO Council's reference to Kashmir, Nehru maintained that such an action confirmed India's apprehensions about the organization itself.

The basic principles of non-alignment were preservation of India's freedom of action internationally through refusal to align India with any bloc or alliance. Dr. B. Krishnamurthy argues that the decision not to join any of the two blocs was first and foremost based on rationality rather than morality.¹²⁶ In his view Nehru took such a stand since he sincerely believed that the 'bloc politics' would create a situation in which emerging regional powers such as India would find it highly difficult to maintain independence in their foreign policy and would face severe restrictions on their long-aspired and newly-won sovereignty. Being non-aligned on the other hand meant having the freedom to decide each issue on its merit, to weigh what was right or wrong, and then take a stand in favor of what was right. „We are non-aligned only in relation to the Cold War with its military pacts. We object to all the business of forcing the new nations of Asia and Africa into their cold war machine [...] Otherwise we are free to condemn any development, which we consider wrongful or harmful to the world or ourselves and we use the freedom every time the occasion arises.“¹²⁷ Nehru emphasized the fact that non-alignment did not mean neutrality. He argued that neutrality as a policy was only relevant in times of war. Speaking in the Lok Sabha on 22 November, 1960 he said: „As I have said repeatedly I do not like the word ‚neutral‘ on being applied to India. I do not even like India's policy being referred to as ‚positive neutrality‘ as is done in some countries. Without doubt we are non-aligned, we are uncommitted to military blocs, but the important fact is that we are committed to various policies, various urges, various objectives, and various principles – very much so.“¹²⁸

ippines, Thailand, and the United States. Established under Western auspices after the French withdrawal from Indochina, SEATO was created to oppose further Communist gains in Southeast Asia.

¹²⁴ Formed at the urging of Britain and the United States, the Central Treaty Organization was intended to counter the threat of Soviet expansion into vital Middle East oil-producing regions.

¹²⁵ Nehru, Jawaharlal (1964): „*Speeches*“, September 1957-April 1963, Vol. 4, New Delhi, 1964, p. 88.

¹²⁶ Krishnamurthy, Dr. B (2008): „*Nehruvian Non-Alignment and Gaullian Alignment: Contemporary Relevance*“, Magazine of the Society for South Asian Studies, Pondicherry University, Pondicherry, p. 2.

¹²⁷ Nehru, Jawaharlal (1964): „*Speeches*“, September 1957-April 1963, Vol. 4, New Delhi, 1964, p. 86.

¹²⁸ Nehru, Jawaharlal (1964): „*Speeches*“, September 1957-April 1963, Vol. 4, New Delhi, 1964, p. 134.

In accordance with its newly won self-confidence and in line with the non-alignment policy, India started to criticise US policies. These developments raised high concerns in the US and made a stronger relationship impossible. India did not approve on the American policy of containment of communism against the Soviet Union and China by building up a system of military alliances. In line with its newly won freedom and non-alignment policy, India recognized the communist regime of China. Following its foreign policy principles of pacific settlement of international disputes, India criticized US intervention in Lebanon and Jordan. With India's support of Soviet domination over Hungary, Indo-US relations reached a low point. In 1956 Soviet armed forces were sent to Hungary to crush the Hungarian people uprising against Soviet domination over their country. When a resolution was moved by the United States in the UN General Assembly condemning Soviet intervention, India abstained during voting. This was an indirect way of supporting the Soviet Union in its actions towards Hungary. Moreover India also voted along with Soviet Union to oppose the 5-nation resolution calling for free and democratic elections in Hungary. This pro-Soviet policy of India naturally strained already tensed India-US relations.¹²⁹

To contain communist influence worldwide, the United States established several military alliances in 1950s. Following this policy, the United States ensured Pakistan's entry into the South East Asia Treaty Organization (SEATO). India had previously rejected to join the organization because Prime Minister Nehru was of the opinion that formation of regional military organisations was not in the conformity with the objectives of India's 'Non-Alignment Policy'. Furthermore, the United States and Pakistan signed two bilateral defence agreements in 1954 and 1959.¹³⁰ Pakistan received large scale military supplies from the US. India protested, and argued that the United States harmed India's national security by providing a troubled neighbour with modern sophisticated weapons. India feared that US military support for Pakistan would intensify the tensions between India and Pakistan and threaten security in South Asia.¹³¹

¹²⁹ Khanna, V. N. (2007): '*Foreign Policy of India*', Publishing House PVT, New Delhi, p. 268.

¹³⁰ Kapur, Ashok and Sondhi, M.L. (2002): "*US and INDIA – Changing Strategic Parameters*", Nice Printing Press, New Delhi, p. 17.

¹³¹ Khanna, V. N. (2007): '*Foreign Policy of India*', Publishing House PVT, New Delhi, p. 269.

3.1.2 India-China Border War in 1962

In 1961 John F. Kennedy took over as US President and Prime Minister Nehru paid his third visit to the US that year. The Kennedy government was generally approving of India's foreign policy and for the first time recognized India's principle of peaceful coexistence and accepted the fact that a country could remain neutral in the continuing conflict between democracy and communism.¹³² As a consequence Indo-US relations began to improve. Shortly after Nehru's visit to the US the India-China border War broke out¹³³ and put the newly improved relationship to a test. It appeared that India was totally unaware of the threat to its territorial integrity imposed by China. Possibilities of war or external aggression were completely ruled out. When India appealed for help to the United States and the Soviet Union, the US gave unconditional support to India and sent necessary war material. The Soviet Union on the other hand was preoccupied with the Cuban Missile Crisis and did not offer the support it had provided in the previous years. The Kennedy administration was disturbed by what they considered "blatant Chinese communist aggression against India".¹³⁴ In a May 1963 National Security Council meeting, contingency planning on the part of the United States in the event of another Chinese attack on India was discussed. Defence Secretary Robert McNamara and General Maxwell Taylor advised the President to use nuclear weapons should the Americans intervene in such a situation. Kennedy insisted that Washington defend India as it would any ally, saying, "We should defend India, and therefore we will defend India".¹³⁵ In view of American support the Chinese shortly declared a unilateral cease-fire and started to withdraw military troops from Indian Territory. According to Vats Bhagat US support must be seen in accordance with her policy of containment of Communist China and to a lesser extent as a shift towards India.¹³⁶ In view of US support given to India, a demand was strongly made in the country for modification in India's policy of non-alignment as well as India's US policy. Some people went to the extent of suggesting that India might enter into an alliance with the

¹³² Kapur, Ashok and Sondhi, M.L. (2002): *"US and INDIA – Changing Strategic Parameters"*, Nice Printing Press, New Delhi, p. 45.

¹³³ The Sino-Indian War, also known as the Sino-Indian Border Conflict was a war between China and India that occurred in 1962. A disputed Himalayan border was the main pretext for war, but other issues played a role. The Chinese launched simultaneous offensives in Ladakh and across the McMahon Line on 20 October 1962, coinciding with the Cuban Missile Crisis. Chinese troops advanced over Indian forces in both theatres, capturing Rezang la in Chushul in the western theater, as well as Tawang in the eastern theater. The war ended when the Chinese declared a ceasefire on 20 November 1962, and later withdrew from the disputed area.

¹³⁴ Bhagat, Vats (1967): *"Foreign Intrigue Against India"*, Aman Publishers, New Delhi, p. 81.

¹³⁵ Kapur, Ashok and Sondhi, M.L. (2002): *"US and INDIA – Changing Strategic Parameters"*, Nice Printing Press, New Delhi, p. 47.

¹³⁶ Bhagat, Vats (1967): *"Foreign Intrigue Against India"*, Aman Publishers, New Delhi, p. 81.

United States.¹³⁷ However, with the withdrawal of military forces by China from most of Indian Territory and generally pro-Indian stand of the Soviet Union, India returned to the earlier non-alignment position. The rejection of the Indian request for supply of a variety of advanced military hardware also checked more intimate relations between India and the US. The Soviet factor and valuable Soviet assistance inhibited relations with Washington.¹³⁸

3.1.3 India-Pakistan War in 1965

After Nehru's death in 1965, Lal Bahadur Shastri became Prime Minister and fresh tensions erupted in Indo – US relations. During the brief 18 months that Shastri was in power, relations between India and the US received a clear setback. The main reason was that the US had started a war in Vietnam. India heavily criticised US intervention in Vietnam, which led to a strong anti-India opinion in the US. As a consequence the US postponed Prime Minister Shastri's visit to the United States in May 1965 for an indefinite period of time. This postponement was very humiliating for India. After President Kennedy's and Prime Minister Nehru's efforts, India – US relations received a clear drawback. Moreover the India – Pakistan war even worsened the relationship.¹³⁹ The long-standing border disputes, communal tensions, and conflict over the question of Kashmir flared up in a full-scale war between India and Pakistan in September 1965. The war began following Pakistan's Operation Gibraltar, which was designed to infiltrate forces into Jammu and Kashmir to precipitate an insurgency against rule by India. The five-week war caused thousands of casualties on both sides. It ended in a United Nations (UN) mandated ceasefire and the subsequent issuance of the Tashkent Declaration.¹⁴⁰ The use of American arms by Pakistan during the war worsened India-US relations. India protested to the American government that its arms were being used against India despite assurances of the US government that they would not be used against them. Though Pakistan was the aggressor in the war the US Government never really condemned it.¹⁴¹ The US, which had previously supplied military

¹³⁷ Kapur, Ashok and Sondhi, M.L. (2002): *"US and INDIA – Changing Strategic Parameters"*, Nice Printing Press, New Delhi, p. 50.

¹³⁸ Bhagat, Vats (1967): *"Foreign Intrigue Against India"*, Aman Publishers, New Delhi, p. 82.

¹³⁹ Khanna, V. N. (2007): *'Foreign Policy of India'*, Publishing House PVT, New Delhi, p. 269.

¹⁴⁰ Koshy, Ninan (2006): *"Under the Empire: India's New Foreign Policy"*, Left Word Publishing House, New Delhi, p. 34.

¹⁴¹ Kumar, Dheeraj (2009): *"Indo – U.S. Relations: Historical Perspectives"*, in Strategic Insight, Volume 8, Issue 3, p. 5.

equipment to India and to a bigger extent to Pakistan, imposed an embargo against further supplies to both countries once the war had started. The consequence was that the embargo especially affected Pakistan since the majority of its equipment was provided by America.¹⁴² However, the US maintained neutrality in the war. India criticized the United States for maintaining this position because it was clear that Pakistan was the aggressor in this war and should therefore be punished. Only when the war seemed to escalate and China raised plans of supporting Pakistan militarily, the United States had to take a pro India stand. The US warned China against intervention in the war, or otherwise the US would provide military aid to India. On September 22, the United Nations Security Council unanimously passed a resolution that called for an unconditional ceasefire from both nations. The war ended the following day. The Tashkent Agreement was signed in January 1966 by Prime Minister Lal Bahadur Shastri and Pakistan President Ayub Khan to normalise Indo-Pakistan relations. Within a few hours of the signing of this agreement Shastri died at Tashkent. He was succeeded by Mrs. Indira Gandhi.¹⁴³

When Indira Gandhi became Prime Minister in 1966, she felt that she should make an attempt to improve the relations with the U.S. and the West dramatically. Consequently, her first visit to a foreign country as a Prime Minister was to the US in March 1966. According to Khanna Mrs Gandhi's visit in 1966 was perhaps the most serious, most extensive and most determined bid to establish and promote a close state of Indo-US relations.¹⁴⁴ Khanna argues that the new international situation, the US-Soviet détente, the Sino-Soviet split, the conflict with China and common opposition to Chinese policies would justify the relationships and ensure a long spell of friendly relations between India and the US. Economic and political cooperation was put in the context of shared values of democracy and human freedom.¹⁴⁵ But it did not take much time for her to realize that the US was not interested in such improvement in relations with India. Differences remained wide. America's consistent support to Pakistan on the Kashmir issue and India critics of the US war in Vietnam cooled down the relationship. In 1970 the United States even officially announced that it would provide Pakistan with B-57 bomber aircraft and other high technology military equipment. Moreover, at that time China and India's ally the Soviet Union were competing

¹⁴² Ibid. p. 5.

¹⁴³ Koshy, Ninan (2006): "*Under the Empire: India's New Foreign Policy*", Left Word Publishing House, New Delhi, p. 36.

¹⁴⁴ Khanna, V. N. (2007): '*Foreign Policy of India*', Publishing House PVT, New Delhi, p. 271.

¹⁴⁵ Ibid. p. 271.

with each other for providing armaments to Pakistan. It was in this situation that East Pakistan became an area of serious domestic problems.

The crisis in East Pakistan¹⁴⁶ had started as a domestic problem of Pakistan. The war broke out on 26 March, 1971 as army units directed by West Pakistan launched a military operation in East Pakistan against Bengali civilians, students, intelligentsia, and armed personnel who were demanding separation from West Pakistan. Members of the East Bengal Regiment, East Pakistan Rifles, East Pakistan police and other Bengali military and paramilitary forces revolted to form guerrilla groups and forces to fight against the army of West Pakistan. When India started to provide the rebels in East Pakistan with economic, military and diplomatic support, it soon developed into a major uprising and resulted in the India-Pakistan war of December 1971.¹⁴⁷ During the crisis and the war, the United States supported Pakistan both politically and militarily. At first it seemed that US President Richard Nixon refused to get involved in the situation, saying that it was a domestic affair of Pakistan. But when Pakistan's defeat seemed definite, Nixon sent the USS Enterprise to the Bay of Bengal, a move considered by the Indians as a nuclear threat. The Enterprise arrived on station on 11 December, 1971. Moreover, the Nixon Administration cut off economic aid to India. This pro-Pakistan policy included support of Pakistan in the United Nations and pressure on the Soviets to discourage India, with accompanying hints that US-Soviet détente would be in jeopardy if Moscow did not comply.¹⁴⁸ According to Nayar a violent confrontation between the U.S. and India was avoided only because India, having accomplished its war aims, brought the conflict to a quick end.¹⁴⁹

The consequences of the Bangladesh crisis were a big divide between India and the United States. The US took a clear pro Pakistan stand and without the support of the Soviet Union India would have been forced to give in. The result was that India chose to develop closer ties with the Soviet Union. Gradually strengthened ties with the Soviet Union led to the

¹⁴⁶ East Pakistan was a former province of Pakistan which existed between 1947 and 1971. After the war in 1971 it became the independent country of Bangladesh

¹⁴⁷ The Bangladesh Liberation War was an armed conflict pitting West Pakistan against East Pakistan (two halves of one country) and India, that resulted in the secession of East Pakistan as the independent nation of Bangladesh.

¹⁴⁸ Nayar, Baldev Raj and Paul, T.V. (2004): "*India in the World Order – Searching for Major Power Status*", Cambridge University Press, New Delhi, p. 54.

¹⁴⁹ Ibid. p. 54.

‘*Indo-Soviet Friendship Treaty*’¹⁵⁰ in 1971. Although the treaty was stated to be a political one, with emphasis on promotion of “consolidation of universal peace and security”¹⁵¹, it sounded more as a military alliance to counter China and Pakistan in particular and the US in general. This can be gauged from the fact that the parties undertake to abstain from providing any assistance to any third party that engages in armed conflict with the other party. In the event of either party being subjected to an attack or a threat thereof, the parties shall immediately enter into mutual consultations in order to remove such threats and to take appropriate effective measures to ensure peace and the security of their countries.¹⁵²

On 18 May, 1974 India tested its first nuclear device at Pokhran. This alarmed the United States. India now stood in the line of those five powerful nuclear countries. India made clear that its nuclear programme was entirely for peaceful purposes. However, the United States was highly critical and felt that the explosion might lead to nuclear proliferation in South Asia. Pakistan had naturally raised serious doubts about India’s actual intentions.¹⁵³

3.1.4 State of Emergency in 1977 – Janata Government

Economic problems, corruption and the conviction of Indira Gandhi by the Allahabad High Court in 1975 for misusing government machinery for her election campaign led to widespread protests against the Congress government. In response to growing unrest, the government imposed a state of emergency with the rationale of preserving national security. The Indian Emergency of 25 June, 1975 – 21 March, 1977 was a 21-month period, when President Fakhruddin Ali Ahmed, upon advice by Prime Minister Indira Gandhi, declared a state of emergency under Article 352 of the Constitution of India, effectively bestowing on her the power to rule by decree, suspending elections and civil liberties. The US highly criticized the declaration of emergency. They criticized the abuse and torture of detainees and political prisoners and detention of people by police without charge or notification of families. The government introduced press censorship, postponed elections and banned

¹⁵⁰ The Indo-Soviet Treaty of Peace, Friendship and Cooperation was a treaty signed between India and the Soviet Union in August 1971 that specified mutual strategic cooperation. The treaty was a significant deviation from India's previous position of Non-alignment in the Cold War and in the prelude to the Bangladesh war, it was a key development in a situation of increasing Sino-American ties and American pressure. The treaty was later adopted to the Indo-Bangladesh Treaty of Friendship and cooperation in 1972.

¹⁵¹ Grover, Verinder (1992): “*International Relations and Foreign Policy of India*”, Vol. 7, Deep & Deep Publications, Rajouri Garden, New Delhi, p. 163.

¹⁵² Ibid.

¹⁵³ Khanna, V. N. (2007): ‘*Foreign Policy of India*’, Publishing House PVT, New Delhi, p. 274.

strikes and rallies. Opposition leaders were imprisoned along with thousands of other political activists. All of that led to serious tensions in the India – US relationship.¹⁵⁴

When the state of emergency was lifted and new elections were called in 1977, opposition political parties such as the Congress, Bharatiya Jana Sangh, Bharatiya Lok Dal as well as defectors from the Congress joined to form the Janata Party, which won a sweeping majority in the Indian Parliament.¹⁵⁵ The new government started not only fundamental reforms in domestic affairs but also in foreign policy issues. As a consequence relations between India and the United States showed an improvement after the formation of Janta Government in India in 1977 and the assumption of power by Jimmy Carter in the United States. In 1978, Carter paid a visit to India which was followed by return visit by the Indian Prime Minister, Morarji Desai. But before much progress could be made, Mrs. Gandhi staged a come-back to power in India.¹⁵⁶

3.1.5 Soviet Intervention in Afghanistan 1979

In December 1979 Soviet troops invaded Afghanistan to preserve an unstable Communist government against the Islamist Mujahideen Resistance. The Afghan government was also supported by India, while the Mujahideen found other support from a variety of sources including the United States and Pakistan. The Congress Government refused to rally on the side of the United States in its anti-Soviet crusade over Afghanistan and advocated the withdrawal of Soviet troops from Afghanistan at the appropriate time. In the context of Soviet invasion in Afghanistan Pakistan was given the status of a frontline state by the US. It became America's outpost in the region and it received significant military aid which led to serious tensions in India – US relations.

Only when President Carter was convinced that Pakistan was developing a nuclear bomb, in April 1979, America suspended economic and military assistance being given to Paki-

¹⁵⁴ Nayar, Baldev Raj and Paul, T.V. (2004): "*India in the World Order – Searching for Major Power Status*", Cambridge University Press, New Delhi, p. 78.

¹⁵⁵ Grover, Verinder (1992): "*International Relations and Foreign Policy of India*", Vol. 7, Deep & Deep Publications, Rajouri Garden, New Delhi, p. 163.

¹⁵⁶ Nayar, Baldev Raj and Paul, T.V. (2004): "*India in the World Order – Searching for Major Power Status*", Cambridge University Press, New Delhi, p. 78.

stan. But consequent upon soviet armed intervention in Afghanistan in December 1979, the suspended assistance to Pakistan was resumed.¹⁵⁷ It was announced that during the next five years, Pakistan would be given military assistance to the tune of 1 billion and 600 million US dollars. Moreover, the US also sold more than sixteen F-40 fighters' aircrafts to Pakistan. India strongly protested against these decisions. The US ignored the protests and justified its decision in order to defend Pakistan against the threat of communism and dangers from the Soviet Union. Pakistan received even greater assistance after Reagan became President in 1981. This was done on the ground of prevention of proliferation of communism in Asia. During the period of 1987 to 1993, the assistance to Pakistan reached an all time high of over 4 billion US dollars. It appeared that the US policy of non-proliferation did not apply to Pakistan. It was clearly stated in 1984 that Pakistan's nuclear scientist Dr. Abdul Kadir Khan had indeed developed a bomb.¹⁵⁸ It was also hinted by Benazir Bhutto in 1991 and Pakistan's Foreign Secretary Shaharyar Khan in 1992 that Pakistan possessed the capability of manufacturing a nuclear bomb. Ignoring India's repeated pleas, the US kept on supplying arms to Pakistan. Moreover the US let it be pointedly known that it had imposed no conditions on Pakistan about usage of its arms against India, even as it maintained that the large supply was essential for removing any incentive for Pakistan to go in for nuclear weapons.¹⁵⁹ Ironically, it was precisely at that time it rapidly pushed forward its nuclear weapons program.

Indira Gandhi and President Reagan had a meeting after the Cancun meeting of the developed and developing countries in October 1981. After the summit, the US President acquired a new insight into the Indian thinking and began re-examining the postulates on which India's foreign policy was based. Two assumptions of US foreign policy makers were: At first, the US assumed that closer Indo – Soviet relations meant hostility towards the west. Secondly, the US was convinced that good relations of India with one Super Power could not be possible without bad relationships with the other superpower. Afterwards India tried to convince the US that these assumptions were not valid and the relations showed signs of improvement. One concrete result of Mrs. Gandhi's visit was the conclusion of an agreement between India and the United States on the long drawn out

¹⁵⁷ Ibid. p. 277.

¹⁵⁸ Ibid. p. 278.

¹⁵⁹ Nayar, Baldev Raj and Paul, T.V. (2004): "*India in the World Order – Searching for Major Power Status*", Cambridge University Press, New Delhi, p. 226.

problem of the supply of enriched uranium to the Tarapur Nuclear Plant..¹⁶⁰ As a consequence relations between India and the U.S. improved after Gandhi and President Reagan met in 1982. As a result, a commission was set up for mutual exchange on education and culture.¹⁶¹ However, differences still persisted mainly in regard to three crucial areas. The US continued to assist Pakistan militarily which was strongly resisted by India. Moreover the US warned Pakistan of the possibility of an Indian strike against Pakistani nuclear installations and, thirdly, India suspected the militancy in Punjab to have strong organisational and financial links in the UK, USA and Canada.¹⁶²

¹⁶⁰Tarapur Atomic Power Station (T.A.P.S.) is located in Tarapur, Maharashtra (India).

¹⁶¹ Bajpai, Kanti (2000): “*India, China and Asian Security*”, in: “The Peacock and the Dragon: India-China Relations in the 21st Century”, edited by Kanti, Bajpai and Mattoo, Amitabh, Har-Anand Publications, New Delhi, p. 80-101.

¹⁶² Khanna, V. N. (2007): ‘*Foreign Policy of India*’, Publishing House PVT, New Delhi, p. 274.

3.2 India's US Policy in a Historical Perspective: Post Cold War Period 1990 - 1998

The end of the cold war changed the whole international political environment dramatically. With the collapse of the Soviet Union, India not only lost its largest and most significant trading partner, but also its most important supporter and ally with regard to foreign policy. For India, it became necessary to revise its foreign policy and to think about the role it wanted to play in a post-Cold War international system. According to Prasad “it is therefore, necessary to review the world situation and the country’s requirements from time to time in order to see whether foreign policy formulations are adequately serving a country’s national interest or require changes here and there.”¹⁶³ The end of the Cold War confronted India with a new strategic situation of the semi-unipolar system, in which the Soviet Union was no longer available as a political, economic and security anchor, and in which non-alignment had lost most of its significance since a leverage-providing rival bloc had disappeared. As a consequence India stood out, as Huntington was to describe it, as a “lonely” and “friendless power”.¹⁶⁴ Facing this situation India had to work out new political equations with the major powers and had to redefine its policy towards the United States.

There were no longer two blocs. Many felt that India’s foreign policy should change.¹⁶⁵ It was true there was need for reassessment of bilateral relations not because of any change in India’s stance but because of changes in other countries as a result of the new world situation. Prime Minister Rao himself acknowledged that changes in international situation had come with bewildering rapidity and the government stood ready to reorient foreign policy.¹⁶⁶ The Prime Minister was eager for a closer relationship with the US in the changed structure of world power. Recognizing the fact that the United States was now the sole super power in the international system, he paid particular attention to building a new relationship with Washington.¹⁶⁷ As a consequence there was improvement in military cooperation by way of conducting a minor joint naval exercise in 1992. Moreover, the Finance

¹⁶³ Prasad, Bismal: *India’s Foreign Policy – Challenges and Prospects*, Vikas Publishing House, New Delhi, 1999, p. 12.

¹⁶⁴ Huntington, Samuel (2002): *The Clash of Civilization*, Oxford University Press, London, p. 262.

¹⁶⁵ Koshy, Ninan (2006): *Under the Empire: India’s New Foreign Policy*, Left Word Publishing House, New Delhi, p. 67.

¹⁶⁶ Ibid, p. 78.

¹⁶⁷ Dixit, J. N. (2003): *India’s Foreign Policy and its Neighbours*, Gyan Books, New Delhi, p. 22.

Minister Manmohan Singh initiated the liberalization of Indian economy in 1992, which attracted towards India the major world economic powers including the most powerful one, the United States of America. The US recognized India as a potentially attractive economic partner now that it had opted for liberalization and was enacting economic-policy reforms to open its economy to foreign trade and investment. But India's eagerness to seek engagement with the US thus ran smack into the American policy of containment during the first Clinton administration. Engagement therefore proved to be fruitless: "Indo-US political relations were on the doldrums "even as economic relations continued to expand."¹⁶⁸ Despite the end of the Cold War, the fundamental reality was that the interests of the US as the sole superpower and of India as an aspirant major power stood in contradiction to each other. India's strategy of engagement was based on the exaggerated expectation that "the US would be willing to accept India's political, technological and economic aspirations without any reservations in the transformed international scenario."¹⁶⁹ However the common attribute of democracy was a poor reed on which to build a strong relationship. Dixit states that two main constraints still prevented a closer relationship.¹⁷⁰ This was on the one hand the nuclear proliferation policy of the US and on the other hand the remaining close ties between the United States and Pakistan. India's decision not to suspend, or terminate, its nuclear programme was a major irritant in the India-American relations. India's policy was that it would stop its nuclear programme only if all the nuclear weapon states made a commitment that they would bring about complete nuclear disarmament. This commitment should have been time-bound so that the world knew by what time it would be free of nuclear weapons. But the US was not taking India seriously. It was arguing that India should remain without nuclear weapons to ensure its security and not start a nuclear arms race in the South Asian region.¹⁷¹

Summing up, India-US relations were still restrained even though the end of the Cold War improved conditions for a closer cooperation. It was at this time when India decided to go nuclear. On the afternoon of 11 May 1998, Prime Minister A. B. Vajpayee informed the world that India had conducted three underground nuclear tests in the Pokhran range. It was explicit that unlike the 1974 test, these tests were for nuclear weapons and India had launched a new nuclear policy. India had become officially a nuclear weapon state. The event radically changed the foreign and defence policies of the country and put in place a

¹⁶⁸ Ibid, p. 203.

¹⁶⁹ Ibid, p. 203.

¹⁷⁰ Ibid, p. 203.

¹⁷¹ Ibid, p. 205.

new national security doctrine.¹⁷² The official statement, which followed the Prime Minister's announcement, said India remained committed to a speedy process of nuclear disarmament leading to total and global elimination of nuclear weapons. The statement added that India would be prepared to consider being an adherent to some of the undertakings in the Comprehensive Test Ban Treaty (CTBT) but "this cannot be done in vacuum."¹⁷³ These tests provide reassurance to the people of the country that their national security interests are paramount and will be promoted and protected."¹⁷⁴ Brajesh Mishra, Principal Secretary of the Prime Minister who read the statement, clarified that the tests were not directed against the United States, but against China and Pakistan. In a letter written to President Clinton within hours of the nuclear explosions on May 11, Vajpayee said:

"I have been deeply concerned at the deteriorating security environment especially the nuclear environment, faced by India for some years past. We have an over nuclear weapon state on our borders state which committed armed aggression against India in 1962. Although our relations with that country have improved in the last decade or so, an atmosphere of distrust persists mainly due to the unresolved border problem. To add to that distress that country has materially helped another neighbour of ours to become a covert nuclear weapon state. At the hands of this bitter neighbour we have suffered three aggressions in the last 50 years. For the last ten years we have been victims of terrorism encouraged and helped by that country in many parts of our country especially in Punjab and Kashmir."¹⁷⁵

However, the US was outraged by India's nuclear tests. The United States issued a strong statement condemning India and promised that sanctions would follow. The US feared a nuclear arms race in South Asia. And indeed, Pakistani Prime Minister Nawaz Sharif vowed that his country would give a suitable reply to the Indians. The Pakistan Atomic Energy Commission (PAEC) carried out five underground nuclear tests at the Chagai test site on the afternoon of May 28, 1998 just fifteen days after India's last test.¹⁷⁶ Moreover the American establishment was embarrassed as there had been a serious intelligence failure in detecting the preparations for the test.

¹⁷² Koshy, Ninan (2006): "*Under the Empire: India's New Foreign Policy*", Left Word Publishing House, New Delhi, p. 67.

¹⁷³ Ibid, p. 69.

¹⁷⁴ Ibid, p. 69.

¹⁷⁵ Ibid, p. 70.

¹⁷⁶ Ibid, p. 71.

3.3 Realignment of Indian Foreign Policy towards the United States: 1998 - Today

In spite of the harsh reaction by the United States, Prime Minister Vajpayee continued his efforts on improving the relationship with the United States in the subsequent month. He emphasized one more time that the tests were not directed against the United States but against Pakistan and China. Building a new relationship with the United States was one of the major foreign policy goals of the Prime Minister. In the following, Vajpayee went further than any previous Prime Minister in drawing out a new vision for Indo-U.S. relations. Addressing the Asia Society in New York on September 28, Vajpayee pointed to the growing convergence of Indian and American political interests and declared that it “reinforces my belief that India and the United States are natural allies in the quest for a better future for the world in the 21st Century.”¹⁷⁷ Two important features stood out in Vajpayee’s Asia Society address. One was the rare public optimism expressed by an Indian leader about the future of India-US relations. And secondly, this positive attitude towards the US was being expressed less than six months after India’s nuclear tests to which the Clinton Administration reacted so harshly. Even more significant was the reference in his speech using the word ‘alliance’ with the United States that seemed to reflect a fundamental change in the Indian foreign policy that had long sworn by ‘Non-Alignment’. In fact the principle of ‘Non-Alignment’ had always been so dominant in India’s world view that New Delhi had never talked about alliances with any great power.¹⁷⁸

According to Koshy a closer relationship between India and the US was an ‘advent of the inevitable’. The United States provided the single most important, dynamic and strategically rich option to India.”¹⁷⁹ The ‘Vision statement’ signed by President Clinton and Prime Minister Vajpayee indicated a shift in India’s foreign policy. Claiming that in the new century, India and the United States will be partners in peace, with a common interest in and complementary responsibility for ensuring regional and international security, the state-

¹⁷⁷ Ibid, p. 28.

¹⁷⁸ Ibid, p. 29.

¹⁷⁹ Ibid, p. 76.

ment says: “We will strengthen the international security system, including in the United Nations and support the United Nations in its peace-keeping efforts”.¹⁸⁰

However there were also critical voices. Dixit argues that old problems still remained alive.¹⁸¹ The nuclear question and relations with Pakistan appeared to disturb India-US relations as much as in the late 1970s. However, Vajpayee was keen on starting to address and solve these problems. On the nuclear front, Vajpayee had irrevocably altered the character of India’s long-standing policy. By ending India’s decades old ambivalence about nuclear weapons and by openly declaring India as a nuclear weapon state, Vajpayee had changed the terms of engagement between India and the US-led global nuclear order that had become increasingly contentious since the Nuclear Non-Proliferation Treaty (NPT) came into being in 1968. On Pakistan, the short tenure of Vajpayee had seen the exploration of the full spectrum of options guiding New Delhi’s approach. Following the nuclear tests of May 1998, Vajpayee reached out to Pakistan to initiate a peace process at Lahore in February 1999.

3.3.1 09/11 and the War on Terror

The change in US policy that had been initiated by Prime Minister Vajpayee was carried forward by Prime Minister Manmohan Singh. India’s cooperation with the United States accelerated with George W. Bush’s inauguration as the President of the United States in January 2001. India was one of the first countries to declare unequivocal support to the US War on Terror. Immediately after the September 11 attacks, India’s Foreign Minister Jaswant Singh offered unsolicited, unlimited military cooperation including the use of air-bases. Home Minister Advani reiterated the government’s offer of bases and logistical support to the US. For India it became a defining moment as the Vajpayee administration utilized the opportunity of the War on Terror to shift its foreign policy even more towards the US. According to Koshy India’s offer of unconditional military support was an open declaration that India had radically changed its US policy.¹⁸² To Koshy the declaration was not a surprise. The closer India-US cooperation was the result of incremental changes and that from the early nineties, beginning with the Congress government of Narasimha Rao,

¹⁸⁰ Ibid, p. 77.

¹⁸¹ Dixit, J. N. (2003): “*India’s Foreign Policy and its Neighbours*”, Gyan Books, New Delhi, p. 270.

¹⁸² Koshy, Ninan (2006): “*Under the Empire: India’s New Foreign Policy*”, Left Word Publishing House, New Delhi, p. 91.

the country was slowly but steadily moving towards the US and therefore this was a continuation of a pro-US foreign policy. Dixit argues that this decision was in the first place driven by India's national interest. Claiming to be a victim of international terrorism on its own soil for more than a decade, India naturally saw the opportunities of the new war in resolving its own profound security dilemma.¹⁸³ At a joint press conference in New Delhi on 17 October, 2001 US Secretary of State Colin Powell and Indian External Affairs Minister Jaswant Singh said the United States and India stood shoulder to shoulder in the fight against terrorism. They noted that the US and India were 'natural allies' having operated closely on terrorism prior to the September 11 attacks. In addition to discussing how the US and India could work together in advancing "the global coalition against terrorism", Powell and Singh discussed the strengthening relations between the two countries.¹⁸⁴

Prime Minister Manmohan Singh's letter profusely congratulating George W. Bush on his re-election in 2005 as President was a clear testimony of the United Progressive Alliance (UPA) government's intention to continue the friendly US policy initiated by the previous government. Manmohan Singh's letter of congratulation was in effect a continuation of the offer of unconditional support to the United States eloquently expressed by his predecessor Atal Vajpayee. The White House must have accorded a special place to the letter from the Prime Minister, since no other leader of government, even among the North Atlantic Treaty Organization (NATO) allies of America, had expressed such great enthusiasm at the re-election of Bush.¹⁸⁵ Manmohan Singh said in the letter that Bush had received a strong mandate, congratulated him for having brought India-US relations to a new level, and reiterated the Indian government's commitment for a strategic partnership with the US. Singh also praised Bush for his leadership of the War on terror, adding: "we are confident that the US and India are on the same side in this effort".¹⁸⁶ While other world leaders like French President Jacques Chirac or German Chancellor Gerhard Schröder were calling for a multipolar world in their formal letters of congratulations to Bush, the Indian Prime Minister appeared to endorse the unilateralism of the one superpower as Empire. The letter clearly showed that there was absolutely no intention on the part of the UPA government to make any change in the pronounced pro-US stance the previous government had fashioned. In

¹⁸³ Dixit, J. N. (2003): "*India's Foreign Policy and its Neighbours*", Gyan Books, New Delhi, p. 283.

¹⁸⁴ Ibid.

¹⁸⁵ Koshy, Ninan (2006): "*Under the Empire: India's New Foreign Policy*", Left Word Publishing House, New Delhi, p. 1.

¹⁸⁶ Cherian, John (2004): "*U.S. Elections - An Embarrassing Missive*" in The Hindu, November 5, 2004, <http://www.hinduonnet.com/fline/fl2124/stories/20041203003803500.htm>

the following Prime Minister Singh and President Bush worked on extending the relationship. The two met in Washington D.C. in July 2005 and in New Delhi in March 2006. Prime Minister Singh and President Bush declared their resolve to transform the relationship of US and India “to establish a global partnership”.¹⁸⁷ They announced that both countries were “committed to values of human freedom, democracy and rule of law, the two countries will promote stability, democracy, prosperity and peace throughout the whole world”.¹⁸⁸ The two countries pledged to create an international environment conducive to promotion of democratic values and to combat terrorism relentlessly.

3.3.2 Nuclear Deal

According to Kumar the signing of an Indo-American Nuclear agreement during the Prime Minister’s visit to Washington in July 2005 was of great significance.¹⁸⁹ The agreement known as Indo-US Nuclear Agreement aimed at separation of India’s civil and military nuclear facilities and at US resuming civil nuclear cooperation that was suspended after India’s first test in 1974. It was announced on behalf on the US that President George W. Bush committed himself to work to achieve “full civil nuclear cooperation with India” on the ground that “as a responsible state with advanced nuclear technology India should acquire the same benefits and advantages as other states”.¹⁹⁰ The India-U.S. agreement on nuclear cooperation announced has been termed ‘historic’ by its supporters and detractors alike. The deal is about the most important strategic re-alignment of recent times for both countries, for which each side gave up historically entrenched positions.¹⁹¹ Bajora argues that the deal has a significant symbolic meaning.¹⁹² It serves to certify that US cooperation with India is a permanent one. Bose is convinced this deal will help deepen India-U. S. ties at the strategic level and help India develop its power-generation capacity.

¹⁸⁷ Kumar, Dheeraj (2009): “Indo – U.S. Relations: Historical Perspectives”, in Strategic Insight, Volume 8, Issue 3.

¹⁸⁸ Ibid.

¹⁸⁹ Ibid.

¹⁹⁰ Bose, Sarmila (2008): “US-India Nuclear Agreement: Press and Politics of a Historic Strategic Re-alignment”, Oxford University Press, Oxford.

http://www.allacademic.com/one/www/www/index.php?cmd=www_search&offset=0&limit=5&multi_search_h_search_mode=publication&multi_search_publication_fulltext_mod=fulltext&textfield_submit=true&search_module=multi_search&search=Search&search_field=title_idx&fulltext_search=US-India+Nuclear+Agreement%3A+Press+and+Politics+of+a+%93Historic%94+Strategic+Re-alignment

¹⁹¹ Bajoria, Jayshree (2008): “The U.S.-India Nuclear Deal”, Council on Foreign Relations, New Delhi, <http://www.cfr.org/publication/9663>.

¹⁹² Ibid.

3.4 Conclusion

Summing up India's relations with three of its most important neighbours – Pakistan, China and the Soviet Union – have been the most significant determining factors in India-US relations. Changing governments had an impact on India's US policy, but it is important to note that global power considerations and India's non-alignment policy dominated India's US policy in all governments. The cold war dynamics and India's non-alignment policy prevented India from deepening its political cooperation with the United States. Furthermore fundamental disputes over non-proliferation and the divergence over regional issues, in particular Pakistan, disturbed bilateral ties between India and the United States. The US-Pakistan alignment worked as a constant constraint to Indo-US relations. The Bangladesh crisis and the Soviet invasion of Afghanistan showed to which extent the US supported Pakistan politically and militarily. According to Mohan another reason why India and the United States never developed closer ties was the fact that the US misinterpreted India's non-alignment policy.¹⁹³ The US assumed that non-alignment and its dissociation from the western bloc meant stronger ties with the Soviet Union and at the same time also hostility towards the west. However, the above mentioned differences should not lead to the impression that Indo-US relations have been those of unrelieved tension; at times, it has been punctuated by brief intervals of warmth and friendly gestures well. To illustrate, both India and the United States were on the same side on the Suez Canal issue in 1956, again in 1959, when President Eisenhower visited India, he was given a warm welcome and the President on his part observed: "The strength of India is our interest."¹⁹⁴ Similarly, in October 1962, when China invaded India, America along with Britain came to support India and thereby saved it from a military disaster.

Several major changes took place in the world at the beginning of the last decade of the twentieth century when the Cold War came to its end. The most significant consequence was that the United States became a supreme power and the leader of this unipolar world. For India, it became necessary to revise its foreign policy and to think about the role it wanted to play in a post-Cold War international system. Recognizing the fact that the United States was now the sole super power in the international system, India paid particu-

¹⁹³ Mohan, C. Raja (1999): "*India's Security Challenges*", in: "India's Foreign Policy – Challenges and Prospects", edited by Jetly, Nancy and Prasad, Bimal: p. 47.

¹⁹⁴ Khanna, V. N. (2007): '*Foreign Policy of India*', Publishing House PVT, New Delhi, p. 275.

lar attention to building a new relationship with Washington. However after improvements in the relationship in the early 1990s, two major flashpoints prevented closer ties: Nuclear proliferation and close US-Pakistan ties. The US still saw Pakistan as performing a useful role in counterbalancing India in South Asia, and thus in persuading the latter to act in accord with US policy. Bent as the US was on selective nuclear proliferation, and determined as India was to preserve its nuclear option until there was a commitment on the part of the permanent five for universal nuclear disarmament, the two powers seemed set on a collision course. The Indian nuclear test in 1998 seemed to have taken India-US relationship in worse times of the Cold War.

In this context it was even more surprising that Prime Minister Vajpayee started to reorient Indian foreign Policy towards the United States following the nuclear tests in 1998. Just within 6 months after India had conducted its nuclear tests he used the word ‘alliance’ referring to the United States. That seemed to reflect a fundamental change in Indian foreign policy that had long sworn by ‘Non-alignment’. Moreover, on both flashpoints, nuclear weapons and Pakistan, Vajpayee changed the parameters of Indian foreign policy. The change in US policy that had been initiated by Prime Minister Vajpayee was carried forward by Prime Minister Manmohan Singh. India’s cooperation with the United States accelerated with George W. Bush’s inauguration as the President of the United States in January 2001. India was one of the first countries to declare unequivocal support to the US War on Terror. In the following India and the United States particularly increased military-to-military cooperation. Defence cooperation reached its peak when in 2005 the United States officially declared helping India become a major global power in the 21st century. The India-U.S. agreement on nuclear cooperation announced has been termed ‘historic’ by its supporters and detractors alike and can be the start of a closer relationship. Claiming that in the new century, India and the United States will be partners in peace, with a common interest in and complementary responsibility for ensuring regional and international security, an engagement process started following the nuclear tests in 1998 that culminated in the nuclear deal in 2005. Though many intellectuals still claim that India maintains its historical commitment to non-alignment, there is little doubt that the overriding priority of Indian foreign policy is establishing a special relationship with the United States, which goes well beyond the realm of nuclear cooperation by now.

4. Analyzing India's Realignment towards the United States: A Liberalist Perspective

4.1 Regime Type and Common Democratic Values

Did the fact that both countries are democracies play a significant role in the realignment of Indian Foreign Policy towards the United States that started following the nuclear tests in 1998? According to liberalist theorists and the political leaders of both countries it did. Many bilateral official statements mention common democratic models and shared democratic values to be one of the main driving forces behind the recent shift.¹⁹⁵ Addressing the Asia Society in 1999 former Indian Prime Minister Atal Bihari Vajpayee emphasized on India's and the United States common democratic values to be the basis for a new strategic relationship¹⁹⁶. In response President Bill Clinton decided to visit India as the first American President in 22 years and highlighted the importance of Indian democracy for a stronger India-US relationship¹⁹⁷. Vajpayee's successor, Manmohan Singh and Clinton's successor, George W. Bush, declared their resolve to transform the relationship between India and the US to establish a global partnership that is committed to values of human freedom, democracy and rule of law.¹⁹⁸

These statements of political leaders of both countries are supported by liberal theories of democratic peace. According to democratic peace theorists democracies share common democratic values such as human rights, the commitment to solve conflicts peacefully and the rule of law.¹⁹⁹ Therefore, according to Bruce Russett, democracies tend to develop simi-

¹⁹⁵ See; Prime Minister Manmohan Singh (2005): "*Prime Minister's Speech at India Today Conclave*", The Prime Minister's Office, New Delhi. Accessed 12th December 2009: <http://pmindia.nic.in/speech/content.asp?id=78>

¹⁹⁶ See Prime Minister Atal B. Vajpayee (1998): "*India, USA and the World: Let us work together to solve the Political-Economic Y2K Problem*", The Asia Society, New York, September 22, 1998. Accessed on 12th December 2009: <http://www.asiasociety.org/policy-politics/india-usa-and-world-let-us-work-together-solve-political-economic-y2k-problem>

¹⁹⁷ See President Bill Clinton (2000): "*Remarks by the U.S. President Clinton to the Joint Session of Indian Parliament*", Indian Parliament (Lok Sabha), New Delhi, March 22, 2000. Accessed on 15th December 2009: http://www.indianembassy.org/indusrel/clinton_india/clinton_parliament_march_22_2000.htm

¹⁹⁸ See President George W. Bush and Manmohan Singh (2005): "*Joint Statement Between President George W. Bush and Prime Minister Manmohan Singh*", The White House, Washington. Accessed on 10th December 2009: <http://georgewbush-whitehouse.archives.gov/news/releases/2005/07/20050718-6.html> and see also President George W. Bush and Manmohan Singh (2006): "*India – US Joint Statement*", The Prime Minister's Office, India. Accessed on 12th December 2009: <http://pmindia.nic.in/India-US.pdf>

¹⁹⁹ See Chapter 3: "*Theoretical background – Liberalism and Structural-Realism*" of this paper.

lar social identities. He states that a similar social identity creates a similar political culture in democratic states, which functions as the basic driver of a state's foreign policy.²⁰⁰ Consequently, it may be understood that in line with ideas of democratic peace theory, common regime models and shared democratic values guided India's foreign policy closer to the United States.

When evaluating the current debate of common regime type and common democratic values and their influence on the shift in India's US policy, Dheeraj Kumar argues that first of all one has to emphasize the circumstance that both countries have been democracies long before India realigned its foreign policy towards the United States. The United States of America is a democracy since 1776 and India became one in 1947. Democracy has been a stable factor throughout the shift of India's US policy that started following the nuclear tests in 1998. Hence this study will compare the role democracy played in India's US policy before and after the shift. If, in line with liberalist, democracy played a major role in the shift of India's US policy one automatically has to draw the conclusion that democracy and shared values did not have influence prior to the shift. Why did not regime type and common democratic values play a role in India's US policy earlier? In line with this reasoning this chapter will analyze the impact of democracy on Indian foreign policy from a historical perspective. It is therefore essential to examine the role democracy played until the recent shift.

4.1.1 Cold War Priorities: Nonalignment over Democracy

According to Kumar, in the aftermath of India's independence India and the United States being the two largest democracies in the world were expected to develop very close and cooperative relations.²⁰¹ On the basis of common values and regime type many expected a period of strong cooperation to follow.²⁰² However, while analysing Indian foreign policy in the years after independence, C. Raja Mohan recognizes that democracy as a political

²⁰⁰ Russett, Bruce (1996): "*The Fact of Democratic Peace*", in "*Debating the Democratic Peace*", edited by Michael E. Brown, Sean M. Lynn-Jones and Steven E. Miller, MIT Press, Cambridge, p. 58 – 82., also Russett, Bruce (1996): "*Why Democratic Peace?*", in "*Debating the Democratic Peace*", edited by Michael E. Brown, Sean M. Lynn-Jones and Steven E. Miller, MIT Press, Cambridge, p. 82 – 116.

²⁰¹ Ibid.

²⁰² Ibid.

priority has largely been absent from India's foreign policy agenda.²⁰³ Instead of following Cold War power politics and joining the United States in its fight against communism, India decided to follow an independent foreign policy: the so called 'Non-Alignment Doctrine'.²⁰⁴ According to Dennis Kux, New Delhi's conspicuous lack of emphasis on democracy in its engagement with the world is largely a consequence of the Cold War's impact on South Asia and India's nonaligned impulses in the early years of independence.²⁰⁵ It attached more importance to solidarity with fellow developing countries and the defence of its own national security interests without referring to ideology at the operational level.²⁰⁶ The injection of anti-imperialism into 'Non-Alignment' and the identification of the Soviet Union as a natural ally of the developing world consolidated this formulation of Indian foreign policy. As India drifted toward economic populism and a leftist orientation starting in the 1960s, India's foreign policy articulation increasingly acquired a strident anti-Western undertone and remained far from emphasizing democracy as a political priority.²⁰⁷ As the Non-Aligned Movement (NAM) became radicalized, the vision of a declining capitalist West and a rising socialist East gripped the imagination of Third World leaders. As the North-South ideological battles dominated world politics, India saw itself leading the accusation in restructuring the global order against the West. Democracy was no factor in foreign policy or in India's relationship towards the US in particular. Equally undermining liberalist ideas in India was the ongoing fascination with socialism among the founders of the Indian republic. Many nationalist Indians grew up during the crises in Western capitalism in the 1920s and the impressive economic performance of the Soviet Union. They were convinced that socialism was the fastest means to improve the economical and political situation in India. Although most of them were not willing to give up freedom for the sake of socialism, they were certain that a middle path, a model between Western capitalism and eastern communism existed.²⁰⁸

In contrast to Indian foreign policy, democracy was part of the United States foreign policy rhetoric since the Second World War. However, India had good reason to distrust US rhetoric on liberal democracy. Though American foreign policy was directed against com-

²⁰³ Mohan, C. Raja (2007): "Balancing Interests and Values: India's Struggle with Democracy Promotion", in *The Washington Quarterly*, 30:3, p. 99-115.

²⁰⁴ For more details see Chapter 3 'India's U.S. Policy in a Historical Perspective' of this paper.

²⁰⁵ Kux, Dennis (1991): "India and the United States: Estranged Democracies, 1941-1991", National Defence University Press, Washington.

²⁰⁶ Ibid.

²⁰⁷ Mohan, C. Raja (2007): "Balancing Interests and Values: India's Struggle with Democracy Promotion", in *The Washington Quarterly*, 30:3, p. 101.

²⁰⁸ Ibid.

munism, it did not necessarily support democratic states in the rest of the world. During the Cold War the Americans opted to support several right-winged military governments as an alternative to the greater evil of global communism. According to C. Raja Mohan liberal US rhetoric on democracy often drew cynical jeers from the Indian intelligentsia, who pointed to the close relationship between the US and military-ruled Pakistan.²⁰⁹ The US policy of supporting military dictatorships and conservative religious forces within the developing world, as part of its effort to contain the influence of communism, created deep anxieties within the Indian establishment. As it witnessed several military coups undermine nationalist regimes and a lately founded democracy in the newly decolonized states, India was anxious that its own democracy might be targeted by the West.²¹⁰

Summing up, during the Cold War years, external and internal factors combined to prevent India from highlighting the relevance of democracy in its foreign policy agenda. Internally socialist ideas prevented democracy to be a factor of Indian foreign policy. Externally systemic factors played a dominant role. To put it simply, the impact of the Cold War on the subcontinent resulted, in the US democracy aligning with military-ruled Pakistan and Communist-led People's Republic of China. India in turn found itself in the company of the Soviet Union. Once this balance of power system acquired a measure of rigidity, India and the United States could not build on their shared political values. Even though both of them often emphasized the significance of political pluralism, there was no escaping the fact that India was not merely closer to the Soviet Union but also the only country that stood outside the system of US alliances and in political opposition to the West on many international issues. 'Estranged democracies' became the defining metaphor of India-US relations.²¹¹

4.1.2. After the Cold War

According to Dheeraj Kumar and C. Raja Mohan, after the end of the Cold War era many expected democracy to play a more important role since systemic constraints had disap-

²⁰⁹ Ibid, p. 102.

²¹⁰ Ibid, p.103.

²¹¹ Ibid, p. 103.

peared.²¹² However, while the Western world celebrated the victory of liberal democracy over authoritarian forms of governance at the turn of the 1990s, the world's largest democracy had very little reason to cheer at the collapse of the Soviet Union. Having established a deep strategic partnership with the Soviet Union during the Cold War, India had more reason to worry than to celebrate. India did not envision itself as a leading democracy in the world. On the contrary, it was more fearful of US dominance in a unipolar world rather than recognizing the triumph of democratic principles. India, although highly sensitive to any violation of democratic principles within its nation, seemed totally insensitive to the international values of political liberalism.²¹³ Furthermore, C. Raja Mohan argues that the expansion of the liberalist approach in US foreign policy did not lead to US recognition of the strategic value of Indian democracy.²¹⁴ According to Mohan it ironically led to an emphasis of the shortcomings of the 'Indian democratic experiment'; as the Americans labelled Indian democracy at that time. Organizations in the United States focusing on human rights, developmental issues or those, seeking a linkage between trade and child labour concentrated strongly on India's problems in these areas.²¹⁵ When issues relating democracy occurred, they arose as a result of US criticism towards India for the human rights violations in Kashmir, which New Delhi viewed as part of the traditional US alliance with Pakistan.²¹⁶ Furthermore the continuing US coalition with Pakistan and the US shift toward Islamabad in its dispute with New Delhi on the Kashmir issue convinced many political experts in India that Washington had little concern for its unity and territorial integrity.²¹⁷ On the international political arena, the Clinton administration focused on renewed multilateralism and strengthening of the United Nations using the right to intervene in the internal affairs of developing nations, a policy which raised high anxiety in India about potential US plans to intervene in Kashmir.²¹⁸ India subsequently opposed the new international interventionist agenda of US President Bill Clinton and UN Secretary General Kofi Annan by voting against or occasionally abstaining on Western resolutions throughout the 1990s and beyond.²¹⁹ India was supported by many Third World Countries in rejecting

²¹² Kumar, Dheeraj (2009): "Indo – U.S. Relations: Historical Perspectives", in Strategic Insight, Volume 8, Issue 3., also Mohan, C. Raja (2007): "Balancing Interests and Values: India's Struggle with Democracy Promotion", in The Washington Quarterly, 30:3, p. 99-115.

²¹³ Mohan, C. Raja (2007): "Balancing Interests and Values: India's Struggle with Democracy Promotion", in The Washington Quarterly, 30:3, p. 99-115.

²¹⁴ Ibid, p. 107

²¹⁵ Ibid.

²¹⁶ Ibid.

²¹⁷ Ibid, p. 107.

²¹⁸ Ibid, p. 107.

²¹⁹ Ibid, p. 107.

Pakistani resolutions on the political solution in Kashmir. Mohan concludes that India's foreign policy agenda viewed the defence of the political sovereignty of third world countries as more important than defending the values of democracy.²²⁰

4.1.3 1998 – Realignment of India's Foreign Policy

Building a new relationship with the United States was one of the major foreign policy goals of Indian Prime Minister Atal Bihari Vajpayee, who was voted into office in 1998. In order to achieve that objective, democratic peace theorists argue, that he emphasized shared democratic values as part of Indian foreign policy towards the United States.²²¹ This was made clear when he declared at the end of September – barely four month after India conducted its nuclear tests – in a speech in New York that India and the US were 'natural allies'.²²² According to V. N. Khanna, Vajpayee referred to the term 'natural' in the sense that both countries are democracies and it therefore would be only natural if they engage in a closer relationship.²²³ Vajpayee was positive about a potential alliance between the two countries, the formerly 'estranged democracies'. All that was needed was a little sensitivity from the American side for India's security concerns. In the same speech addressing the Asia Society in 1998, Vajpayee pointed to the growing convergence of Indian and American political interests and declared that it "reinforces my belief that India and the United States are natural allies in the quest for a better future for the world in the 21st Century."²²⁴ For the first time, as Kumar argues, common regime type started to play a more important role in India's foreign policy towards the United States.²²⁵

According to Mohan the first US presidential visit to India in 22 years by Bill Clinton in the spring of 2000 was the first time Washington recognized the existence of Indian de-

²²⁰ Ibid, p. 108.

²²¹ Khanna, V. N. (2007): 'Foreign Policy of India', Publishing House PVT, New Delhi.

²²² Prime Minister Atal B. Vajpayee (1998): "India, USA and the World: Let us work together to solve the Political-Economic Y2K Problem", The Asia Society, New York, September 22, 1998. Accessed on 12th December 2009: <http://www.asiasociety.org/policy-politics/india-usa-and-world-let-us-work-together-solve-political-economic-y2k-problem>

²²³ Ibid.

²²⁴ Prime Minister Atal B. Vajpayee (1998): "India, USA and the World: Let us work together to solve the Political-Economic Y2K Problem", The Asia Society, New York, September 22, 1998. Accessed on 12th December 2009: <http://www.asiasociety.org/policy-politics/india-usa-and-world-let-us-work-together-solve-political-economic-y2k-problem>

²²⁵ Kumar, Dheeraj (2009): "Indo – U.S. Relations: Historical Perspectives", in Strategic Insight, Volume 8, Issue 3.

mocracy.²²⁶ Even though India caused a lot of international problems by deciding to conduct nuclear weapon tests in 1998, Clinton was looking for a bigger and brighter picture of India. Its resilient democracy, its vibrant IT sector, its liberal reforms to revitalize its static and growing economy, along with its huge consumer market made it in Clinton's view a natural beneficiary of globalization and therefore a potentially more important partner for the United States.²²⁷ To start things off, Clinton recognized the extraordinary diversity of the country during his visit. His celebration of India's multiculturalism put democracy on the agenda of India-US relations. By emphasizing shared values and similar political culture, Clinton tried to re-establish lost trust between the countries. Although Clinton improved Indian-US relations and successfully eliminated much of the negative tensions that had existed during the Cold War, India's struggle to adjust to the changes in the new world order persisted. Strobe Talbott reports that during the first-ever sustained political and security dialogue between the US and India from 1998 to 2000, the Clinton administration sought Indian support for an initiative to promote democracy worldwide.²²⁸ Yet, India was sceptical whether the new connection with Washington on promoting democracy would help to change the fundamentals of Indian foreign policy towards the US. According to Talbott, India was first and foremost interested in US acceptance of India's nuclear status, its neutrality in the conflict with Pakistan over Jammu and Kashmir, and the treatment of New Delhi as an equal to Beijing.²²⁹ India realized that by supporting US efforts in promoting democracy it could gain a better bargaining position on the US supporting India in their interests. For this reason India would not outrightly reject the Clinton administration's proposal on working together on democracy promotion. Clinton's plan was to create a small core group of democratic states representing different regions of the world. Also Talbott states that India was at first very reluctant to join any kind organization.²³⁰ It had to think about the implications of joining what undoubtedly was an ideological project. Indian foreign policy experts in the tradition of multilateralism disapproved to letting a new political style replace the well-known ways of doing politics with the United Nations (UN). However, the political leadership of the centre-right Bharatiya Janata Party (BJP), which was attempting to reorient Indian foreign policy, chose to go along cautiously with Clin-

²²⁶ Mohan, C. Raja (2007): "*Balancing Interests and Values: India's Struggle with Democracy Promotion*", in *The Washington Quarterly*, 30:3, p. 99-115.

²²⁷ Talbott, Strobe (2004): "*Engaging India: Diplomacy, Democracy, and the Bomb*", Penguin Group, New York.

²²⁸ Ibid. p. 25.

²²⁹ Ibid. p. 25.

²³⁰ Ibid. p. 25.

ton's proposal. In 1999, India became one of the 10 founding members of the *Community of Democracies Initiative*²³¹. The 10 countries, meeting at the ministerial level, issued a concept paper declaring the first-ever platform of nations sharing the same political values "providing best practices, and formulating an agenda for international cooperation in order to realize democracy's full potential."²³² According to Mohan, it is important to note that India decided to go along the proposal not because it was so enthusiastic about the project but because it was trying to engage with the United States to make sure other, and for India much more important issues, are realized.²³³ Joining the *Community of Democracies Initiative* was an essential step in doing so. Given this, India was still very cautious to put much effort into the project.²³⁴ The scepticism of the Indian conservatives was reflected in an assessment by B. Raman on the eve of the Warsaw conference in April 24, 2000:

"There is no harm in India participating in the forthcoming Warsaw conference on the Community of Democracies... [but] over-enthusiasm and wishful-thinking that India is now an equal partner would be unwise... We should avoid letting ourselves be used by Washington in this venture to advance its interests unless there is a genuine convergence of the interests of the United States and India".²³⁵

Thus, India went along with the United States on the *Community of Democracies Initiative*, but it was not willing to invest significant political or diplomatic energies into the project. The statement made by Raman reflects basic ideas of Indian foreign policy at that time. While India was ready to go along with the US on democracy promotion, it expected something in return for doing so. Mohan argues that the reason for joining such an initiative was not India's believe in the promotion of democracy. India saw it as a necessarily step to increase over-all relationship and secure its own interests, which it could do only with the support of the United States.²³⁶

²³¹ President Clinton's 1994 State of the Union address based a key plank of his foreign policy on this theory when he said: "Ultimately, the best strategy to ensure our security and to build a durable peace is to support the advance of democracy elsewhere. Democracies don't attack each other; they make better trading partners and partners in diplomacy." The Community of Democracies, a grouping of 115 nations established under a Clinton initiative, had as one of its underlying premises "the interdependence between peace, development, human rights and democracy."

²³² Ibid.

²³³ Mohan, C. Raja (2007): "Balancing Interests and Values: India's Struggle with Democracy Promotion", in *The Washington Quarterly*, 30:3, p. 107.

²³⁴ Ibid. 108.

²³⁵ Raman, B. (2006): "*Community of Democracies*". On South Asia Analysis Group, Accessed on 12th of February: <http://www.southasiaanalysis.org/papers2/paper119.html>.

²³⁶ Ibid. p. 108.

According to Dennis Kux democracy became a more important issue in 2005 when Prime Minister Singh and President Bush worked on extending the relationship.²³⁷ In a statement released on May 30 in 2005, Bush argued “that India and the United States being the two largest democracies in the world have similar political cultures, a free press and the rule of law.”²³⁸ Bush and Singh met in Washington D. C. in July 2005 and in New Delhi in March 2006. Prime Minister Singh and President Bush declared their resolve to transform the relationship of US and India to establish a global partnership. In the ‘India-US Joint Statement’ they announced that both countries are “committed to values of human freedom, democracy and rule of law, the two countries will promote stability, democracy, prosperity and peace throughout the whole world²³⁹”. In line with democratic peace theory the two countries pledged to create an international environment conducive to promotion of democratic values and to combat terrorism relentlessly.²⁴⁰ On this occasion Democratic Peace theorists saw a unique opportunity to posit democracy a fundamental aspect in India’s foreign policy.²⁴¹ Based on the liberalist assumption that domestic actors with their beliefs and ideas have the ability to strongly influence foreign policy identities, liberalist argue that it was Bush’s and Singh’s personal affinity towards democracy that made regime type and common democratic values play a decisive role in India’s foreign policy. George W. Bush was clearly impressed with the Indian development and its fast and multicultural democracy. As one adviser said, “When I asked [...] Bush in early 1999 about the reasons for his obvious and special interests in India, he immediately responded”, “a billion people in a functioning democracy. Isn’t that something? Isn’t that something?”²⁴² Bush personal enthusiasm translated into policy initiatives toward India that departed from the traditional approach to the region. Unlike his predecessors, who mostly saw India through the limiting prism of the sub continental security dynamic especially vis a vis Pakistan, Bush was prepared to rank New Delhi as a potential major power with global significance. This addressed India’s long-standing complaints that Washington had little

²³⁷ Kux, Dennis (2007): “*India at Sixty: A Positive Balance Sheet*”, Foreign Policy Association Press, New York.

²³⁸ President George W. Bush and Prime Minister Manmohan Singh (2005): “*Joint Statement between President George W. Bush and Prime Minister Manmohan Singh*”, The White House, Washington. Accessed on 10th December 2009: <http://georgewbush-whitehouse.archives.gov/news/releases/2005/07/20050718-6.html>

²³⁹ President George W. Bush and Prime Minister Manmohan Singh (2006): “*India – US Joint Statement*”, The Prime Minister’s Office, India. Accessed on 12th December 2009: <http://pmindia.nic.in/India-US.pdf>

²⁴⁰ However, the political leadership of the centre-right Bharatiya Janata Party (BJP), which was trying to reorient Indian foreign policy, choose to go along cautiously with Clinton’s proposal.

²⁴¹ Ibid.

²⁴² Mohan, C. Raja (2007): “*Balancing Interests and Values: India’s Struggle with Democracy Promotion*”, in *The Washington Quarterly*, 30:3, p. 110.

regard for New Delhi's global aspirations. However, as Mohan states Bush's personal enthusiasm for democracy was not equally shared by Prime Minister Manmohan Singh.²⁴³ Singh was more concerned with other issues. According to Koshy he emphasised nuclear non-proliferation and defence cooperation as the most important issues on the Indian agenda.²⁴⁴ Like Vajpayee, Singh knew that he needed US support for India in order to achieve its main policy goals. Therefore, Koshy argues that Singh decided to go along with President Bush's efforts on regime type and democratic values and at the same time coaxing the United States to support India in other political issues of international relevance.²⁴⁵

4.1.4 Conclusion

This paper concludes that regime type and common democratic values cannot explain the realignment of India's foreign policy towards the United States that started following the nuclear tests in 1998.

At first, to support this conclusion this paper has shown that India and the United States have been democracies long before India started to realign its foreign policy towards the United States in 1998. Looking at India's foreign policy towards the United States from a historical perspective, this paper recognizes that democracy did not play an important role during the Cold War and its aftermath until 1998. Cold War political realism overwhelmed democracy as a factor in India's foreign policy agenda.²⁴⁶ The impact of the Cold War on the subcontinent resulted, to put it simply, in the U.S. democracy aligning with military-ruled Pakistan and Communist-led People's Republic of China. India in turn engaged in closer ties with the Soviet Union. Once this balance of power system was strengthened, India and the United States could not build closer ties based on their shared political values. According to Ninan Koshy it is important to note that Liberalists admit that an alliance based on regime type and democratic values existed but that other factors overshadowed the role they have played.²⁴⁷ Mohan states that this illustrates the limited role of democracy in India – U.S. relations. With the end of the Cold War many foreign policy experts ex-

²⁴³ Ibid. p. 110

²⁴⁴ Koshy, Ninan (2006): *"Under the Empire: India's New Foreign Policy"*, Left Word Publishing House, New Delhi.

²⁴⁵ Ibid.

²⁴⁶ Ibid.

²⁴⁷ Koshy, Ninan (2006): *"Under the Empire: India's New Foreign Policy"*, Left Word Publishing House

pected democracy to play a bigger role now that systemic constraints had disappeared.²⁴⁸ However, the victory of democracy over communism did not result in India making democracy a factor in its foreign policy towards the United States immediately. On the contrary, as Mohan and Koshy have shown, it led to the US emphasizing on the shortcomings of the 'Indian democratic experiment'.²⁴⁹

Secondly, regime type and common democratic values only came to play a role in India's foreign policy towards the United States when India started to engage with the United States using the democracy issue as a pretext to realign its foreign policy closer towards the United States.²⁵⁰ Liberalist scholars argue that with the entry of Prime Minister Vajpayee in 1998 regime type and common democratic values started to play a more dominant role in India's foreign policy agenda. Based on the liberalist assumption that domestic actors with their beliefs and ideas have the ability to strongly influence foreign policy identities, Kumar argues that it was Vajpayee's and Singh's personal enthusiasm with democracy that made regime type and common democratic values play a decisive role in India's foreign policy.²⁵¹ This paper holds that the liberalist line of reasoning is inconsistent. In line with Koshy and Mohan this paper states that Vajpayee and Singh were aware that former Presidents Clinton and Bush were in fact eager to place democracy as a central aspect in the relationship.²⁵² But while Vajpayee and Singh were proclaiming the importance of democracy in many official statements, they were very cautious in making any real political efforts in the direction of democracy promotion in relations with the United States. Summing up this paper argues that Vajpayee and Singh supported Clinton's and Bush's democratic efforts as part of a greater strategy to strengthen the over-all relationship between the two countries. This paper concludes that India only took advantage on engaging

²⁴⁸ Kumar, Dheeraj (2009): "*Indo – U.S. Relations: Historical Perspectives*", in Strategic Insight, Volume 8, Issue 3., also Kux, Dennis (2007): "*India at Sixty: A Positive Balance Sheet*", Foreign Policy Association Press, New York.

²⁴⁹ Koshy, Ninan (2006): "*Under the Empire: India's New Foreign Policy*", Left Word Publishing House, New Delhi., also Mohan, C. Raja (2007): "*Balancing Interests and Values: India's Struggle with Democracy Promotion*", in The Washington Quarterly, 30:3, p. 99-115.

²⁵⁰ Mohan, C. Raja (2007): "*Balancing Interests and Values: India's Struggle with Democracy Promotion*", in The Washington Quarterly, 30:3, p. 99-115.

²⁵¹ Kumar, Dheeraj (2009): "*Indo – U.S. Relations: Historical Perspectives*", in Strategic Insight, Volume 8, Issue 3.

²⁵² Koshy, Ninan (2006): "*Under the Empire: India's New Foreign Policy*", Left Word Publishing House, New Delhi., also Mohan, C. Raja (2007): "*Balancing Interests and Values: India's Struggle with Democracy Promotion*", in The Washington Quarterly, 30:3, p. 99-115.

with the United States on the democracy topic to make sure that other (and for India much more important) issues are realized.²⁵³

²⁵³ Ibid.

4.2 Economic Ties

Economic cooperation between India and the United States has been steadily increasing in the last two decades. While the total trade volume stood at 7.8 billion dollars in 1990, it improved to almost 41 billion dollars in 2008. According to official statements and scholars in the tradition of *economic interdependence theory*, increased economic ties had a positive effect on the overall relationship between India and the United States.²⁵⁴ In line with this reasoning, increased economic cooperation played an important role in the shift of India's foreign policy towards closer ties with the United States following the nuclear tests in 1998.²⁵⁵

4.2.1 Economic Ties: From Independence till Today

This chapter will start by analyzing economic data between India and the United States from India's independence in 1947 till 2008. The “*CRS Report for Congress: India-U.S. Economic and Trade Relations*” and the report of the Indian Industry Confederation “*India – USA Economic Relations: The Next Decade*” state that trade and investment reforms implemented by India in 1991 have generally promoted improved trade relations with the United States.²⁵⁶ Regardless of which nation's trade statistics are considered, the total value of trade between India and the United States has picked up considerably over the last twenty-five years. According to US trade statistics the entire value of bilateral trade with India totalled 4.0 billion dollars in 1986. By 2008 the total value of bilateral trade has risen

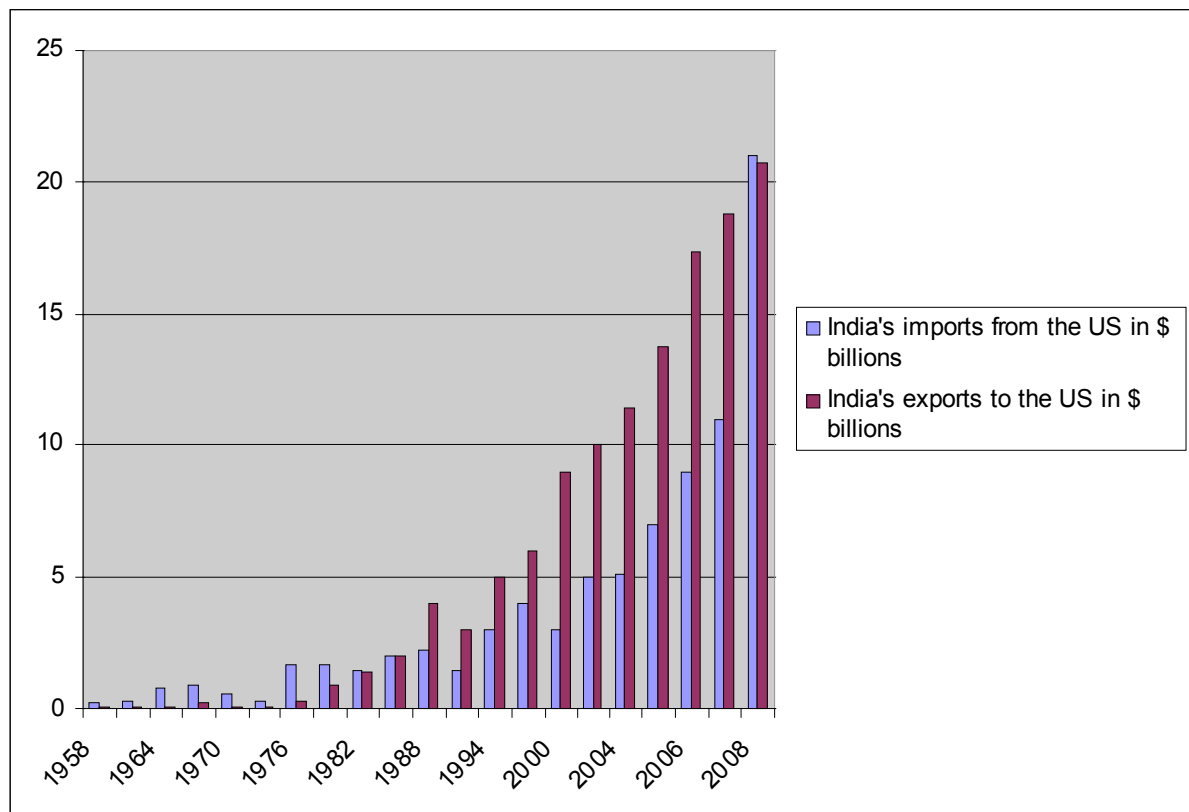
²⁵⁴ See Vajpayee, Atal B. (1998): “*India, USA and the World: Let us work together to solve the Political-Economic Y2K Problem*”, The Asia Society, New York. Accessed on 12th December 2009: <http://www.asiasociety.org/policy-politics/india-usa-and-world-let-us-work-together-solve-political-economic-y2k-problem>; Bush, George W. and Singh, Manmohan (2005): “*Joint Statement between President George W. Bush and Prime Minister Manmohan Singh*”, The White House, Washington. Accessed on 10th December 2009: <http://georgewbush-whitehouse.archives.gov/news/releases/2005/07/20050718-6.html>.

²⁵⁵ Ram, A. N. (1999): “*Challenges to Economic Diplomacy*”, in: Jetly, Nancy and Prasad, Bimal (1999): “*India's Foreign Policy – Challenges and Prospects*”, Harsha Process and Print, New Delhi.; see also Kumar, Nagesh (2009): “*India and broader economic integration in Asia: An agenda for the East Asia Summit*”, in: “*Indian Foreign Policy*”, edited by Motha, Madhup and Sinha, Artish, Foreign Service Institute, New Delhi.

²⁵⁶ Kronstadt, K. Alan and Martin, Michael F. (2007): “*CRS Report for Congress: India-U.S. Economic and Trade Relations*”, Congressional Research Service, Washington. Accessed on 11th November 2009: www.fas.org/sgp/crs/row/RL34161.pdf.²⁵⁶ Confederation of Indian Industry (2009): “*India – USA Economic Relations: The Next Decade*”. Accessed on 11th November: http://www.corecentre.co.in/Database/Docs/DocFiles/indiausa_economic.pdf

to 41 billion dollars - a more than tenfold increase.²⁵⁷ However, the report makes another important observation. It states that, despite the rapid growth in the total value of trade, the proportion to which both nations contribute to each others total trade has declined markedly since the late 1960s – a decline from which neither has recovered yet²⁵⁸. Figure 1 shows the value of India's exports to and imports from the United States from 1958 to 2008, according to data reported by the Indian government to the International Monetary Fund (IMF). The statistic indicates that trade between the two countries was relatively low from 1958 to 1985. Only since the mid-1980s, US imports from India have steadily increased in value while India's exports to the United States have increased dramatically.

**Figure1. India's Trade with the United States,
1958-2008 in U.S. \$ Billions²⁵⁹**

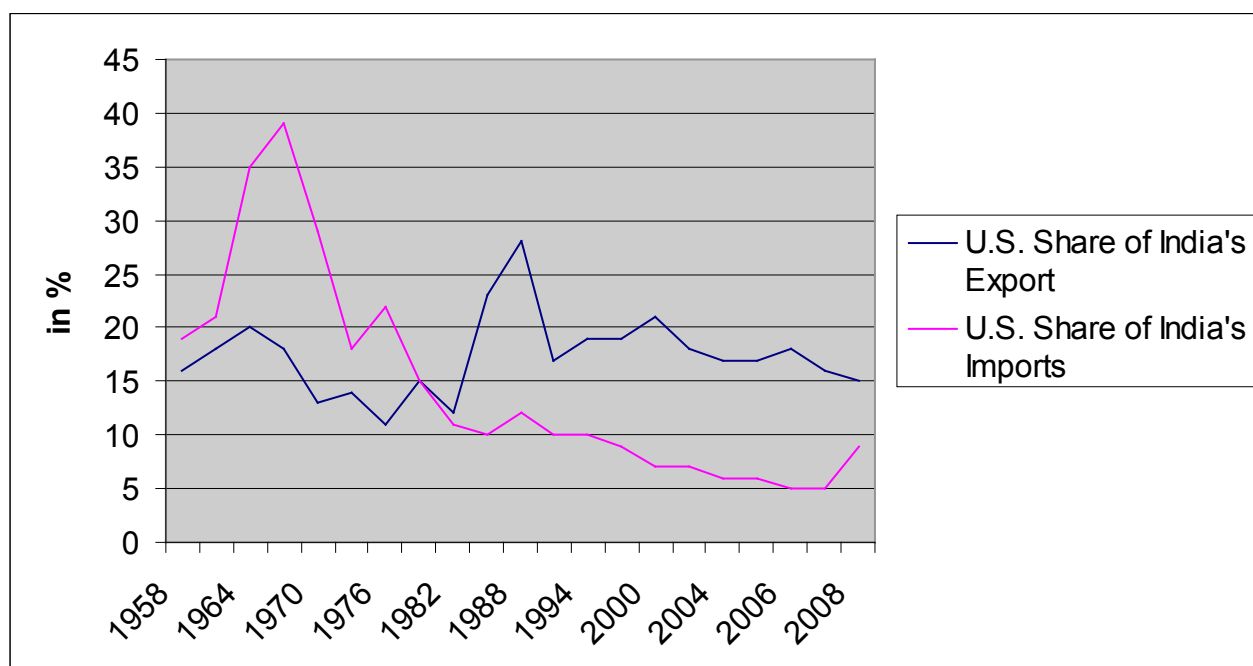


²⁵⁸ Ibid., p. 33.

²⁵⁹ Kronstadt, K. Alan and Martin, Michael F. (2007): „CRS Report for Congress: India-U.S. Economic and Trade Relations”, Congressional Research Service, Washington. Accessed on 11th November 2009: www.fas.org/spp/crs/row/RL34161.pdf, ²⁵⁹ Confederation of Indian Industry (2009): “India – USA Economic Relations: The Next Decade”. Accessed on 11th November: http://www.corecentre.co.in/Database/Docs/DocFiles/indiausa_economic.pdf

Despite the recent strong growth in trade flows in both directions, the relative importance of the US for India's imports has actually declined over the last 40 years, while its share of India's exports has rebounded (Figure 2). In the mid 1960s, almost 20 percent of India's exports went to the United States and the United States supplied India with nearly 40 percent of its imports. By 1980, the relative importance of the United States for India had declined substantially, purchasing just over 10 percent of India's exports and providing less than 10 per cent of its imports. In 2008, the United States purchased 15.4 per cent of India's exports — almost five per cent less as in 1961 — and made up for 9 per cent of India's imports – more than 6 per cent less compared to 1961.²⁶⁰

**Figure 2. U.S. Share of India's Trade,
1958 – 2008²⁶¹**



²⁶⁰ Ibid., p. 34.

²⁶¹ Kronstadt, K. Alan and Martin, Michael F. (2007): „*CRS Report for Congress: India-U.S. Economic and Trade Relations*”, Congressional Research Service, Washington. Accessed on 11th November 2009: www.fas.org/sgp/crs/row/RL34161.pdf, ²⁶¹ Confederation of Indian Industry (2009): “*India – USA Economic Relations: The Next Decade*”. Accessed on 11th November: http://www.corecentre.co.in/Database/Docs/DocFiles/indiausa_economic.pdf

4.2.2 Increased Economic Cooperation and India's Foreign Policy towards the United States before the Shift in 1998

In order to understand the relationship of increased economic cooperation and the two states' over-all relations after India realigned its US policy in 1998 this paper analyzes economic cooperation and its impact on India-U.S. relations between 1947 and 1998. This chapter will pay specific attention to times when economic cooperation significantly increased (1972-1979 and 1991-1998) and analyze the impact on the states' overall relations.

1972-79: Increased economic cooperation

Economic Interdependence theorists hold that increased economic cooperation between two states has positive effects on the states' overall relations. Looking at Figure 1, this paper observes that economic cooperation between India and the United States heavily improved between 1972 and 1979. The value of trade increased from 0.3 billion dollar in 1972 to 2.2 billion dollar in 1976 — a more than seven-fold growth in only four years. In 1979 the value of trade had risen to over 3 billion dollar – a ten-fold increase from 1972 to 1979. In line with economic interdependence theory the countries' overall relations should have enhanced significantly during that time period. Analyzing the political relationship this paper comes to a different conclusion. In Chapter 3 this paper shows that India's foreign policy towards the United States in the 1970s was shaped by tension and disagreement.²⁶² The India-Pakistan war of December 1971 resulted in serious political anxiety between India and the United States. During the crisis and war, the United States had supported Pakistan both politically and militarily. According to Nayar and Paul a violent confrontation between the U.S. and India was only avoided because India, having accomplished its war aims, brought the conflict to a quick end.²⁶³ The consequence of the Bangladesh crisis was a big divide between India and the United States. The result was that India gradually strengthened ties with the Soviet Union leading to the '*Indo-Soviet Friendship Treaty*' in 1971. Although the treaty was stated to be a political one, it sounded more like a military alliance to counter China and Pakistan in particular and the US in general.²⁶⁴

²⁶² For more details see Chapter 3 'India's Foreign Policy towards the United States: A Historical Overview'.

²⁶³ Nayar, Baldev Raj and Paul, T.V. (2004): "*India in the World Order – Searching for Major Power Status*", Cambridge University Press, New Delhi.

²⁶⁴ Grover, Verinder (1992): "*International Relations and Foreign Policy of India*", Vol. 7, Deep & Deep Publications, Rajouri Garden, New Delhi, p. 163.

According to Verinder Govinder the treaty was another clear sign that India was further moving away from the United States and strengthening its political and military ties with the Soviet Union.²⁶⁵ However the tensions between India and the U.S. did not have any negative effects on the economic relations between both countries.²⁶⁶ On the contrary, as Figure 1 suggests, economic ties experienced serious growth following the ratification of the '*Indo-Soviet Friendship Treaty* in 1971'. While economic cooperation continued to increase throughout the beginning of the 1970s (Figure 1.), political relations between India and the US experienced another serious drawback in 1974. On May 18 1974, India tested its first nuclear device at Pokhran. The United States was highly critical and felt that the explosion might lead to nuclear proliferation throughout South Asia. In conclusion, economic cooperation increased heavily while at the same time political relations experienced major tension and disagreement. Increased economic cooperation did not have positive influence on India's foreign policy towards the United States between 1972 and 1979. On the contrary, India moved further away from the U.S. by signing the '*Indo-Soviet Friendship Treaty*' in 1971 and testing nuclear devices 1974.

India's Opening of its Economy in 1991

As Figure 1 suggests, economic cooperation was fairly stagnant during the 1980s. Only with the opening of the Indian economy in 1991 did economic cooperation begin to rise. According to Figure 1, economic cooperation between India and the US in terms of total trade volume more than doubled between 1991 and 1998. However, as Dixit observes during the same time period India – US relations did not improve significantly. Ignoring India's pleas, the US kept on supplying arms to Pakistan. At the beginning of the 1990s, American military assistance to Pakistan reached an all-time high. Moreover, according to J. N. Dixit there was still no agreement on the nuclear issue. India felt that the United States was not taking India seriously on its nuclear aspirations.²⁶⁷ The U.S. argued that India should remain without nuclear weapons to ensure its security and not start a nuclear arms race in the South Asian region. Engagement therefore proved to be fruitless: "Indo – US political relations were in despair even as economic relations continued to expand."²⁶⁸

²⁶⁵ Ibid, p. 165.

²⁶⁶ Ibid, p. 165.

²⁶⁷ Dixit, J. N. (2003): "*India's Foreign Policy and its Neighbours*", Gyan Books, New Delhi, p. 203.

²⁶⁸ Ibid, p. 203.

4.2.3 Increased Economic Cooperation and India's Foreign Policy towards the United States after the Shift in 1998

India's Realignment in U.S. Policy in 1998

Political relations between India and the United States only started to improve subsequent to the nuclear tests in 1998. Paradoxically it was at this time that economic cooperation in total and relative terms was nearly stagnant (as Figure 1 indicates). The total value of trade increased only from 11 billion dollar in 1998 to 12.5 billion dollar in 2001 while the relative importance in terms of exports and imports remained at the same level.²⁶⁹ Dixit states that if economic ties were a main driving force of the realignment process that started in 1998, one would have expected economic cooperation to have significantly increased following the realignment process that started in 1998.²⁷⁰

Increased Economic Cooperation after 2001

According to Figure 1 after 2001, economic cooperation started to rise rapidly again. In line with trade statistics in 2001 the total value of bilateral trade between India and the United States stood at 12.2 billion dollar. By 2008 the total value of bilateral trade had risen to 41 billion. However, as Figure 2 indicates economic ties improved only in terms of total numbers but decreased in relative terms. In 2008, the United States purchased 15.4 per cent of India's exports — more than five per cent less as in 2001 (21.1 per cent) — and provided India with 9 per cent of its imports – only one per cent more as in 2001 (8 per cent). While economic cooperation in total numbers increased, at the same time the relative importance of the United State's economy to India's economy decreased. Consequently *economic interdependence theory* can not be applied when interdependence between India's and the United State's economies actually decreased²⁷¹. By engaging with other economic powerhouses in the world, India started to reduce its dependence on the American

²⁶⁹ Ibid. p. 205.

²⁷⁰ Ibid, p. 203

²⁷¹ Kumar, Nagesh (2009): "*India and broader economic integration in Asia: An agenda for the East Asia Summit*", in: "Indian Foreign Policy", edited by Motha, Madhup and Sinha, Artish, Foreign Service Institute, New Delhi.

economy.²⁷² The most significant development in India's engagement with other economies in the world is, and as Kumar notes "very surprisingly with the Chinese economy".²⁷³ In line with Kumar it is surprising because India and China experienced a diplomatic standoff following the Indian nuclear tests in 1998 that were directed against China.²⁷⁴

4.2.4 Sino-Indian Economic Ties

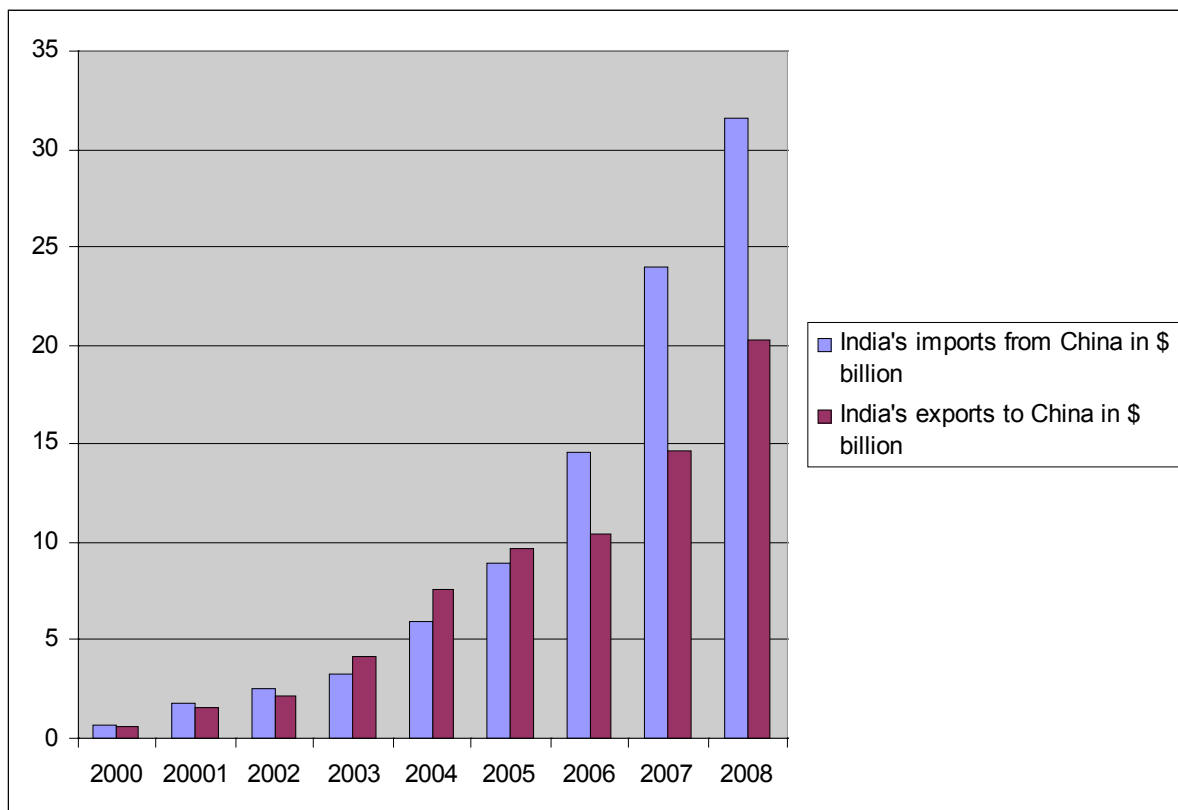
This paper has shown that after 2001 the relative importance of the U.S. economy to India has been steadily declining. At the same time economic cooperation in total and relative numbers between India and China increased intensively. According to India's trade statistics, China became India's leading source of imports in 2004 and India's biggest trading partner in terms of total trade volume in 2006, displacing the United States (see Figure 3). In 2000, India's imports from the U.S. were worth nearly 2.9 billion dollars — more than three times the value of India's imports from China. By 2004, India's imports from China totaled 5.9 billion dollars, and the imports from the U.S. were 5.1 billion dollars. In 2008, India's imports from the U.S. totaled 20.4 billion dollars, but imports from China had risen to 31.5 billion dollars.

²⁷² Ibid.

²⁷³ Ibid.

²⁷⁴ In more detail see "Chapter 5.2.1 Nuclear Tests – Beginning of India's realignment process towards the United States" of this thesis.

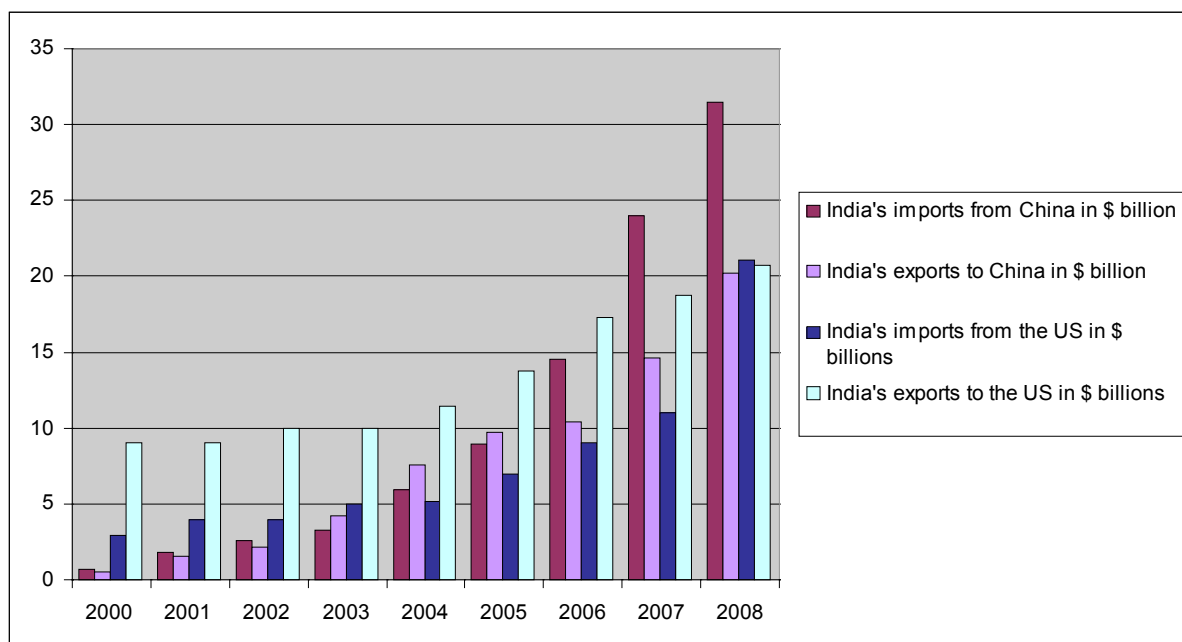
**Figure.3 India's Trade with China in \$ billion,
2000-2008²⁷⁵**



The value of India's exports to China increased from 0.7 billion dollars in 2000 to 20.3 billion dollars in 2008 —more than a 25-fold increase. As a result, India's total trade with the United States rose from 12.2 billion dollars in 2000 to 41.7 billion dollars in 2008, while its total trade with China jumped from 2.2 billion dollars to 51.8 billion dollars.

²⁷⁵ Raman, B. (2008): "*Sino-Indian Trade: Its's helping only China*". Accessed on 29th of January 2010: <http://www.rediff.com/money/2008/jan/28china.htm>.

**Figure4. India's Trade with the United States and China in \$ billion,
2000-2008²⁷⁶**



In conclusion, India's trade with China - in absolute terms and relative importance - has increased dramatically since 2001. It is also important to note that it has grown more rapidly than trade with the United States. As a result, China has already surpassed the United States as India's leading source of imports in 2004 and became India's biggest trading partner in 2006. In line with *interdependence theory*, the overall relations between India and China should have improved in the meantime. However, many scholars observed that increased economic cooperation between India and China led to serious tension in the recent years.²⁷⁷ While the Sino-Indian economic relationship is improving very fast, fundamental concerns remain that have shown little sign of resolution. On the Indian side, the most worrying sign in the trade relationship is the emerging trade deficit with China.²⁷⁸ In 2004, the balance of trade was 1.7 billion dollars in India's favor. By 2006, this surplus had turned to a 4.12 billion dollar deficit, widening further last year to 11.2 billion dollars, with

²⁷⁶ Raman, B. (2008): "Sino-Indian Trade: Its's helping only China". Accessed on 29th of January 2010: <http://www.rediff.com/money/2008/jan/28china.htm>.

²⁷⁷ Engardio, Peter (2007): "Chindia: How China and India Are Revolutionizing Global Business", Mc Graw Publisher, London, see also Raman, B. (2008): "Sino-Indian Trade: Its's helping only China". Accessed on 29th of January 2010: <http://www.rediff.com/money/2008/jan/28china.htm>, also Ayar, Pallavi (2009): "Crisis challenge for Sino-Indian Trade". Accessed on 20th of January 2010: http://www.atimes.com/atimes/China_Business/KB20Cb01.html.

²⁷⁸ Ayar, Pallavi (2009): "Crisis challenge for Sino-Indian Trade". Accessed on 20th of January 2010: http://www.atimes.com/atimes/China_Business/KB20Cb01.html.

Indian exports of 20.3 billion dollars overshadowed by imports from China worth 31.5 billion dollars.²⁷⁹ India is thus reluctant to grant China market economy status, a first step towards negotiation of the proposed regional trade agreement. Currently, India is a leading initiator of anti dumping cases against China. Moreover Indians worry over the composition of exports and fear Chinese trade barriers hindering Indian companies from breaking into the Chinese market successfully.²⁸⁰ Neither has there been significant progress towards removing non-tariff barriers erected against Indian products. According to Ayar Pallavi Sino-Indian economic relations are a good example that increased economic ties do not necessarily have a positive impact on the over-all relations of two countries.²⁸¹

4.2.5 Conclusion

Firstly, by analyzing increased economic cooperation and its impact on the states over-all relations from a historical perspective, this paper concludes that there is no cohesion between increased economic cooperation and the over-all relations between India and the United States. This paper has shown that in phases of increased economic cooperation (1972-1979 and 1991-1998) the overall relationship was characterized by tension. While economic ties increased heavily between 1972 and 1979, at the same time political relations experienced major disturbance and disagreement. Increased economic cooperation did not have positive influence on India's foreign policy towards the United States. On the contrary, India moved further away from the US by signing the 'Indo-Soviet Friendship Treaty' in 1971 and testing nuclear devices 1974. Following the opening of the Indian economy in 1991, total and relative trade volume began increasing significantly. However, India – US relations remained fairly stagnant in the years after the opening of the Indian economy.²⁸² If, according to economic interdependence theory, economics have a decisive impact on India – US ties, one might have expected relations to have improved dramatically following India's economic liberalization in the early 1990's.²⁸³

²⁷⁹ Confederation of Indian Industry, 2009

²⁸⁰ ²⁸⁰ Ayar, Pallavi (2009): "*Crisis challenge for Sino-Indian Trade*". Accessed on 20th of January 2010: http://www.atimes.com/atimes/China_Business/KB20Cb01.html.

²⁸¹ Ibid.

²⁸² Nayar, Baldev Raj and Paul, T.V. (2004): "*India in the World Order – Searching for Major Power Status*", Cambridge University Press, New Delhi.

²⁸³ Kumar, Nagesh (2009): "*India and broader economic integration in Asia: An agenda for the East Asia Summit*", in: "Indian Foreign Policy", edited by Motha, Madhup and Sinha, Artish, Foreign Service Institute, New Delhi.

Secondly, this paper has shown that while political relations between India and the United States started to improve following the nuclear tests in 1998, economic cooperation in total and relative terms was stagnant between 1998 and 2001 (Figure 1). Economic cooperation started to increase only after 2001. However this paper has given evidence that economic cooperation improved only in terms of total numbers, but decreased in terms of relative importance. In line with Kumar Nagesh, India significantly increased economic cooperation with other countries while it slowly but steadily decreased its economic dependence on the United States.²⁸⁴ The conclusion Nagesh draws is very simple and straight-forward: The economic interdependence theory can not explain the shift of India's foreign policy towards the United States that began following the nuclear tests in 1998 because the economic interdependence between the two countries did not increase. On the contrary, by engaging with other economic giants (e. g. China or the European Union) of the world, India started to reduce its dependence on the American economy.²⁸⁵ Sino-Indian economic relations have shown that increased economic ties do not consequentially lead to a positive impact on the overall relations. This paper has illustrated the development of Sino – Indian economic ties to prove two points:

1. Increased economic cooperation can also lead to political tensions.
2. India is steadily decreasing its economic dependence on the United States by strengthening economic ties with countries they do not share friendly political relations with.

²⁸⁴ Ibid.

²⁸⁵ Ibid.

5. Analyzing India's Realignment towards the United States: A Realist Perspective

In keeping with the realist school of thought on international relations the fundamental purpose of India's foreign policy – and for that matter of any other nations' – is to serve the country's national interest.²⁸⁶ In the hierarchy of national interest, national security occupies the pre-eminent position.²⁸⁷ The realist argument is basically that, unless a state is secure it cannot be sure that it will survive and, if it does not survive, it will not be able to fulfill any other goals favoring its citizens' welfare. Structural-realist scholars also identify national security issues as the most important factor in explaining the realignment process in India's foreign policy towards the United States following the nuclear tests in 1998.²⁸⁸ They argue that a rising China presented and continues to pose the biggest threat to India's national security environment. In order to cope with this threat, India engaged with the United States in a balancing act to contain Chinese power in Asia.

Firstly, this chapter will explain how India's security environment fundamentally changed after the Cold War and then argue that changes in that environment impelled India to seek the support of the United States. Secondly, by appropriating the '*Balance of Threat Theory*' as a conceptual framework, China is analyzed as the biggest threat to India's national security in the short-, medium- and long-terms. Thirdly, this chapter will analyze the nature of India and the United States engagement in a strategic partnership following the nuclear tests in 1998. This paper will show that the partnership was primarily concerned with defense cooperation. Furthermore, it will show that the partnership is aimed against a rising China in Asia.

²⁸⁶ Dubey, M. (1999): "*India's Foreign Policy: Aims and Strategies*", in: Jetly, Nancy and Prasad, Bimal: "*India's Foreign Policy – Challenges and Prospects*", Harsha Process and Print, New Delhi, p. 10-26.

²⁸⁷ Griffith, M. (2002): "*International Relations – The Key Concepts*", Routledge Print House, Washington, p. 262., also Mearsheimer, John J. (2006): "*Structural Realism*", in "*International Relations Theories: Discipline and Diversity*", edited by Tim Dune and Steve Smith, Oxford University Press, Oxford, p. 73., see furthermore Baumann, Rainer, Rittberger, Volker and Wagner, Wolfgang (1998): "*Power and Power Politics: Neorealist Foreign Policy Theory and Expectations about German Foreign Policy since Unification*", in Tübinger Arbeitspapiere zur Internationalen Politik und Friedensforschung ; 30a, Tübingen.

²⁸⁸ Koshy, Ninan (2008): "*Under the Empire: India's New Foreign Policy*", Left Word Publishing House, New Delhi., see also Mohan, C. Raja (2006): "*India and the Balance of Power*", in Foreign Affairs, July/August. Accessed on 12th of December: <http://www.foreignaffairs.com/articles/61729/c-raja-mohan/india-and-the-balance-of-power>.

India's Changed Security Environment after the Cold War

According to C. Raja Mohan, India's security environment prior to the nuclear tests in 1998 was equally challenging as after, both in terms of conventional and nuclear threats. Pakistan's continued hostility and uncertainties regarding China's policies as it acquired greater power in all aspects impinged vitally on India's regional security. Moreover terrorism on Indian soil continued to be a constant threat with increasing potential for disruption.²⁸⁹ According to Mohan, to answer the question as to why India and the United States engaged in closer relations subsequent to 1998, one has to analyze the Indian security environment prior to the realignment in India's US policy. In keeping with Mohan one might expect India's security environment to have changed significantly before the shift in its US policy.²⁹⁰ Thus opines Jürgen Bellers "any major shift in the strategy of foreign policy of a country is only to be expected when there is a major [...] change in the environment of the international political system."²⁹¹ Consequently, the international system and therefore, India's security environment must have changed significantly prior to the shift in its foreign policy towards the United States in 1998. As Mohan states: "If the security environment did not change fundamentally in the 1990s, there would not have been any urgent need for India to change its strategy to cope with its security threats."²⁹² Devendra Kaushik posits that the end of the Cold War led to major changes in the international political system and can be identified as a fundamental change in the environment of the international political system.²⁹³ The bipolar world order of the Cold War was thrown apart leading to a changed security environment for almost every state. India was no exception. This had two major implications for India's security environment:²⁹⁴

- Firstly, with the collapse of the Soviet Union, India not only lost its largest and most significant trading partner, but also its most important supporter and ally with

²⁹⁰ Mohan, C. Raja (2006): "India and the Balance of Power", in Foreign Affairs, July/August. Accessed on 12th of December: <http://www.foreignaffairs.com/articles/61729/c-raja-mohan/india-and-the-balance-of-power>

²⁹¹ Bellers, Jürgen (1989): „Analyse internationaler Beziehungen: Methoden, Instrumente, Darstellungen“, Leske and Budrich, Opladen, p. 75

²⁹² Mohan, C. Raja (2006): "India and the Balance of Power", in Foreign Affairs, July/August. Accessed on 12th of December: <http://www.foreignaffairs.com/articles/61729/c-raja-mohan/india-and-the-balance-of-power>.

²⁹³ Kaushik, Devendra (1999): "India and Central Asia: Challenges and Opportunities" in: "India's Foreign Policy – Challenges and Prospects", edited by Jetly, Nancy and Prasad, Bimal, p. 215.

²⁹⁴ Ibid.

regard to national security. The diplomatic shield of the Soviet Union against India's main national security threats, Pakistan and China, was no longer in place.²⁹⁵

- Secondly, the rise of China was the most important element in the new emerging balance of power in Asia in the 1990s. The pace and scope of China's military build-up would have put regional military balances at risk in a medium- and long-term perspective.²⁹⁶

Consequently for India, it became necessary to analyze the changed security environment, identify its implications and revise its foreign policy accordingly. While India had the military capabilities to ensure its security against the threat imposed by Pakistan even without the help of the Soviet Union, it was unable to ensure the same with regard to China.²⁹⁷ India feared that an all too powerful China might pose a security threat which it could not handle on its own. Therefore, India concluded that it had to find new strategies to deal with the threat.

How did India cope with the changed security environment and the steadily increasing Chinese threat? According to structural realists the best means to ensure one's own security is to gain more power itself. The state must possess the military wherewithal, either alone or in alliance with other countries, to thwart military threats to its security.²⁹⁸ Previously India enjoyed important military cooperation from the Soviet Union. India soon recognized that the United States remained the sole super power in the international system and began paying particular attention to building a new relationship with Washington.²⁹⁹ In line with structural realists this paper holds that India followed a '*Balance of Threat*' strategy to handle the changed security environment and the threat posed by China and sought to increase its own military capabilities (internal balancing), and established a formal alliance with the United States (external balancing) to preserve its own national interest by checking the power of the opposing side (China).³⁰⁰ To explain the realignment process

²⁹⁵ Ibid. p. 216.

²⁹⁶ Ibid.

²⁹⁷ Ibid. p. 216.

²⁹⁸ See in Chapter 2 '*Theoretical background – Liberalism and Structural-Realism*' of this paper.

²⁹⁹ Mohan, C. Raja (2006): '*India and the Balance of Power*', in Foreign Affairs, July/August. Accessed on 12th of December: <http://www.foreignaffairs.com/articles/61729/c-raja-mohan/india-and-the-balance-of-power>

that started following the nuclear tests in 1998 this paper uses the ‘*Balance of Threat Theory*’ as its theoretical framework.

5.1 Balance of Threat Theory – Containing China

‘*Balance of Threat Theory*’ argues that states will balance against threats. Threat, is driven by a combination of three key variables:

- a) aggregate capabilities,
- b) geography,
- and
- c) Perceptions of aggressive attentions.³⁰¹

If one state becomes especially powerful and if its location and behavior feed threat perceptions on the part of other states, then balancing strategies will come to dominate the foreign policy of the threatened state.³⁰²

a) Aggregate Capabilities

‘*Balance of Threat Theory*’ states that a country’s aggregate capabilities have to impose a future threat on the balancing countries. China’s rapid economic growth over almost three decades accompanied by its military modernization has made it the primary power in Asia. In the last two decades, China has been the fastest growing economy in the world.³⁰³ It continues to invest heavily in its military; particularly in programs designed to improve power projection.³⁰⁴ According to the Quadrennial Defence Review (QDR) released by the

³⁰⁰ Ibid.

³⁰¹ Walt, Stephen (1987): “*Alliance Formation and the Balance of World Power*”, in *International Security*, Spring 1985, (Vol. 9, No. 4), p. 25., also Wohlworth, William C. (2008): “*Realism and Foreign Policy*”, in Dunne, Tim, Hadfield, Amelia and Smith, Steven (2008): ‘*Foreign Policy: Theories, Actors, Cases*’, Oxford University Press, p. 36.

³⁰² Ibid.

³⁰³ Engardio, Pete (2007): “*Chindia: How China and India Are Revolutionizing Global Business*”, McGraw-Hill, New York.

³⁰⁴ Raghavan, V.R (2009): “*The Future of NPT: India’s view*”, the Delhi Policy Group, http://www.delhipolicygroup.com/pdf/The_Future_of_NPT_India_View.pdf, accessed on 04.02.2010.

US Department of Defence of 2006, the pace and scope of China's military build-up was likely to put regional military balances at risk.³⁰⁵ The report identified China as having "the greatest potential to compete militarily with the United States" and stated that "shaping the choices of major and emerging powers requires a balanced approach, one that seeks cooperation but also creates prudent hedges against the possibility that cooperative approaches by themselves may fail to preclude future conflict."³⁰⁶ According to Dubey, India cannot afford to underestimate the challenge posed by China's emergence as a formidable power in conventional as well as nuclear capabilities for it continues to increase its nuclear arsenal.³⁰⁷ Its armed forces continue to be deployed along India's northern and eastern borders. In summation, China is a rising major power from the point of view of both conventional and nuclear capabilities and India can hardly ignore the implications of the growing power gap between the two countries. Moreover, China's major military build-up in Tibet adds significantly to long-term strategic concerns for India. According to Dubey, Beijing's continued support to Pakistan's missile and nuclear programs and its broader policy to balance India within the subcontinent through increased political cooperation with India's neighbors, requires a balancing approach.³⁰⁸

b) Geography

China and India are separated by the enormous Himalayan mountain chain. They share a border along the Himalayas and Nepal and Bhutan, two states lying along the Himalaya range that act as physical buffer states. In addition, the disputed Kashmir province (claimed by Pakistan and India) borders both the People's Republic of China (PRC) and India. As Pakistan has tense relations with India, Kashmir's state of unrest serves to benefit China. Two territories are currently disputed between the People's Republic of China and India: Aksai Chin and Arunachal Pradesh. Arunachal Pradesh is located near the far east of India, while Aksai Chin is located near the northwest corner of India, at the junction of India, Pakistan, and the PRC. China and India have yet to solve their fundamental and very large land boundary disputes. India blames China for illegally engaging more than 14,000 square miles of its territory on its northern border in Kashmir, while China lays claims to

³⁰⁵ United States Department of Defense (2006): "*Quadrennial Defense Review Report*". Accessed on 05th January 2010: <http://www.globalsecurity.org/military/library/policy/dod/qdr-2006-report.pdf>

³⁰⁶ Ibid.

³⁰⁷ Ibid.

³⁰⁸ Ibid.

more than 34,000 square miles of India's north-eastern state of Arunachal Pradesh.³⁰⁹ The two countries have not achieved much in the ongoing border talks that opened in the early 1980s. In 2003, each side selected “special representatives” – a National Security Advisor for India, a Vice foreign minister for China – to improve border discussions. India has tried to reassure China that it respects the Chinese position regarding Tibet by recognizing the ‘Tibetan Autonomous Region’ as part of China, while the Chinese Foreign Ministry in 2003 recognized the trade route through the Nathu La Pass on the Chinese border to the Indian state of Sikkim. Moreover, China stopped listing Sikkim as an independent country on its Web site, implicitly recognizing it as a part of India.³¹⁰

Nevertheless, China's increasing assertiveness over the past two years has led to a near freeze in border talks. The 12th round of the special representative talks held in September 2004 in Beijing ended without any specific agreements.³¹¹ China has recently toughened its position during border talks by insisting that the Tawang district - a pilgrimage site for Tibetans in Arunachal Pradesh - be surrendered to China. India rejected their demand and reiterated their position that any areas with established populations would be excluded from territorial exchanges. By strengthening their military infrastructure along the border and establishing a network of road, rail, and air links in the region, the Chinese attempted to pressurise the Indians on the issue.³¹² India has recently started to reinforce its own claims in the border areas that are in dispute with China. New Delhi is increasing its forces in the eastern sector along the border of Arunachal Pradesh. It also re-deployed elements of its 27th Mountain Division from Jammu and Kashmir to the 30-km-wide Siliguri corridor at the intersection of India, Tibet, and Butha linking India with the rest of its north-eastern states. The area is strategically of very high importance – losing control of it would sepa-

³⁰⁹ Curtis, Lisa (2009): “*U.S. – India Relations: The China Factor*”, <http://www.heritage.org/Research/Reports/2008/11/US-India-Relations-The-China-Factor>, accessed on 08.01.2010.

³¹⁰ Ibid.

³¹¹ Ibid.

³¹² Stobdan, Peter (2004): “*Central Asia and India's Security*”, in *Strategic Analysis*, January-March. Accessed on 12th January 2010: <https://wwwapp.cc.columbia.edu/shibds/ciaods/DS?entityID=https://www.ciaonet.org/shibboleth&return=https://www.ciaonet.org/Shibboleth.sso/DS%3FSAMLDS%3D1%26target%3Dcookie%253A48e79120>, p. 4.

rate India from its entire north-east region.³¹³ Thus till the time the border disputes are not resolved they can always escalate and lead to a major controversy.³¹⁴

c) Threat Perception

Historical Experience – 1962 War

Events leading to the Sino-Indian border war of 1962 and the ruthless Indian disillusionment with the Chinese following that conflict has provided a valuable context for analyzing current developments in Chinese-Indian relations. Even after China marched into Tibet and annexed it in 1950, Jawaharlal Nehru was convinced that India should look for a close relationship with China.³¹⁵ Nehru was confident that an India-China friendship could form the basis of an Asian revival of power where India and China were playing the main role. Nehru apparently wanted to give the Chinese the advantage of the doubt since they were, like the Indians, also emerging from the colonial era. However, many members of Nehru's cabinet regarded China with great suspicion and warned Nehru to examine the event as a signal that China could pose a likely danger to India's own territorial integrity. They asked Nehru to prepare India's defence forces against such a possibility. Nehru's trust in China cost India greatly in 1962 when the Chinese simultaneously invaded the Eastern and Western sectors of India's, as well as its shared borders with China. The Indian parliament accused Nehru of turning a blind eye to Chinese construction of a road through what was then Indian Territory in the Aksai Chin. After the invasion and defeat by the Chinese, Nehru declared that China had revealed itself as "an expansionist and imperious-minded country."³¹⁶ A feeling of betrayal from a country that they had supported in the international arena remained in the Indian psyche for years to come. Consequently, current Indian strategic analysts warn Indian officials not to make the same mistakes of the past by de-emphasizing Chinese border aggressions. They state that if New Delhi publicly downplays offensive Chinese activities in the border areas (as it did with construction of the road

³¹³ Curtis, Lisa (2009): "*U.S. – India Relations: The China Factor*". Accessed on 8th of January 2010: <http://www.heritage.org/Research/Reports/2008/11/US-India-Relations-The-China-Factor>.

³¹⁴ Ibid.

³¹⁵ Ibid.

³¹⁶ Ibid.

through the Aksai Chin in the early 1960s), the Chinese will interpret the silence as an indication of weakness and exploit it.³¹⁷

Aggressive Perceptions of Chinese Foreign Policy

Indian threat perceptions are strongly supported by the writings of Alastair Ian Johnston.³¹⁸ Based on his close reading of Chinese history and the classic texts of Chinese strategy, Johnston argues that China historically exhibited a relatively consistent hard *realpolitik* or *parabellum*³¹⁹ strategic culture that has persisted across different cultural contexts into the Maoists period and beyond. The Confucian paradigm only existed as an idealised strategic discourse and had rarely been practised.³²⁰ On the contrary, Chinese decision-makers have internalised the *parabellum* strategic culture to such an extent that Chinese strategic behaviour exhibits a preference for offensive uses of force, “mediated by a keen sensitivity to relative capabilities.”³²¹ This paradigm vies the external environment as “dangerous, adversaries as dispositionally threatening, and conflict as zero-sum, in which the application of violence is ultimately required to deal with threats.”³²² The more this balance is favourable, the more advantageous it is to adopt offensive coercive strategies; the less favourable, the more advantageous to adopt defensive or accommodationist strategies, to buy time until the balance shifts again. If one accepts this view, and indeed the empirical evidence that Johnston gathered is impressive, the current posture cannot be viewed in benign terms. If China was being accommodationist, it is only because the balance did not seem to be in its favour. “In comparison with other major powers, China was far more likely to use violence in a dispute over military-security questions such as territory.”³²³

Chinese Cooperation with Pakistan

Some Indian analysts believe that China is pursuing a two-way strategy of engaging India into compliance through greater economic interaction while taking steps to encircle India

³¹⁷ Ibid.

³¹⁸ Johnston, Alastair Iain (1995): “Cultural Realism: Strategic Culture and Grand Strategy in Chinese History”, Princeton University Press, Princeton.

³¹⁹ The word *Parabellum* is a noun coined by German arms maker Deutsche Waffen und Munitionsfabriken and is derived from the Latin saying *si vis pacem, para bellum*, meaning If you wish for peace, prepare for war.

³²⁰ Johnston, Alastair Iain (1995): “Cultural Realism: Strategic Culture and Grand Strategy in Chinese History”, Princeton University Press, Princeton.

³²¹ Ibid. p. 23

³²² Ibid. p. 23

³²³ Ibid. p. 30.

and undermine its security.³²⁴ China is strengthening ties to its traditional ally Pakistan and slowly gaining influence with other South Asian states. The South Asian nations view good ties with China as a useful counterweight to Indian dominance in the region. China uses military and other assistance to court these nations, especially when India and other Western states try to use their assistance programs to encourage respect for human rights and democracy.³²⁵ Pakistan and China have long-standing strategic ties. China is Pakistan's largest defence supplier. It transferred equipment and technology to Pakistan's nuclear weapons and ballistic missile programs throughout the 1980s and 1990s, enhancing Pakistan's strength in the South Asian strategic balance. Stephen Cohen, an expert on the Indian and Pakistani militaries, describes China as pursuing a classic balance of power by supporting Pakistan.³²⁶ Moreover China has helped Pakistan build two nuclear reactors and continues to support Pakistan's nuclear program.

China's Nuclear Deterrent

China is one of the few countries worldwide that is still increasing its nuclear capabilities. Unlike other middle powers like France and Britain which remain linked to North Atlantic Treaty Organization's code of conduct, China's nuclear deterrent remains independent from any possible internal or external checks and balances.³²⁷ There is a strategic shift from a passive Chinese foreign policy agenda to a pro-active national security policy that has characterized China's nuclear deterrent the early 1990s.

³²⁴ Raghavan, V.R (2009): "*The Future of NPT: India's view*", the Delhi Policy Group, http://www.delhipolicygroup.com/pdf/The_Future_of_NPT_India_View.pdf, accessed on 04.02.2010., Mohan, C. Raja (2006): "*India and the Balance of Power*", in Foreign Affairs, July/August. Accessed on 12th of December: <http://www.foreignaffairs.com/articles/61729/c-raja-mohan/india-and-the-balance-of-power>

³²⁵ Ibid.

³²⁶ Cohen, Stephen (2001): "*Emerging Power India*", Versa Press, Illinois.

³²⁷ Raghavan, V.R (2009): "*The Future of NPT: India's view*", the Delhi Policy Group, http://www.delhipolicygroup.com/pdf/The_Future_of_NPT_India_View.pdf, accessed on 04.02.2010.

5.2 Realignment with the United States and Containing China

This paper has proved that China continues to constitute a serious threat to India's national security. Moreover, the 'China threat' has been steadily increasing since the end of the Cold War. In order to cope with the threat, structural realist scholars state that India engaged in a close relationship with the United States following the nuclear tests in 1998.

5.2.1 Nuclear Tests – Beginning of India's Realignment Process towards the United States

Even though there was confusion and an apparent loss of direction in India's foreign policy following the nuclear tests in May 1998, India was very clear on one point: the country had to move closer to the United States. The message was expressed within a few hours of the first explosion on May 11: India was ready for understanding, an accommodation, a compromise, and even for a strategic partnership with the US³²⁸ In a personal letter to President Clinton, a few hours after the nuclear tests, Prime Minister Vajpayee strongly emphasized that the tests were not directed against the United States but against Pakistan and China. Rather than explaining the reasons for the nuclear tests to the people of India, Vajpayee felt duty-bound to give an explanation to the US government:

“Mr President, these countries are not just our problems. You also cannot trust them. Whatever trade relations you make with China, you know that China's nuclear weapons and missiles are a threat to you also. And there are massive violations of human rights in that country. Should we not as the largest democracies of the world stand together?”³²⁹

The letter had listed the main reason for India's nuclear tests: the deterioration in the nuclear environment caused by China and Pakistan. They were labelled, albeit indirectly, as enemies of India. According to Koshy, one has to pay particular attention to the mention-

³²⁸ Perkovich, George (1999): *“India's Nuclear Bomb”*, Oxford University Press, p. 204.

³²⁹ Koshy, Ninan (2008): *“Under the Empire: India's New Foreign Policy”*, Left Word Publishing House, New Delhi., p. 65.

ing of the phrase: “China is a threat to you also.” India was confident that the United States also perceived China as a threat in Asia. This assumption is fundamental for understanding India’s balancing strategy against China.³³⁰ Analyzing the United States relations to India’s biggest threat, China, India concluded that the US had great interest in containing Chinese power in Asia and the official statements of US agencies support this assumption.³³¹ According to the ‘*Quadrennial Defence Review*’ the rise of Asia was the most important element in the new emerging balance of power.³³² A rising China threatens regional security balance in Asia and the United States wants to prevent China from becoming too powerful or even claiming the role of a hegemon in Asia. With respect to state actors, the ‘*Quadrennial Defence Review*’ suggests that the primary global security threat to the United States is imposed by China.: “Of the major and emerging powers, China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time off set traditional US military advantages absent US counter strategies”.³³³ The Pentagon’s 2005 report to Congress ‘*The Military Power of the Peoples Republic of China*’ on China’s military power acknowledges that its goal of modernizing national defence is proceeding well:

“China does not face a direct threat from another nation. Yet, it is heavily investing in its military facilities, particularly in programs designed to improve power projection.³³⁴ The pace and scope of China’s military build-up are, already, such as to put regional military balances at risk. Current trends in China’s military modernization could provide China with a force capable of prosecuting a range of military operations in Asia, potentially posing a credible threat to modern militaries operating in the region.”³³⁵

Based on these reports, according to Koshy it was very clear that India’s realignment towards the United States was based on the common perception of the ‘China threat’.³³⁶ This was made undoubtedly clear by Prime Minister Atal B. Vajpayee himself when he declared

³³⁰ Ibid. p. 66

³³¹ Ibid. p. 66.

³³² United States Department of Defense (2006): “*Quadrennial Defense Review Report*”. Accessed on 05th January 2010: <http://www.globalsecurity.org/military/library/policy/dod/qdr-2006-report.pdf>

³³³ Ibid.

³³⁴ Koshy, Ninan (2008): “*Under the Empire: India’s New Foreign Policy*”, Left Word Publishing House, New Delhi., p. 62.

³³⁵ United States Defense Department (2005): “*The Military Power of the Peoples Republic of China*”. Accessed on 06.02.2010: <http://www.defense.gov/news/jul2005/d20050719china.pdf>.

³³⁶ Ibid. p. 62.

in a speech in New York at the end of September 1998 – that India and the U.S. were ‘natural allies’. He was eloquent about the potential for an alliance between the two countries”. All that was needed was a little sensitivity from the American side for India’s security concerns”.³³⁷ Even though Vajpayee did not mention China directly, it was very apparent that he referred to the threat posed by China.

In order to balance Chinese power in Asia, in the following period, India and the United States particularly increased military-to-military cooperation. In the ‘*National Security Strategy*’ the United States underscored the key role of India in U.S. strategic planning, declaring that the “[...] strategic partnership will contribute to the foreign policy and national security interests of the United States by helping to improve the security of a country (India) that has been and continues to be a positive force for political stability in Asia..”³³⁸ The document further states that “the United States has undertaken a transformation in its bilateral relationship with India. We are the two largest democracies. We share an interest in fighting terrorism and in creating a strategically stable Asia. We start with a view of India as growing world power with which we have common interests.”³³⁹

A *Pentagon Report* of 2003 US officials mentioned the ‘China Threat’ for the first time by its name when referring to its relations with India.³⁴⁰ The report states that “the US and India should forge a long-term security alliance partly aimed at containing China”. The report further argues that “strategic environment with India could become a future investment of growing value if Asia becomes a hostile environment”, adding that the Pentagon felt India “should emerge as a vital component of U.S. strategy”.³⁴¹ Moreover, another report by the Pentagon in the same year showed that the United States valued India’s strategic position. The report, ‘*The Military Power of the Peoples Republic of China*’, emphasized the importance of “India’s strategic location in the centre of Asia, astride the frequently travelled Sea Lanes of Communication linking the Middle East and East Asia (China), which makes India “particularly attractive to the US military””.³⁴²

³³⁷ Ibid. p. 62.

³³⁸ The White House (2002): ‘*National Security Strategy*’. Accessed on 09.02.2010: <http://georgewbush-whitehouse.archives.gov/nsc/nss/2002/index.html>.

³³⁹ Ibid.

³⁴⁰ Koshy, Ninan (2008): “*Under the Empire: India’s New Foreign Policy*”, Left Word Publishing House, New Delhi., p. 65.

³⁴¹ Ibid. p. 66.

³⁴² United States Defense Department (2005): “*The Military Power of the Peoples Republic of China*”. Accessed on 06.02.2010: <http://www.defense.gov/news/jul2005/d20050719china.pdf>.

5.2.2 Making India a Major Power – Increasing Defence Cooperation

Up to this point, this paper has illustrated how structural realists hold the assumption that India needed help by an outside power to build its power capabilities in order to effectively ensure security against the Chinese threat, since India only had limited resources to do so by itself. It needed the support of the United States to build up its own military capabilities. In the first part of this chapter this paper has already shown that defence cooperation had been considerably intensified between 1998 and 2003. In 2005 the United States went a decisive step further in its strategy to cooperate on a military-to-military basis with India. In a statement on 25th March 2005 by David C. Mulford, the former US Ambassador to India, the United States officially declared to help India become a major global power in the 21st century. Mulford said:

“It is official. It is the policy of the United States to help India become a major world power in the 21st century. This is what Secretary of State Condoleezza Rice conveyed to Prime Minister Manmohan Singh during her visit to India – marking an exciting turning point to years of hard work to transform the U.S.-India bilateral relationship into a true strategic partnership”.³⁴³

The *U.S. National Security Strategy* of 2002 had already acknowledged India as “a growing world power with which we have common strategic interests”.³⁴⁴ The United States went a step further by enunciating its new grand strategy towards India on March 25, 2005 when the State Department announced that America had reached a decision to help India become a major world-power in the 21st century. Significantly, it further added that “we understand fully the implications, including military implications of that statement”.³⁴⁵ Within a span of five years India was being transformed from a natural ‘natural ally’ to a ‘Strategic partner’ to a ‘Major world power’.

The first step in helping India to become a major world power was the ‘*New Framework for the U.S. – India Defence Relationship*’ in June 2005. The paper states that the two

³⁴³ Koshy, Ninan (2008): “*Under the Empire: India’s New Foreign Policy*”, Left Word Publishing House, New Delhi., p. 62.

³⁴⁴ The White House (2002): ‘*National Security Strategy*’. Accessed on 09.02.2010: <http://georgewbush-whitehouse.archives.gov/nsc/nss/2002/index.html>.

³⁴⁵ Koshy, Ninan (2008): “*Under the Empire: India’s New Foreign Policy*”, Left Word Publishing House, New Delhi., p. 62.

countries were entering a new era and transforming the relationship “to reflect our common principle and shared national security interests”.³⁴⁶ According to Mohan the report stressed that defence relationship would support and be part of the larger bilateral strategic partnership conducting joint exercises and exchanges.³⁴⁷ The major agreement was on expansion of defence trade. “The United States and India will work to include defence transactions, not solely at end in and of themselves, but as a means to strengthen our security, reinforce our strategic partnership, achieve greater interaction between our armed forces and build greater understanding between our defence establishment.”³⁴⁸ According to Koshy the *New Framework Agreement on Defence Cooperation* was by far the most important pact signed between India and the United States till date. The agreement not only ensured India military assistance for the next ten years but also put strong emphasis on the fact that the United States was ready to make deductions in its relationship with Pakistan and China if necessary to help strengthen India’s military position.³⁴⁹

5.2.3 ‘Indo-U.S. Civilian Nuclear Agreement’

The second step to helping India become a major power and containing China was to increase India’s power capabilities by supporting its nuclear demands. The ‘*Indo-U.S. Civilian Nuclear Agreement*’, calling for the separation of India’s nuclear facilities into civilian and military, and bringing India’s civilian facilities under international safeguards in exchange for nuclear energy cooperation, gave satisfaction to India’s biggest desire.³⁵⁰ According to V. R. Raghavan the nuclear deal has to be seen as another strong signal that India and the United States are engaging in a strategy to contain China.³⁵¹ In her testimony

³⁴⁶ Secretary of Defense of the United States of America and Minister of Defense of India (2005): “*New Framework for the U.S. – India Defence Relationship*”. Accessed on 3rd of February 2010: http://www.indianembassy.org/press_release/2005/June/31.htm.

³⁴⁷ Mohan, C. Raja (2006): “*India and the Balance of Power*”, in Foreign Affairs, July/August. Accessed on 12th of December: <http://www.foreignaffairs.com/articles/61729/c-raja-mohan/india-and-the-balance-of-power>

³⁴⁸ Secretary of Defense of the United States of America and Minister of Defense of India (2005): “*New Framework for the U.S. – India Defence Relationship*”. Accessed on 3rd of February 2010: http://www.indianembassy.org/press_release/2005/June/31.htm.

³⁴⁹ Koshy, Ninan (2008): “*Under the Empire: India’s New Foreign Policy*”, Left Word Publishing House, New Delhi., p. 62.

³⁵⁰ United States Department of State (2005): “*U.S. - India: Civil Nuclear Cooperation*”. Accessed on 3rd of February 2010: <http://www.state.gov/p/sca/c17361.htm>.

³⁵¹ Raghavan, V.R (2008): “*Charting an India – U.S. Nuclear Relationship*”, the Delhi Policy Group, http://www.delhipolicygroup.com/pdf/Charting_an_India-US_Relationship.pdf, accessed on 04.02.2010, p. 1.

before the Senate Foreign Relations Committee on '*Indo-U.S. Civilian Nuclear Agreement*', former Secretary of State Condoleezza Rice noted that:

“... this strategic achievement will advance energy security, further environmental protection, foster economic and technological development in both of our countries, bolster international security, and strengthen the global non-proliferation regime. All of these benefits, however, must be viewed in a still larger, still greater context: What this initiative does to elevate this relationship to a new, strategic height”.³⁵²

The fact that the nuclear agreement was mainly aimed against China becomes very apparent when observing China's reaction to the deal. China expressed strong resentment towards the nuclear-deal. It stated that the agreement constituted "a major blow to the international non-proliferation regime".³⁵³ China's apparent attempt to scuttle the '*U.S.- India Civil Nuclear Agreement*' at the September 2008 Nuclear Suppliers Group (NSG)³⁵⁴ meeting was evidence for many Indians that China does not willingly accept India's rise on the world stage.³⁵⁵ The Chinese, encouraged by the unexpected opposition from NSG nations like New Zealand, Austria, and Ireland, threatened the agreement with delaying tactics and last-minute concerns. The public rebuke of the deal followed several earlier assurances from Chinese leaders that Beijing would not block consensus at the NSG.³⁵⁶ However, according to Raghavan, China's opposition to the deal has been long expected even though Beijing maintained an ambiguity about its stance. "Whether it is motivated by geopolitical considerations or commercial interests, the US-India nuclear agreement has constituted a major blow to the international non-proliferation regime," said the Xiaohui Wu, a researcher from Belfer Center.³⁵⁷ "Irrespective of the fate of the US-India nuclear pact, the United States' multiple standards on non-proliferation issues have met with a sceptical

³⁵² Ibid, p. 13.

³⁵³ Xiaohui Wu (2008): "*Engage China in Nuclear-Proliferation Issue*". Accessed on 8th of January 2010: http://belfercenter.ksg.harvard.edu/publication/18639/engage_china_in_nuclearproliferation_issue.html?breadcrumb=/experts/199/graham_allison%3Fgroupby%3D1%26page%3D1%26hide%3D1%26id%3D199%26back_url%3D%252Fexperts%252F%26back_text%3DBack%2Bto%2Blist%2Bof%2Bexperts.

³⁵⁴ The Nuclear Suppliers Group (NSG) is a group of nuclear supplier countries which seeks to contribute to the non-proliferation of nuclear weapons through the implementation of Guidelines for nuclear exports and nuclear related exports.

³⁵⁵ Bohnsle, Rahul, Prakash, Ved and Gupta, K. R. (2007): "*Indo-U.S. Civil Nuclear Deal*", Nice Printing Press, Delhi.

³⁵⁶ Raghavan, V.R (2009): "*The Future of NPT: India's view*", the Delhi Policy Group, http://www.delhipolicygroup.com/pdf/The_Future_of_NPT_India_View.pdf, accessed on 04.02.2010.

³⁵⁷ The Belfer Center is the hub of the Harvard Kennedy School's research, teaching, and training in international security affairs, environmental and resource issues, and science and technology policy.

world,” she added.³⁵⁸ China threatened that if the deal would go through, it would consider the possibility of striking a similar deal of its own with Pakistan. In a statement of a Chinese delegation to the NSG, China argued that the group (NSG) should address the aspirations of other countries too, an implicit reference to Pakistan.

China was especially worried that the nuclear deal would foster military cooperation between India and the United States.³⁵⁹ India has embarked on an ambiguous military modernization effort and is increasingly looking to the United States to acquire highly developed military hardware. In line with Curtis the completion of the civil nuclear deal will most likely raise the confidence of the Indian defence establishment in the United States as a reliable supplier and, therefore, set the stage for a much broader and deeper defence relationship between the US and India over the next several years.³⁶⁰ In 2005, India and the US signed a 10-year defence framework agreement that calls for expanded joint military exercises, increased defence-related trade, and the establishment of a defence and procurement production group. Moreover, according to Curtis, the US and India have conducted more than 50 military exercises since 2002, demonstrating how far the military partnership has progressed in a relatively short period.³⁶¹ One of the most significant exercises was held in September of 2008 in the Bay of Bengal and involved three other nations – Japan, Australia and Singapore. This exercise, according to Curtis, raised high concerns in Beijing about the development of a broader strategy to counter Chinese influence in that area.³⁶²

5.2.4 Conclusion

This paper has shown that the realignment of India’s foreign policy towards the United States that started right after the nuclear tests in 1998 was driven by increased national security concerns on the Indian side. With the end of the Cold War and decline of the Soviet Union, India lost its most important supporter and ally with regard to national security.

³⁵⁸ Xiaohui Wu (2008): “*Engage China in Nuclear-Proliferation Issue*”. Accessed on 8th of January 2010: http://belfercenter.ksg.harvard.edu/publication/18639/engage_china_in_nuclearproliferation_issue.html?breadcrumb=/experts/199/graham_allison%3Fgroupby%3D1%26page%3D1%26hide%3D1%26id%3D199%26back_url%3D%252Fexperts%252F%26back_text%3DBack%2Bto%2Blist%2Bof%2Bexperts.

³⁵⁹ Curtis, Lisa (2009): “*U.S. – India Relations: The China Factor*”, <http://www.heritage.org/Research/Reports/2008/11/US-India-Relations-The-China-Factor>, accessed on 08.01.2010.

³⁶⁰ Ibid.

³⁶¹ Ibid.

³⁶² Ibid.

The diplomatic shield of the Soviet Union against India's main national security threats, Pakistan and China, was no longer in place. At the same time India identified a steadily rising China as the most important element in the new emerging balance of power in Asia. Hence, it follows that according to the '*Balance of Threat Theory*' China continues to pose a serious threat to India's national security.

Furthermore, this thesis provides strong evidence that India followed balancing strategies to handle the changed security environment and the threat imposed by China. Following the logics of '*Balance of Threat Theory*' India increased its own power capabilities with the support of the United States. Strong defence ties and increased military to military co-operation indicates that the United States wishes India to become more powerful; the reason being that a more powerful India - in the logic of '*Balance of Threat Theory*' - will automatically counterweight Chinese influence in Asia. Secondly, India engaged in a 'strategic partnership' with the United States to contain Chinese power in the Asian region (external balancing). An engagement that started with defence cooperation following the nuclear tests in 1998 was solidified with the "*Framework Agreement on Defence Cooperation*" in 2002 and culminated in the '*Indo-U.S. Civilian Nuclear Agreement*' in 2005.

6. Conclusion

This paper has used two different approaches of international relations theory to describe the major shift in India's foreign policy towards the United States that started following the nuclear tests in 1998. One finds that both schools of thought, liberalism and realism, have very different ideas and arguments to explain the shift in India's U.S. policy.

6.1 Analyzing India's Realignment towards the United States: A Liberalist Perspective

This study has shown that economic ties have not been an important aspect in the realignment of Indian foreign policy towards the United States. While political relations between India and the United States started to improve post 1998, economic cooperation in total and relative terms was stagnant. In fact the Indian nuclear tests of 1998 resulted in a variety of sanctions imposed by the United States on India. Economic ties started to improve only after 2001. However this paper shows that economic cooperation improved only in terms of total trade volume but decreased in relative importance. It has been indicated that while India slowly but steadily decreased its economic dependence on the United States, it significantly increased economic cooperation with other countries, namely China. Therefore, this paper has drawn a direct conclusion: that the economic interdependence theory and its argument that increased economic ties between the US and India had great influence on the realignment of Indian foreign policy can not explain the shift of India's foreign policy towards the United States that started following the nuclear tests in 1998.

This study has shown that during the Cold War external and internal factors combined to prevent regime type and common democratic values from having influence on India's foreign policy. In line with a structural-realist understanding of international relations the political reality of Cold War, the power politics between the Soviet Union and the United States inhibited the impact that democracy could have played in India's foreign policy vis a vis the United States. Furthermore, it has been shown that even after the systemic constraints of the Cold War vanished and an international system that favoured democracy emerged, common regime type was not able to directly make an impact on India-US rela-

tions. On the contrary, the United States found reasons to highlight shortcomings of the Indian 'democratic experiment' instead of emphasizing on the possibilities for cooperation. However, liberalists argue that with Atal Bihari Vajpayee coming to power in 1998, common democratic regime type and shared democratic values started to play a significant role in India's foreign policy agenda. Based on the assumption, that domestic actors with their beliefs and ideas have the ability to strongly influence foreign policy goals, liberalists argue that it was Vajpayee's and Singh's personal enthusiasm with democracy that made regime type and common democratic values play a decisive role in Indian foreign policy. However this study provides evidence that Vajpayee and Singh used democracy in a larger strategy to strengthen the overall relationship between the two countries. Even though Vajpayee and Singh would emphasise on democratic regime type and shared democratic values with great enthusiasm every time they had the opportunity to do so, this study has shown that they were very cautious in making any real political efforts in the direction of democracy promotion in relations with the United States. In line with this reasoning India took advantage of the democracy issue with the United States to make sure that more important strategic issues were realized for its foreign policy interests.

6.2 Analyzing India's Realignment towards the United States: A Realist Perspective

According to this study structural realist are more convincing in identifying the key issues that forged better relations between India and the US. It has been shown that national security concerns have been the most important motivation in the realignment of Indian foreign policy towards the United States. This paper indicates that the end of the Cold War had two major implications for India's security environment. At first, with the decline of the Soviet Union India had lost its most important supporter and ally with regard to national security. And secondly, with the diplomatic shield of the Soviet Union gone, a steadily rising China posed a gradually increasing threat to India's national security. Consequently for India, it became necessary to analyze the changed security environment, identify its implications, and revise its foreign policy accordingly. While India had the military capabilities to guarantee its security against the threat imposed by Pakistan without the help of the Soviet Union, it was unable to ensure the same with regard to China. In order to cope with its changed security environment after the end of the Cold War India had to find new strategies and therefore new allies. In line with structural realists, India concluded that the

best means to ensure its own national security was to become more powerful regionally. However, India realized that it could not significantly increase its capabilities without the help of a power that was outside the region. Recognizing the fact that the United States remained the sole super power in the international system, India decided to engage in a close relationship with Washington. It has been shown that the focus of the strategic partnership between India and the United States was primarily on defence and military cooperation. Moreover immediately after India had conducted its nuclear tests in 1998, it had made clear that its nuclear weapons were aimed against the threat posed by China. In summation structural realists have shown that India's realignment route towards the United States has to be seen as a strategy to cope with the steadily increasing threat imposed by China. India followed '*Balance of Threat Theory*' strategies to handle the changed post Cold War security environment and the steadily growing threat imposed by China. In line with '*Balance of Threat Theory*' India sought to increase its own military capabilities (internal balancing), and established a formal alliance with the United States (external balancing) to preserve its own national interest by checking the power of the opposing side (China).

6.3 Colliding Interests

In summation this paper concludes that joint interests in terms of security have been the main driving aspects behind the realignment of India's US policy that started following the nuclear tests in 1998. Economic interests continue to be an obvious interest for both countries. However in the last decade economic interdependence has decreased and economic issues became less of a concern in India's foreign policy towards the United States. This study has shown that the promotion of democratic regime type and democratic values has been part of the American foreign policy agenda. On the other hand this paper indicated that these ideals are not central in India's foreign policy. This paper argues that those aims always take a back seat to national security issues of India. It comes to the conclusion that the most important joint interest for India and the United States is to keep a stable balance of power in Asia. By boosting Indian power capabilities India automatically becomes a serious counterweight to China in the Asian region. Therefore any increase in India's capability to project military power in Asia is viewed favourably in Washington. In this context the author of this paper wants to stress the great importance of the '*India-U.S. Civilian*

Nuclear Deal’ that was ratified by India and the US in 2005 and approved by the International Atomic Energy Agency (IAEA) in 2008. The author perceives the nuclear deal as a strong manifestation of the strategic relationship between India and the United States. Moreover, in the author’s judgment, the deal provides strong evidence that the strategic relationship is indeed directed against China. The author’s opinion is supported by advocates and detractors of the deal alike, who have termed the deal ‘historic’ and described it to be the most important strategic re-alignment of Indian foreign policy in recent times.³⁶³

6.4 Critics of the realignment process towards the United States

The author of this paper stresses that this study concentrates solely on explaining the reasons behind the shift of Indian foreign policy towards the United States without making any judgement on whether this is the right path to follow for India or not. It has to be clear that this paper did not discuss the question whether a realignment towards the United States is to the advantage or disadvantage of India? Certainly structural realists would argue that an orientation towards the United States is desirable for India because it helps the country to meet its most important threat to national security: containing the increasing threat imposed by China. However there are also critics of Indian foreign policy behaviour post the nuclear tests in 1998. They stress the drawbacks that are in their point of view related with the Indian realignment towards the United States.

There are many scholars in India who do not believe India’s relationship with China is a zero-sum game.³⁶⁴ They argue in favour of a more moderate China policy. According to them, India should build favourable relationships with both the United States and China.³⁶⁵ Moreover they argue that Indian balancing strategies are in fact jeopardizing the balance of power in the Asian region and in a sense putting India’s national security interests at risk.

³⁶³ • Bose, Sarmila (2008): *“US-India Nuclear Agreement: Press and Politics of a “Historic” Strategic Re-alignment”*, Oxford. Accessed on 3rd January 2010: http://www.allacademic.com/one/www/www/index.php?cmd=www_search&offset=0&limit=5&multi_search_h_search_mode=publication&multi_search_publication_fulltext_mod=fulltext&textfield_submit=true&search_h_module=multi_search&search=Search&search_field=title_idx&fulltext_search=US-India+Nuclear+Agreement%3A+Press+and+Politics+of+a+%93Historic%94+Strategic+Re-alignment; see also Lall, Marie (2008): *“India’s new Foreign Policy – the Journey from Moral Nonalignment to the Nuclear Deal”*, in: the Geopolitics of Energy in South Asia, ISEAS, Singapore.

³⁶⁴ Raghavan, V.R (2009): *“The Future of NPT: India’s view”*, the Delhi Policy Group. Accessed on 4th February 2010: http://www.delhipolicygroup.com/pdf/The_Future_of_NPT_India_View.pdf., Gupta, K. R (2009) : *“Indo – U.S. Civil Nuclear Cooperation”*, in: *“Indo-U.S. Civil Nuclear Deal”*, edited by Bohnsle, Rahul, Prakash, Ved and Gupta, K. R., Nice Printing Press, Delhi, p. 145-212.

³⁶⁵ Ibid.

V. R. Raghavan argues that India has to provide reasonable security assurances to the Chinese government that its partnership with the US is not directed against China.³⁶⁶ India has to guarantee that it joins the Asian balance of power without causing unnecessary turbulence.³⁶⁷ In line with Raghavan India's build-up of its own power capabilities and strengthening military and defence ties with the US are likely to send a wrong signal to China. Raghavan worries that China will respond with increasing its own power capabilities leading to a dangerous arms race in Asia. An India-US strategic partnership that is based on the premise of potential confrontation with Beijing would deliver a serious blow to India's hopes of emerging as a major power centre in Asia and as a force for stability in the region as a whole.³⁶⁸

Among leftist critics there is a growing concern that India is becoming a client-state to the United States.³⁶⁹ They argue that India's shift towards the United States restrains the country's sovereign decision-making capacity in relation to the United States and on other major international political issues.³⁷⁰ In line with Ninan Koshy, India's vote in the International Atomic Energy Agency (IAEA) against Iran in September 2005 is one good example of India making decisions against its own national interest by surrendering under US pressure.³⁷¹ Immediately after India had voted against Iran, Iran informed India that the five-million ton a year Liquefied Natural Gas (LNG) export deal, with deliveries scheduled to start in 2009 for a twenty-five-year period was off. Moreover Koshy expressed concerns that the Iran-Pakistan-India pipeline was at risk.³⁷² And in fact in 2009 India withdrew from the project over pricing and security issues. According to Raghavan the main reason

³⁶⁶ Raghavan, V.R (2009): "*The Future of NPT: India's view*", the Delhi Policy Group. Accessed on 4th February 2010: http://www.delhipolicygroup.com/pdf/The_Future_of_NPT_India_View.pdf

³⁶⁷ Ibid.

³⁶⁸ Ibid.

³⁶⁹ Koshy, Ninan (2005): "*India and the Iran Vote in the IAEA*". Accessed on 7th May 2010: http://www.fpif.org/articles/india_and_the_iran_vote_in_the_iaea; Raghavan, V.R (2009): "*The Future of NPT: India's view*", the Delhi Policy Group. Accessed on 4th February 2010: http://www.delhipolicygroup.com/pdf/The_Future_of_NPT_India_View.pdf

³⁷⁰ Ibid.

³⁷¹ Koshy, Ninan (2005): "*India and the Iran Vote in the IAEA*". Accessed on 7th May 2010: http://www.fpif.org/articles/india_and_the_iran_vote_in_the_iaea; the resolution put Iran, a signatory to the Nuclear Non-Proliferation Treaty, on notice for its alleged nuclear weapons development capabilities, and sets it up for future referral to the United Nations Security Council.

³⁷² The Iran-Pakistan-India gas pipeline, also known as the IPI pipeline or the Peace pipeline, is a proposed pipeline to deliver natural gas from Iran to Pakistan and India. As India's energy resources are very limited, the success of the pipeline is crucial for India to meet its energy demands in the future.

was the great pressure by the US who urged India to withdraw from the deal with Iran because of Teheran's suspected ambitions to build nuclear weapons.³⁷³

6.5 Outlook

Understanding the nature of critical views is important when we raise the question if the realignment process is likely to continue in the coming future? Some prominent Indian thinkers have seriously started to question the benefits of India's shift in foreign policy towards the United States.³⁷⁴ One such critic is Pratap Bhanu Mehta, a leading political scientist and the President and Chief Executive of Centre for Policy Research, an influential New Delhi-based think tank.³⁷⁵ According to Mehta, "the skepticism about the U.S. does not come, as critics allege, an old mindset, paranoiac about the U.S. It comes instead, from confidence in our strength, and a sense that we [the Indian people] overestimate U.S. power".³⁷⁶ He argues that India has an extremely independent mindset and will follow its own course of action. According to Mehta there will be no alliance between India and the U.S., where India is the junior partner. A rising India will engage with both China and the U.S. on the basis of its own national interests." A. K. Damodaran also argues that India's U.S. policy will likely be a failure because of India's colonial heritage and India's strong emphasis on an independent foreign policy, are likely to prevent India from joining any alliance-like relationship with the United States where India will be a junior partner to the United States.³⁷⁷ Damodaran identifies a fundamental need of sovereignty for India.³⁷⁸ At all costs, he argues, India must follow a single point agenda. On matters where its own interests are not concretely affected, India should avoid criticizing the US. But in the final analysis, India must be confident in the pursuit of its own interests irrespective of how the US reacts. Bilateral relations between democracies are usually strong enough to survive moments of discord.

³⁷³ Pardesi, Manjeet S. (2005): „US – India Global Partnership: The Changing Balance of Power in Asia”, IDSS Commentaries, Vol. 53. Accessed on 3rd of April 2010:

<http://www3.ntu.edu.sg/rsis/publications/Perspective/IDSS532005.pdf>, p.3.

³⁷⁴ Ibid, p.3.

³⁷⁵ Ibid, p.3.

³⁷⁶ Ibid, p.3.

³⁷⁷ Damodaran, A. K. (2009): „Non-alignment Movement and its Future”, in Indian Foreign Policy, Foreign Service, New Delhi.

³⁷⁸ Ibid.

However, according to Dheeraj Kumar there are strong signals that the shift in India's foreign policy towards the United States is likely to continue in the near future.³⁷⁹ As China is steadily increasing its military and economic capabilities and strengthening its ties with countries in South Asia, both the United States and India, have significant interest of containing Chinese power in the region. Therefore, according to Kumar, balancing strategies will likely continue to dominate the India-US strategic partnership.³⁸⁰ Another interesting question is whether democracy can have more influence in the future of India's US policy. As we have seen this paper concludes that regime type and democratic values have not played a significant role in India's US policy so far. However this paper does not argue that they should not or will never do so. On the contrary, the author of this paper believes that emphasizing on regime type and common democratic values can make the developing relationship even stronger. Based on ideas of liberal theorist this author and other experts on Indian foreign policy argue that an increased role of democratic values may make the relationship more stable and foreseeable.³⁸¹ Motha and Sinha present an interesting argument and argue that regime type and democratic values might be able to play a more significant role in the near future.³⁸² In line with Motha and Sinha, Indian society and political environment are today more liberal in comparison to the past and therefore liberal values could play a more sufficient role. The demographic shift in the character of its population has given rise to new political, economic and linguistic elite, thrown up by the democratic process. The generation nurtured in a slew of traditional and anti-colonial cocktails that brewed in India over the last two centuries is no longer dominant. Today the administration in India is run by modern minded decision makers who do not suffer from personal memories of the pain of partition, are not traumatized by the degrading war with China in 1962, and most importantly, are excitingly committed to democratic values. As Motha and Sinha argue Indian democracy has expanded slowly, but surely over the last 60 years, to bring the entire population of India into the democratic mainstream.³⁸³ They argue further that a robust press, the power of television and cinema, has catapulted India into arguably the world's foremost information society. Not only the indices relating to health and education are rising rapidly, the underlying socio-economic revolution has also created the so called

³⁷⁹ Kumar, Dheeraj (2009): "*Indo – U.S. Relations: Historical Perspectives*", in Strategic Insight, Volume 8, Issue 3, Washington.

³⁸⁰ Ibid.

³⁸¹ Leary, Sarah (2008): "*Explaining the Shift in U.S.-Indian Relations: Balance of Power in Asia*". Accessed on 12th December 2009: http://www.allacademic.com/meta/p267908_index.html

³⁸² Mohan, C. Raja (2007): "*Balancing Interests and Values: India's Struggle with Democracy Promotion*", in The Washington Quarterly, 30:3, p. 99-115.

³⁸³ Ibid.

‘great Indian middle class’, which provides the mainstay for movements for democracy, human rights and economic growth with distributive justice.³⁸⁴

³⁸⁴ Ibid.

7. References

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8. Appendix

Abstract

This paper attempts to understand the realignment of Indian foreign policy towards the United States, a process that started after the 1998 Indian nuclear tests. It analyzes the key motives and driving forces that initiated the realignment of India's U.S. policy. For the analysis this thesis has used two different approaches of explaining the changes in Indian foreign policy. This study has shown that the theories of liberalism and realism have differing explanations and arguments to explain the shift in India's US policy.

Democratic Peace theorists argue that common democratic models and shared democratic values have been the main driving forces behind the recent shift. Economic Interdependence theorists hold that increased economic cooperation had a decisive effect on the overall relationship between India and the United States and therefore contributed to the realignment process. However this paper has evidence to suggest that shared democratic values and economic cooperation can not give satisfying explanations on why India started to reorient its foreign policy in direction United States after it conducted three nuclear devices in 1998.

This paper concludes that structural realist provide convincing arguments to show that national security issues were the main driving factor in this realignment process. It has been shown that a rising China constitutes the biggest major threat to India's national security, which forms the basis for Indo-US cooperation in the recent years. Structural realists recognized that India needed the help of an extra regional power like the United States to cope with the pressures of China's rise. This school of thought explains India's engagement with the United States was based on 'Balance of Threat' strategies to deal with the security challenge it perceives with the rise of China. The 'Balance of Threat Theory' model illustrates that India sought to increase its own military capabilities (internal balancing), and established a formal alliance with the United States (external balancing) to preserve its own national interest by checking an increasingly powerful China in the Asian region.

Zusammenfassung

Diese Arbeit dient dem Verständnis der Neuausrichtung der Indischen Außenpolitik gegenüber den Vereinigten Staaten, die nach den Atomtests im Jahr 1998 begann. Sie analysiert die Schlüsselmotive und Beweggründe, die zum positiven Wandel der Indischen US Politik führten. Als Grundlage bedient sich diese Arbeit zweier verschiedener Theorien der Außenpolitik, dem Liberalismus und dem Realismus. Die vorliegende Abhandlung zeigt, dass die beiden Ansätze verschiedene Argumente und Erklärungen geben um den Richtungswechsel in Indiens US Politik zu begründen. In diesem Zusammenhang argumentieren die Anhänger der Theorie des *Demokratischen Friedens* dass die gemeinsamen demokratischen Modelle und die daraus resultierenden kollektiven Werte die Hauptbeweggründe für den erfolgten außenpolitischen Wechsel nach 1998 gewesen sind. Der ökonomische Interdependenzansatz behauptet wiederum, dass die erhöhte wirtschaftliche Kooperation entscheidenden Einfluss auf die politischen Beziehungen zwischen Indien und der USA hatte und so ausschlaggebend zur Neuausrichtung beitrug. Diese Arbeit verdeutlicht jedoch, dass die gemeinsamen demokratischen Werte und die ökonomische Zusammenarbeit nicht die außenpolitischen Veränderungen der Indischen US Politik nach 1998 erklären können.

Diese Arbeit kommt zu dem Schluss, dass strukturelle Realisten die überzeugendsten Argumente liefern um den kürzlich erfolgten Richtungswechsel in der indischen Außenpolitik zu erklären. Strukturelle Realisten sind der Auffassung, dass die nationale Sicherheit Indiens der bestimmende Grund der Neuausrichtung gewesen sei. Diese Arbeit hat gezeigt, dass der in den 1990er Jahren begonnene Aufstieg Chinas die größte Bedrohung für Indiens nationale Sicherheit darstellt. Strukturellen Realisten haben festgestellt, dass Indien auf die Hilfe einer außerregionalen Macht angewiesen war um mit dem Aufstieg Chinas mithalten zu können. In diesem Sinne hat Indien besonders seine Beziehungen gegenüber den Vereinigten Staaten verbessern können. Im Sinne der „*Balance of Threat Theory*“ hat Indien mit Unterstützung der USA seine Militärische Macht vergrößert um so gemeinsam mit den Vereinigten Staaten den immer größer werdenden Einfluss chinesischer Macht in der asiatischen Region einzudämmen.

Lebenslauf

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Praktika in der Pressestelle der Kassenärztliche Vereinigung Nordrhein: "KVNO- aktuell"

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