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Aligned but Autonomous:
India-US Relations in the Modi Era

Edited by

**Harsh V Pant
and Vivek Lall**



WILEY

Aligned but Autonomous:

India-US Relations in the Modi Era

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Introduction: Modi Heralds a New Era in India-US Partnership

Harsh V. Pant and Vivek Lall

In June 2023, Indian Prime Minister Narendra Modi joined an elite league of leaders, such as Winston Churchill and Nelson Mandela, who have been invited to address the United States (US) Congress twice. In his first address to the joint meeting of the US Congress in 2016, relatively newly minted as prime minister, Modi celebrated how India and the US had overcome “the hesitations of history” and called upon the two nations to “work together to convert shared ideals into practical cooperation” (1). In 2023, this time basking in the prestige of India serving as president of the G20, he described the partnership between India and the US as the “defining partnership of this century”. He said: “Through the long and winding road that we [India and the US] have travelled, we have met the test of friendship” (2).

It has been a long and winding road indeed, not only for India and the US, but for Modi himself. For a leader who was shunned by the US for years, the June 2023 speech was momentous in the crafting of a more robust trajectory for India-US bilateral ties. For many who had assumed that the civil nuclear pact, signed in 2005, was the high water mark

of bilateral engagement, Modi's push for greater synergy between New Delhi and Washington by burying shibboleths of the past has been a revelation. His leadership has been critical in ensuring that long-pending foundational agreements were finalised and new vistas were identified, including in the domains of technology and defence. Working with three US presidents of disparate temperaments over the last 10 years, Modi has succeeded in forging a personal bond with each one, keeping the focus squarely on the wider aim of strategic convergence.

This is not to say that there have been no differences; the relationship has continued to grow *despite* those differences. As US Principal Deputy National Security Advisor Jonathan Finer has suggested, there are several "difficult issues" that remain in the relationship "right up to the present day" (3). At the same time, he underlined that there is a bipartisan view in the US that both countries must seize the important opportunities that the world is presenting to the two sides, both geopolitically and economically.

This moment in the India-US relationship is, therefore, a unique and important one. In the words of External Affairs Minister S. Jaishankar, "there is structural soundness in the India-US relationship", and it is "certainly proofed against political check" (4). The world's two major democracies are becoming more adept at overcoming the obstacles in their relationship, driven as they are by a singular strategic logic. It is now a strategic imperative for the two to work closely together to maintain a favourable balance of power that advances their key interests and sustains their values. This is particularly true in this age of the Indo-Pacific, with the rise of China paving the way for new challenges to emerge.

The US has understood that while a sustained focus on the Indo-Pacific is needed, it will have to be buttressed by strengthening old partnerships and building new ones. The 'hubs and spokes' alliance framework of the Cold War era is no longer tenable. Even as it may work with traditional allies like Japan, Australia, and South Korea—and reassure them of the US's long-term regional commitment—it will be put to the test with newer partners like India, which may never enter into formal

alliances. Informal, ad-hoc coalitions will have to be built to ensure that convergences can be exploited and divergences are managed. This will also require shedding older inhibitions about sharing critical technologies, given their centrality in shaping the 21st-century balance of power.

Yet this change and its acceptance across both sides of the political spectrum could only happen because India, too, has evolved in the last decade. Throughout the Cold War, New Delhi understood non-alignment as an instrument to achieve strategic autonomy by eschewing close partnerships. That understanding is being turned on its head, as Indian policymakers today deem strong partnerships as imperative means to enhance the country's strategic autonomy. Issue-based coalitions are now the norm in India's external engagements. India is no longer non-aligned but rather is willing to align according to particular issues. Such alignments will not mean formal alliances, but they represent a significant shift in Indian foreign policy discourse and practice.

This reconfiguration in India-US relations could not have happened without Modi's stewardship of Indian foreign policy. In 2016, following his address before the US Congress, India and the US agreed to sign the Logistics Exchange Memorandum of Agreement (LEMOA), a long-pending foundational defence agreement first proposed in 2006. It took approximately a decade for India to sign the agreement, mostly because New Delhi remained hesitant about entering into a close defence partnership with the US. The hesitancy was, in turn, attributable, at least in part, to the ideological legacy of the adversarial Cold War-era relationship, underpinned by India's preference for 'non-alignment', and in part, too, to a leadership that was short on authority, if not conviction.

Since the end of the Cold War, successive Indian governments have signalled a commitment to a robust partnership with the US. However, it required Modi's steadfast leadership to usher in a fundamental transformation in the India-US relationship. From resolving the vexatious issue of civil nuclear energy cooperation to significantly upgrading defence and technology cooperation, from arriving at a common understanding on a range of international issues to building a truly global partnership,

India-US relations seem to have reached a place where every challenge can be transformed into an opportunity.

As the political reality of the 2014 elections indicated a clear shift in power in New Delhi, the Obama administration at the time moved swiftly to restore normalcy in its relations with Modi. For Washington, the message was simple: Modi's historic mandate could bring new vigour to the relationship that appeared to be drifting. Modi was equally pragmatic, losing no time in reaching out to the US and agreeing to a bilateral summit meeting with President Barack Obama in Washington in September 2014. These early indications suggested that amid the divergence in India-US relations that grew under the second UPA government, Modi, as prime minister, was determined to get the bilateral relationship back on track.

From the outset, Modi's foreign policy practice displayed a conviction that if India-US relations were to progress, the impediments would have to be removed, resulting in a qualitative shift. Even though most prime ministers before Modi attempted to build a strong partnership with the US, the tone and tenor of Modi's outreach to the country has been markedly different. It is no longer ambivalent, and unhindered by the ideological baggage of non-alignment. Furthermore, Modi's personalised diplomacy has added a new flavour to the bilateral relationship. He managed to establish a personal relationship with all three US presidents who have ruled during his term. Unlike his predecessors, Modi has also been a problem-solver: the alacrity with which the Ministry of External Affairs and the Ministry of Defence have responded to the many challenges facing them, such as the civil nuclear liability and defence cooperation agreements, stands in contrast to the apathy of the previous government.

One reason behind this growing strategic embrace lies in individual conviction. The US remains essential to Modi's vision of India's radical transformation. The success of his many ambitious plans for India's economic transformation, from 'Make in India' to 'Digital India', hinges upon greater cooperation with the US. As he wrote in an opinion piece in the *Wall Street Journal* published in September 2014, "India and the US

have a fundamental stake in each other's success" (5), and New Delhi's stake is even higher, given India's quest for rapid transformation into a developed economy. His government's open commitment to the India-US relationship is one of the most dramatic changes in that bilateral relationship.

It heralds a new foreign policy dynamic in which hardy India-US ties are viewed as an important component of enhanced strategic autonomy for India. This is in contrast to the traditional view of non-alignment, which regarded a close relationship with the US as a constraint to Indian foreign policymaking.

This volume examines the trends in India-US ties under the Modi government over the last decade. It starts with the big picture of three Ds—diaspora, democracy, and diplomacy. Dhruva Jaishankar suggests that India's large diaspora in the US and a shared sense of democracy between the two continue to deepen India-US relations, despite differences. He argues that both nations "will have to assiduously work towards better understanding each other if these factors are to support—rather than detract from—diplomatic cooperation."

Arun Kumar, who served as the US's Assistant Secretary of Commerce for Global Markets, surveys Modi's outreach to the Obama administration and finds that it set the course for re-energising bilateral activities between the two governments, specifically in areas such as trade, defence, and counterterrorism. A relationship that had seemed moribund was brought back to life by Modi's energetic diplomatic engagements, setting the course for a 'defining partnership'.

Many nations may have found the transition from Obama to President Donald Trump difficult to navigate. But as S. Paul Kapur highlights in his essay, not only did the US-India relationship flourish during the Trump era, but general strategic predictability in the US-India partnership led to particular, unexpected achievements, and India under Modi made full use of the resultant opportunities.

Sameer Patil and Vivek Mishra examine the Biden era, arguing that while new policies under the Biden administration have ensured that the bilateral relationship gathers new momentum, the US has found a complementary and enabling partner in the Modi government, resulting in a relationship with India that is “stronger, closer and more dynamic than at any other time in history.” Biden is the third US president that Modi has engaged with; in his engagements with all three, Modi has imparted an assuredness to the relationship through deft political management.

Trisha Ray’s essay focuses on India’s burgeoning technology partnership with the US. Having now emerged as the centrepiece of India-US bilateral engagement, this partnership on emerging technologies has made headway over the last few years. The progress is seen both bilaterally and under the aegis of the Quad, especially as India’s deteriorating strategic relations with China and the US’s trade restrictions targeting China have prompted efforts to reduce dependence on China.

The other main driver in the India-US relationship is their defence ties. Vikram J. Singh examines their evolution, with regular exercises, better and more interoperable capabilities via defence trade, and new arrangements to facilitate cooperation, including the sharing of sensitive intelligence, becoming the norm over the past decade as opposed to being the exception in the past. Despite challenges and naysayers on both sides, Singh asserts that not only has there been a “substantial acceleration in the decade since Prime Minister Modi took office” but “the expectations of the two sides have been realistic and quite well matched.”

With the centre of gravity of global politics and economics shifting to the Indo-Pacific, India-US partnership in this key strategic geography has been characterised as “a combination of parallelism, alignment, and convergence,” as noted by Satu Limaye and Lei Nishiuwatoko. Taking a cue from Modi’s articulation of the shared vision of an open, stable, secure, and prosperous Indo-Pacific Region being a pillar of India-US partnership, “the Indo-Pacific is set to be an enduring and sustainable facet of India-US bilateral ties into the foreseeable future.”

One of the most striking developments in the India-US partnership in the last decade has been its rapid and effective institutionalisation. Ian Hall examines this trend in his essay. He suggests that “this expanding web of institutionalised relationships between the US and India provide evidence of deepening trust at a political level, as well as a strong appreciation in both New Delhi and Washington of mutual interests.”

Max Abrahams and Soumya Awasthi examine the issue of terrorism, where India-US cooperation has waxed and waned. In more recent years, convergence between the two nations has grown, with Modi and Biden nurturing an alliance in combating terrorism. There are still challenges, as the authors underline, but the inherent pragmatism of the Modi government has ensured the emergence of a productive partnership.

Atul Keshap closes the volume by providing an overview of India-US economic ties. He underlines how “the symbiosis between the US’s unmatched industrial expertise and capacity for capital deployment and India’s peerless scalability and talented labour force has thus far produced a potent combination for global markets and provided a bright spot for an otherwise sluggish global economy.” In recent years, key initiatives have been focusing on critical technologies, defence tech, and innovation, which would not have been possible without the growing mutual trust between the two nations.

As the various contributions in this volume illustrate, the India-US partnership under Modi’s leadership is the strongest it has ever been. The past decade has seen a fundamental transformation in a relationship which, for all the opportunities, was seen as one that is never really able to achieve its full potential. Today, the US needs a democratic, economically buoyant India to craft a stable regional order in the Indo-Pacific. And India, too, requires a solid partnership with the US if it is to fulfil its massive domestic development needs and manage its external challenges effectively. Modi’s singular contribution lies in recognising this fundamental reality and working toward operationalising it over the past decade

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India and the US: The Diaspora, Democracy, and Diplomacy Trifecta

Dhruva Jaishankar

The US is India's most important partner in global affairs today. Whether in terms of trade, technology, security, education, energy, business, or culture, there is no bilateral relationship that offers a similar level of breadth or depth of convergence as India rises in the international order. For the US, India is arguably its most important partner that is neither a neighbour nor a treaty ally. This fact is reflected in the attention dedicated to improving the relationship with India under presidents as unlike one another as Bill Clinton, George W. Bush, Barack Obama, Donald Trump, and Joe Biden. Today, the bilateral and multilateral diplomatic agenda reflects the wide sweep and increasing depth of cooperation between the two countries, including the Quad, the '2+2' Dialogue, the initiative on Critical and Emerging Technologies, and a host of other bilateral and multilateral working groups on such matters as trade, defence, energy, and education (1).

Two issues—diaspora and democracy—play important but complex roles in bilateral diplomatic relations. On the one hand, both are used rhetorically to highlight commonalities and convergences between India and the US. Biden,

for example, has waxed eloquent about the two countries being “two great democracies,” while Trump has described the Indian American community in positive terms as “thriving, prospering, flourishing, and hardworking.” (2) On the other hand, both the diaspora and democracy have led to real or perceived challenges in the relationship. For some in the US, India is perceived as having witnessed “democratic backsliding” in recent years, with some commentators going so far as to allege that India is no longer a democracy (an allegation that most Indians might find laughable) (3). Meanwhile, as it has grown, the large and successful Indian diaspora in the US is not always uniformly aligned with many in India on important political, social, or geopolitical matters. The reasons range from the desire for assimilation, polarisation within the diaspora, generational differences, and the transposition of a uniquely American political context onto India’s political landscape (4).

As a result, despite the superficial convergence on matters concerning the diaspora and democracy, the US and India will have to assiduously work towards better understanding each other if these factors are to support—rather than detract from—diplomatic cooperation. Improving the study of US and Indian history, politics, economics, and culture in each other’s countries could help make a meaningful difference. Additional steps to leverage convergences when it comes to democracy and the diaspora might include greater party-to-party engagement and programmes for second- and third-generation Indian Americans to visit, study, and work in India.

The Diaspora: Overcoming Generational Divides and Polarisation

The Indian diaspora in the US is, by any measure, an extraordinary success. Indian Americans are among the wealthiest, best educated, and most law-abiding ethnic groups in the US (5). Indian Americans have made visible strides in politics and policy (such as Vice President Kamala Harris, former Governor Nikki Haley, and World Bank President Ajay Banga), in business (including Microsoft CEO Satya Nadella, Google CEO Sundar Pichai, and former PepsiCo CEO Indra Nooyi), and in entertainment, the sciences, and the arts.

Indian Americans comprise three legal categories. One, there are People of Indian Origin, who are either Indian-born naturalised US citizens or are natural-born Americans descended from people of Indian ethnicity. Two, there are Non-Resident Indians (NRIs), who are Indian citizens residing permanently or temporarily in the US. Other than permanent residents (who hold 'green cards'), two categories of NRIs stand out in particular: non-permanent high-skilled employees who often work under H-1B, H-4, L-1, or similar visa categories and students at higher education institutes, often under F-1, J-1, or M-1 visa regimes. Indians account for almost three-quarters of H-1B visa petitions and, in 2019, there were over 200,000 Indian students in the US, the second largest cohort after students from China (6). Three, there has been an increase in recent years in undocumented migrants from India to the US. Some reports suggest that Indians are now the third-largest number of undocumented migrants and, in 2023 alone, there were almost 97,000 migrant "encounters" with Indians at a US border (7).

Indian Americans who are US citizens are now increasingly important for their voting power—especially in New Jersey, New York, California, Illinois, and Virginia—but also as political donors. In the early stages of the 2020 presidential cycle, Indian Americans donated more than US\$3 million to presidential campaigns, more than Hollywood (8). US citizens of Indian origin have grown by nearly 150 percent between 2000 and 2018 (making them the second-fastest growing community), although they still constitute only about 1 percent of registered voters. Recent surveys suggest that almost three-quarters of Indian American voters lean Democrat, with less than one-quarter leaning Republican. The attraction of the Republican Party for economic reasons is often offset by the perception of Republicans as hostile to minorities and heavily influenced by Christian evangelism (9).

Several trends are worth noting about the Indian American community and relations with India. First, while Indian Americans are broadly supportive of better India-US relations, good relations with India are not always a high priority when Indian Americans vote. According to one 2020 survey, only 11 percent of Indian Americans ranked relations with India as a 'top three' issue. Second, there are generational differences: more US-born Indian Americans tend to identify as liberal or extremely liberal, whereas first-generation Indian Americans tend to identify as moderate. Liberal Indian Americans, in

turn, have greater scepticism of India under Narendra Modi's government, suggesting generational divides in political attitudes towards India. Three, the Indian American community in the US is fractured along cultural, geographic, and professional lines. Indian Americans are also spread across all 50 US states, despite some notable concentrations. They also tend to be disproportionately from western (Gujarat and Maharashtra) and southern India, other than a notable number of Punjabi speakers.

As a result, Indian Americans are by no means a monolithic bloc, and their cultural, geographic, and professional divisions make engagement by India more difficult. Such pluralism will naturally be reflected in their politics. Many Indian Americans will continue to desire closer relations with India, whereas others might express scepticism about Indian politics or policy. This is already evident in positions articulated by Indian American members of the US House of Representatives, who are often responding to their own electorates and ideological imperatives (10). That some of these statements or actions might be performative or even counterproductive in terms of relations with India are often secondary considerations.

Overall, efforts can be made to deepen engagement between India and Indian Americans despite certain differences, so that the diaspora remains an asset rather than a liability in bilateral India-US relations. Policies that incentivise investment in India, cultural links, and ease of travel have contributed to maintaining ties. These include, for example, the Overseas Citizenship of India status that enables holders who are foreign citizens to live, work, and do business in India, the Pravasiya Bharatiya Divas as a day of celebration for overseas Indians, investors' networks, and the establishment of more Indian consulates in the US, such as in Atlanta and Seattle.

But the diaspora will be more challenging with current and future generations of US-born Indian Americans. Establishing larger-scale programmes along the lines of the private 'Indicorps' or a large state-sanctioned programme along the lines of Taglit-Birthright Israel would create incentives and opportunities for younger Indian Americans to travel, study, and work in India. That, in turn, would help maintain ties to the diaspora over future generations. Furthermore, while the number of Indians travelling, studying, and working in the US is large, the reverse is not true. Over time, beyond

just Indian Americans, India will have to find ways to make itself a more attractive destination for American students, workers, and tourists.

Democracy: Beyond Superficialities

India and the US both tend to project themselves as exceptional democracies. For the US, this is a byproduct of its own history as an early democratic republic, its immigration policies that produced a multicultural society, and its post-Second World War leadership in international affairs. These factors resulted in active attempts to promote democracy overseas, often against challenges posed by alternative systems during and after the Second World War, including Nazism in Germany, Japanese imperialism, Soviet communism, and transnational militant Islamism (11). India, too, saw itself as exceptional after independence, as a constitutional democracy that was among the first (and certainly the largest) in the post-colonial world. The reality, of course, was that for a half century after India's independence, a shared democratic identity did not result in much meaningful cooperation between New Delhi and Washington (12).

Since at least 1999, democracy has proved more of an adhesive for US-India relations than it did previously. The US could make the argument to give India an exception to global nuclear commerce under domestic and international law in part because of India's democratic credentials. It has also helped facilitate dialogue and cooperation on defence, trade, and people-to-people relations. Democratic convergence has been useful in drawing a contrast with China, a country with which the US and India are in competition. Democratic principles have helped in the establishment and consolidation of the Quad, as well as in multilateral cooperation.

Nonetheless, the superficial understanding of democracy in both countries often masks important differences. There are fundamental differences, for example, in Indian and American approaches to freedom of speech and expression. India's constitution negotiates not just individual but also group rights, in contrast to that of the US. Indian notions of secularism are not akin to the American value of 'separation of church and state', but instead somewhat closer to what Americans define as multiculturalism. As a parliamentary

democracy, India is more like the UK in that it blends the executive and legislative functions of government, in contrast to the separation of powers in an American presidential system. Even notions of federalism are different: while the US Constitution grants much more independence to states, in India, many fiscal and policy issues grant precedence to the central government. India's national security and law grants authorities certain powers that are not necessarily analogous to counterparts in the US. Consequently, the context and nature of the debate on freedom of expression, pluralism, secularism, national security, and states' rights are fundamentally different in the two countries, differences that are not always well understood by US commentators and policymakers. Indeed, in some of these respects India is more representative of democracies in the developing and post-colonial world than the US.

Meanwhile, many Indians might see the American approach as hypocritical. They might argue that the Indian electoral system has greater credibility, with the conduct of elections, number of parties, and high turnout contrasting with disputed recounts, a two-party system, and controversies about voter eligibility in the US. They could also point to greater political polarisation in the US or minority rights being undermined by law enforcement and disenfranchisement. And they observe cosy US relations with authoritarian or undemocratic regimes—not least, Pakistan—as indicative of double standards. At a time when younger voters in the US and the West are more disillusioned with democracy, the appetite for democratic participation in India has increased. At the same time, Indians will need a better appreciation of the cultural and political motives behind consistent US efforts to project itself as a democratic leader, grounded as they are in American history, culture, and self-perception.

The reality, of course, is that despite some crucial differences, democracy in India and the US suffer from some common challenges, including rampant misinformation, growing polarisation, political concerns about inequality, and risks of foreign interference. Indeed, these challenges ought to lead to greater cooperation and dialogue between New Delhi and Washington about strengthening democracy around the world. Such democratic cooperation would benefit not just from greater awareness and education in both countries about each other's political impulses and systems, but also greater party-to-

party dialogue so that political leaders can develop a better understanding of each other's systems and philosophies.

Cooperation Despite Diversity

At a basic level, India's large diaspora in the US and a shared sense of democracy continue to contribute to deepening India-US relations. But they also mask some important and growing frictions. The only solution will involve increasing Americans' (including Indian Americans') understanding of Indian politics, culture, and society, while the same needs to be done on the Indian side. Creating or supporting programmes that facilitate two-way work, study, and travel opportunities, and increasing dialogue between important stakeholders, such as youth and political party representatives, will be tremendously useful as the India-US relationship deepens along multiple dimensions over the foreseeable future. While diplomatic efforts are naturally focused on defence and strategic relations as well as trade, investment, and business relations, questions of diaspora and democracy ought to provide more ballast to this increasingly important relationship.

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Modi and Obama: 'Leading a 'Defining Partnership

Arun Kumar

When Prime Minister Narendra Modi came to power in May 2014, the US-India relationship was moribund, with neither side enthusiastic about the other. The election of a new prime minister offered the opportunity to turn the page and open a new chapter. But the bilateral relationship's history, with a series of ups and downs, brought its own hesitations.

The US and India have historically had strong foundations in people-to-people and business ties on both sides. The Indian middle class, including bureaucrats, were familiar with the US. Their children went to American graduate schools, and many then worked and settled in the US. A large and growing professional class of Indian immigrants worked in the US. American businesses had already seen India's potential as a talent source; many technology companies had their largest or second-largest employee populations in India. These provided a foundation of goodwill, and numerous constituencies were eager to see stronger ties between the two countries.

As prime minister, Modi first visited the US in September 2014. The visit started with him engaging with business leaders and addressing an overflowing and enthusiastic Indian diaspora audience at Madison Square Garden in New York.

Modi's meetings with Obama then set the course for re-energising bilateral activities between the two governments, laying out pathways to enhanced cooperation in areas such as trade, defence, and counterterrorism. Bilateral conversations and activities have since spanned many areas, including diplomatic, economic, and defence.

The diplomatic relationship has strengthened deeply over the years. Modi's visit to Washington was followed within months by Obama's second visit to India in January 2015, where he was the chief guest for India's Republic Day celebrations. Modi returned to the US in September 2015, including a visit to Silicon Valley. This was followed by a 2016 visit during which he addressed a joint session of the US Congress, where he said that both countries had overcome "the hesitations of history" (1).

Economic cooperation between the US and India also advanced. Both sides agreed on the need to increase trade and investment. While no major differences in trade policies were resolved, discussions covered intellectual property rights, market access, and economic reforms. The US India CEO Forum was re-energised and coupled with the government-to-government economic conversations. A two-principal Strategic and Commercial Dialogue was established (but has since been supplanted by other mechanisms) to place economic issues at the centre of the relationship along with strategic and defence considerations.

Cooperation in the defence arena was deepened with agreements on defence trade, technology transfer, and joint military exercises, with the US becoming one of India's top defence suppliers. Bilateral work was enhanced in maritime security in the Indo-Pacific region.

An area of notable collaboration was climate change and clean energy. Modi set ambitious goals for renewable energy and a transition to clean energy for India. Various initiatives were launched to reduce greenhouse gas emissions and promote sustainable development. India worked with the US to help conclude on climate change targets in the Paris Agreement of 2015.

In the area of strategy and geopolitics, the US and India found greater alignment of interests, as in Obama's 'Pivot to Asia' and Modi's 'Act East'

policies. There has been increased cooperation on regional security issues, including maritime security and counterterrorism efforts. Today, the Indo-Pacific is common parlance and is increasingly seen as central to geoeconomics and geopolitics.

The bilateral relationship was not without challenges. With India prizing its strategic autonomy and the US being clear about its interests, tensions arose regarding their divergent stances toward countries like Russia and Iran.

Modi and Obama had forged a defining partnership between their two countries. They infused the relationship with energy and confidence. That partnership has strengthened in the years since, through two US administrations. The level of mutual confidence at the leadership level between the two countries is currently at a previously unseen level.

Bilateral Ties at an Unprecedented Level

The conviction during the Obama-Modi period that economics and commerce are central to the US-India relationship has been proven in subsequent years. This has happened in ways that were once unforeseen—from the dire need to create resilient and trusted global supply chains to the potential to work together on critical and emerging technologies.

The year 2023 was historically productive—perhaps the best ever—for the US-India relationship. This is borne out in several areas: the numbers and volume of trade (though not yet by bilateral trade or investment treaties), an emerging congruence on national and geoeconomics priorities, and an emerging latticework of multilateral agreements where the US and India are central to the value propositions.

Bilateral trade doubled over the last eight years to US\$190 billion in 2022 (2), and US companies made several major investments in India.

Following the COVID-19 pandemic, when remote working became the global norm, there was a significant increase in global captive activity based in India. Many US companies have their largest or second-largest employee populations in India. Technology corporations are undertaking serious product

development from their India bases. It is estimated that there may be 300,000 semiconductor circuit designers working in India, serving global corporations (3).

Both countries have found an interesting congruence in a move to make onshore, whether 'Make in India' or 'Make in America', as both governments share a desire to boost manufacturing, for jobs, skills, and strategic reasons.

Global supply chain imperatives gave this approach a strong lift. The pandemic—and geopolitical tensions—brought into focus both countries' over-reliance on China as a source of supply and the need for resilience as opposed to efficiency or cost optimisation in supply chains.

With over a quarter of the world's manufacturing being based in China, the need for supply chain diversification brings opportunities for manufacturing to India. High-profile examples include Apple's mobile phone manufacturing. A focus on semiconductors has led Micron to decide to establish an operations facility in India (4). The quality of India's manufacturing capabilities has been steadily advancing, and with these kinds of operations, this trend will accelerate.

From a business point of view, the ease of doing business, and a lack of policy predictability and consistency were seen as big impediments in the past. The Modi government laid out improving ease of doing business as a key priority, committing to a national approach to a goods and services tax and introducing a new bankruptcy code. These have yielded valuable results despite their inevitable teething troubles.

There is a latticework of multilateral frameworks where the US and India are central players. Most important among these is the Quad, which has begun taking on more of an economic dimension.

Expanding on the Quad idea, the Indo-Pacific Economic Framework (IPEF) was launched in May last year, with 14 countries (Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, and Vietnam) pursuing an alternative framework for economic engagement. The IPEF aims to advance resilience in

supply chains, promote clean energy and sustainability and related financing, and advance capacity building in various areas, including the digital economy and cyber security.

Like the Quad, India became central to another framework, the I2U2 (a grouping of India, Israel, the US, and the UAE) that may temporarily take a backseat due to the current West Asia situation. However, it is still worth noting that it is an example of US-India cooperation. This unique grouping of countries identifies bankable projects focusing on joint investments and new initiatives in water, energy, transportation, space, health, food security, and technology.

The India-Middle East-Europe Economic Corridor (IMEEC) is a planned economic corridor that aims to increase economic development by promoting connectivity and integration between Europe, Asia, and the Persian Gulf. The IMEEC was announced at the G20 meeting in New Delhi in October 2023, when a memorandum of understanding was signed between seven countries (India, UAE, Saudi Arabia, Jordan, Israel, Greece, Italy, and France) and the European Union. The IMEEC will have two separate corridors: India to the Gulf, and the Gulf to Europe.

A notable development was the rising conviction that technology would play a defining role in deepening the India-US partnership. The Initiative on Critical and Emerging Technology (iCET) was launched in January 2023 to foster an open, accessible, and secure technology ecosystem based on mutual confidence and trust. Strategically, the two nations' alignment on technologies is poised to be as, if not more, important than agreements on trade. Technology and knowledge flows are the next defining chapter in the global trade landscape (5). The US-India Commercial Dialogue looks to expand cooperation in the areas of Talent, Innovation, and Inclusive Growth.

Conclusion

The relationship that was energised by Obama and Modi has clearly continued on a strong upward trajectory.

So, where do we go from here?

In the economic dimension, the prospect is for a strong picture of increasing and intense collaboration that can last many decades.

As India becomes the third largest economy in nominal GDP—and, more importantly, as the Indian middle class grows to become larger and with higher incomes—it will emerge as a significant market for US businesses. India's productive capacity will similarly find enhanced ways to serve US demand (as is already seen in technology). The two countries will truly matter to each other based on an economic calculus.

The groundwork laid during the Obama-Modi phase was a launching pad for increased cooperation and mutual confidence. The elements of common values and the unique strength of people-to-people ties should allow the two countries to continue to advance the arc of their relationship.

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The Trump Era in US-India Relations: Predictable Unpredictability

S. Paul Kapur

Upon taking office, US President Joe Biden famously quipped that “America is back” (1), after an absence from the world stage during the presidency of Donald Trump. However, the record of US-India relations during this period does not suggest a US absence. Rather, the US-India relationship flourished during the Trump era, making important progress in the areas of diplomacy, security cooperation, technology sharing, and defence trade. At one level, these achievements were surprising; even supporters of a close US-India partnership could not have predicted the two countries’ numerous advances during this time.

At a foundational level, however, the trajectory of the US-India relationship during this period was not surprising. It drew on the same underlying logic that had guided US policy toward India since the George W. Bush administration—the need for a close US-India partnership to build Indian strategic capacity and offset rising Chinese power. The Trump administration, though often derided as being indifferent or even hostile to alliances and partnerships, followed this logic closely, and India under Prime Minister Narendra Modi was receptive to the resultant opportunities. It was this general strategic predictability in the

US-India partnership that led to unexpected achievements and drove the two countries' relationship forward during the Trump era.

Foundation of the Strategic Logic

The Bush administration was embroiled in the global war on terror and conflicts in Afghanistan and Iraq. But it also looked beyond day-to-day responsibilities to anticipate the US's future security challenges. It was clear to the Bush administration that rising Chinese power posed the biggest long-term problem for the US and for the strategically crucial Asia-Pacific region. Although the administration hoped that increasing participation in the world economy would liberalise Chinese preferences and make it a stakeholder in the international order, such a benign outcome was not guaranteed; a rising China might prove to be a disruptive rather than a stabilising force. The US would have to hedge against this possibility by developing the ability to offset rising Chinese power—a task that it could not accomplish alone, and for which it would need regional allies and partners. India, with its continental size, strategic location, burgeoning economy, democratic values, and longstanding suspicion of China, was an ideal candidate. The US would, therefore, work closely with India to build its strategic capacity. In doing so, the two countries would ensure that India remained strong and independent, thus denying China hegemony over a large swath of the Asia-Pacific region (2).

This logic became the foundation of US policy toward India and drove a series of initiatives across administrations in the years ahead. For example, the Bush administration's Defense Framework Agreement facilitated cooperation in multilateral operations, US-India defence trade, and technology transfer. The administration's US-India Civil Nuclear Agreement also afforded India access to civilian nuclear materials and technologies despite India's refusal to sign the Nuclear Non-Proliferation Treaty. This effectively legitimised India's nuclear weapons capability, helping to overcome Indian resentment of US nonproliferation policy, and opening the door to close strategic cooperation between the two countries. India was also central to the Obama administration's "rebalance" strategy of shifting US strategic resources to Asia to enhance its regional presence while offsetting rising Chinese power. Specific initiatives included the Defense Technology and Trade Initiative, designed to generate

opportunities for US-India co-development and production of defence-related capabilities, and the signature of a “Foundational” logistics cooperation agreement.

Continuity in the Trump Administration

The Trump administration built on these earlier bipartisan efforts, implementing several measures that strengthened the strategic foundations of US-India cooperation. First, the administration steered the US away from the war on terror to focus on what it called “great-power competition”. Second, the Trump administration focused its attention on great-power competition, particularly on the dangers of a rising China. Third, the Trump administration recognised that competition with China would necessitate cooperative US diplomacy in what was now called the Indo-Pacific region. The administration believed that strong US alliances and partners were essential to achieving its regional objectives. Therefore, the US would not only increase the capabilities of its treaty allies but also develop regional partnerships with “like-minded” states seeking to ensure a free and open Indo-Pacific region. India would be a particularly important partner in this project. As the administration’s Strategic Framework for the Indo-Pacific put it, “a strong India” “would act as a counter-balance to China”. The US thus needed to “accelerate India’s rise” as a net security provider and “solidify an enduring strategic partnership with India” (3).

Under Trump, the US therefore continued its longstanding efforts to build capacity in India. This consistency enabled the US to achieve several unexpected breakthroughs with a receptive Modi, who shared its strategic vision for the Indo-Pacific and viewed close US-India partnership as essential to achieving it (4). Indeed, Modi was open to joint efforts that had seemed beyond reach just a few years earlier. Thus, during the Trump era, the US Defense and State Departments and the Indian Ministries of Defence and External Affairs launched an annual 2+2 Ministerial Dialogue. The two countries, along with Japan and Australia, reinvigorated the Quadrilateral Security Dialogue (better known as the Quad), advancing a four-way regional partnership to address diverse issues, including supply chains, public health, and military cooperation. The US renamed its ‘Pacific Command,’ calling

it 'Indo-Pacific Command' to highlight the importance of India and its region. The US relaxed high-technology export controls by granting India Strategic Trade Authorization-1. And the US and India finished signing the "Foundational" agreements, enabling geospatial information sharing, secure communications, and logistical cooperation between the two countries. US-India defence trade, which had been essentially non-existent in 2005, reached approximately US\$20 billion in 2020. Steady, predictable adherence to longstanding strategic logic on both the US and Indian sides made these unexpected successes possible.

Surmounting Disagreements Over Trade

Despite this extensive cooperation, the US-India relationship faced significant strains during the Trump era. One of the most severe resulted from disagreements over trade. Trump strongly criticised Indian tariffs on US imports, focusing particularly on the iconic Harley-Davidson motorcycle brand. Harley had entered the Indian market in 2009 with much fanfare and sold readymade motorcycles and bikes that were assembled in India. But high price points, and Indian taxes and tariffs, which even after government reductions often approached 100 percent, made the motorcycles prohibitively costly. In reaction, Trump called India a "tariff king", and complained that the US was the "bank that everybody wants to rob" (5). Harley announced its withdrawal from India in 2020, having sold only 30,000 motorcycles since its arrival, fewer than the number of bikes that Royal Enfield sells in India each month. Despite its apparent promise, Harley's initial foray into the Indian market thus ended as a source of acrimony between US and Indian leaders; a setback for 'Make in India', Modi's signature campaign to encourage indigenous Indian manufacturing; and a symbolic blow to US-India cooperation (6).

Although disagreements, as in the Harley case, created headwinds in the US-India relationship, they did not seriously impede it; as noted, the two countries achieved significant bilateral successes in other areas during this period. Despite their divergence on trade, India and the US were bound together by the core logic of their strategic relationship. A trade disagreement was not going to distract them from their longstanding project of building Indian capacity to offset rising Chinese power.

In fact, the Harley dispute was largely a function of growing pains in the US-India relationship. Harley was inexperienced in the Indian market, which it entered at a price point that was excessively high, even without taxes and tariffs. Significantly, in the wake of this failure, Harley regrouped and returned to India, in tandem with local company Hero MotoCorp. Their new motorcycles, priced below US\$3,000, are smaller and far cheaper than legacy Harley models. And because the bikes are manufactured in India, they avoid tariffs levied on imported motorcycles. These changes appear to have positioned Harley for success in its second foray into the Indian market (7).

The Importance of Continued Predictability

In 2024, both the US and India will hold national elections, which could alter the political landscape and change how one or both countries approach the world. The Trump era suggests that even significant political changes need not undermine the US-India relationship, however. Continued strategic predictability, through adherence to the logic that has guided the two countries for decades, can enable them to avoid such an outcome. As during the Trump era, this predictability will help to ensure that surprises in the relationship remain positive, that disagreements prove surmountable, and that US-India cooperation moves even further forward.

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Modi and Biden: Between Continuity and Fresh Assertions

Sameer Patil and Vivek Mishra

Over the last two decades and several presidencies and leaderships in the US and in India, continuity in the relationship between both countries has been a cornerstone of political and diplomatic engagements. More importantly, such trends have transcended political ideologies and administrations. When President Joe Biden assumed office in January 2021, the India-US relationship carried the momentum of the previous Trump administration, notwithstanding the political difference ensuing from the transition of a Republican president to a Democratic one. In particular, the broadened spectrum of the bilateral relationship under the Comprehensive Global Strategic Partnership that took off under the Trump administration expanded further under Biden (1). If continuity in relations with India was the mainstay ensuring stability even in the face of economic tension under Trump, new policies under the Biden administration have ensured that the bilateral relationship has gathered new momentum since he assumed office. In this effort, the US found a complementary and enabling partner in the Modi government. This sentiment culminated most profoundly in Biden's statement that the US's relationship with India is "stronger, closer and more dynamic than any time in history" (2).

Navigating Different Political Ideologies

The transition from a Republican to a Democratic administration in the US in 2021 brought forth a semblance of ideological divide, but on the Indian side, the Modi government has turned out to be one of the most pro-West governments ever. Contrary to perceptions, New Delhi has demonstrated a pragmatic and forward-looking approach in both economic and strategic realms. For one, while both sides had the assurance of a stable defence relationship, fresh opportunities arose in technologies' interface with security, trade, and regional governance. India has attained a complimenting mix of resilience and flexibility in its bilateral relationship with the US, in that it is straddled by sustained efforts seeking newer avenues of cooperation on one hand while upholding its core values and interests on the other.

When the Biden administration assumed office, despite a momentum in bilateral relations, the US embassy in New Delhi was without an ambassador. In March 2023, the Biden administration confirmed Eric Garcetti as the US envoy, which provided a lead point for steering bilateral relations (3). What followed were steps by both sides to upgrade the bilateral relationship. Occasionally, there have been concerns and differences on both sides, but these have remained at the level of healthy conversations and mostly resolved at the leadership level. Two developments tested the resolve of the bilateral relationship from a political standpoint: concerns in India over whether the Biden administration would grant a waiver to India in its purchase of Russian S-400 missile defence systems; and speculations over the possibility of US pressure on India to limit its relationship with Russia or face sanctions grew as Russia invaded Ukraine in February 2022. The looming question was how India would respond to US expectations on the Russia-Ukraine conflict. Such anticipations only worsened as the conflict evolved with hardened positions on both sides of Ukraine. However, engagements between Modi and Biden brought forward a nuanced understanding and pragmatic approach that helped temper these concerns and developments. Despite seeming principled differences on the issue, the Biden administration depicted nimbleness and maturity for having come around to understand India's position on Russia; the legacy of India's defence dependence on Russia and its oil imports from Moscow. In fact, even the US realised that by filling in to buy discounted Russian oil exports in great volumes when most of Europe avoided it, India

contributed to stabilising global energy prices. The issue of India-Russia relationship found perceptible understanding inside the US Congress as well, which highlighted the bipartisan nature of support for the Indo-US relationship. The achievements in the last four years only underscore that any apprehension about a conservative-libertarian divide between the Modi government and the Biden administration was facile, and the bilateral relationship, indeed, was guided by a pragmatic assessment of geopolitical realities.

Historic State Visit and Landmark Moments

The highlight of this period was undoubtedly Modi's landmark state visit to the US in June 2023, which further solidified the bond between the two nations. During this visit, both sides signed historic agreements, reaffirming their political assurance and laying the groundwork for enhanced cooperation across various sectors. These agreements not only underscored strategic alignment between India and the US but also demonstrated their shared commitment to advancing mutual interests on the global stage.

An important outcome of the visit was the “fostering an open, accessible, and secure technology ecosystem, based on mutual confidence and trust that reinforces our shared values and democratic institutions” (4). As a matter of fact, the Modi-Biden era planked itself on an important aspect of cooperation—strategic technology partnership. This step has catapulted technology to the forefront of the relationship, particularly with the Initiative on Critical and Emerging Technology (iCET). As the world order moves towards a greater reliance on technology in its conduct and dependence, geopolitical alignments are also reshaped. Under this strategic realignment, India and the US have found an opportune moment for re-pivoting in the Indo-Pacific with technology as the renewed focus. Technology now undergirds most aspects of India-US cooperation in the Indo-Pacific, including defence, domain awareness, and infrastructure.

Another important area under the India-US relationship, which has received attention during the Modi-Biden period, is cooperation on earth and space science and space technologies (5). The bilateral cooperation in the space

sector is poised for a leap with the decision of the National Aeronautics and Space Administration (NASA) and the Indian Space Research Organisation to develop a strategic framework for human spaceflight cooperation by the end of 2023 (6). In addition, NASA is slated to provide training to Indian astronauts at the Johnson Space Center in Houston, culminating in joint efforts to the International Space Station. Perhaps equally important have been joint efforts leveraging the private sector in space by boosting commercial collaboration between Indian and US private stakeholders to boost the space economy.

The Modi-Biden era has also witnessed a widening of engagements between the private sectors in newer domains such as critical technologies, infrastructure, and strategic cooperation. Two mechanisms have stood out in this: the iCET (7) and the signing of a memorandum of understanding on the semiconductor supply chain and innovation partnership. An initial announcement of investment by US-based Micron Technology, Inc. to invest up to US\$825 million to build a new semiconductor assembly and test facility in India with contributions from the Indian government is hailed as an important step towards creating up to 20,000 jobs over the next five years. Steps towards building an ecosystem of semiconductor cooperation through education and training by investments to the tune of US\$400 million by Applied Materials, Inc. has added new resilience in bilateral technology cooperation (8). Moreover, the establishment of a joint Indo-US Quantum Coordination Mechanism to foster collaboration among industry, academia, and government is a step towards building a comprehensive quantum information science and technology ecosystem. Another important step has been the launch of a US\$2 million grant programme under the India-US Science and Technology Endowment fund for the joint development and commercialisation of artificial intelligence and quantum technologies. Besides these, technology cooperation between India and the US has advanced in high-performance computing, data analytics, and coding (9).

Defence Tech Innovation

In the defence domain, both countries have taken this cooperation forward with the launch of the India-US Defence Acceleration Ecosystem or INDUS-X that has created a network of universities, incubators, corporates, think

tanks, and private investment stakeholders with the support of the US and Indian governments. Under this, the US's Defense Innovation Unit and India's Innovations for Defence Excellence have conducted joint challenges in which companies compete to identify commercial technology solutions that address warfighting challenges. In the first round, five startups were selected to develop technologies on maritime intelligence, surveillance and reconnaissance, and undersea communications (10).

In addition, plans are afoot to hold a hybrid information series for US and Indian defence startups, under the INDUS-X Gurukul, or Education Series (11). The first such session was held in February 2024. By launching these initiatives, India and the US are leveraging the already existing commercial synergy between Silicon Valley and India's burgeoning defence innovation ecosystem.

Collaborative Minilateral Endeavours

The bilateral synergy on tech and other domains of cooperation has been carried forward by the US and India to the minilateral levels, with both part of two thriving groupings: the I2U2 that brings together the India, Israel, the United Arab Emirates, and the US; and the Quadrilateral Security Initiative (Quad) that mobilises the two other Indo-Pacific democracies of Australia and Japan along with the US and India.

In September 2021, Biden convened the first-ever in-person Quad Leaders' Summit in Washington DC, marking a dramatic enhancement of the grouping's engagement that had until then been confined to virtual gatherings (12). Coming on the heels of the COVID-19 pandemic, the grouping deepened its cooperation by announcing the launch of the Quad Infrastructure Coordination Group, and Quad Senior Cyber Group. Likewise, in July 2022, Biden and Modi convened the first leaders' summit to establish the I2U2 group with a focus on joint investments and new initiatives in water, energy, transportation, food security, and technology (13).

This collaboration was further strengthened when Biden and Modi along with other regional leaders announced the launch of the India-Middle East-

Europe Economic Corridor on the sidelines of the G20 Summit in New Delhi in September 2023. The corridor seeks to enhance connectivity and boost economic integration between Asia, the Arabian Gulf, and Europe. The corridor comprises of an Eastern Corridor connecting India to the Gulf region and a Northern Corridor connecting the Gulf region to Europe. It will include a railway and ship-rail transit network and road transport routes. Collaborative endeavours like these not only symbolised the convergence of interests between India and the US but also signalled a commitment to navigating policy continuity while embracing new assertions in the geopolitical landscape.

Conclusion

The period under Modi and Biden is marked by an adept navigation of continuity and fresh assertions in the Indo-US relationship. Biden is the third US president that Modi has worked with, and together they have provided both maturity and assuredness to the relationship, especially through a deft political management. Through strategic partnerships, historic agreements, and collaborative initiatives, both nations demonstrated their commitment to advancing shared interests while adapting to evolving geopolitical dynamics. As India and the US head to national elections, both countries seem poised to attain a stronger partnership under the incoming administrations in both countries, particularly in the face of rapidly adapting global challenges.

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India-US Technology Ties: Charting an Ambitious Course for the Future

Trisha Ray

To many who come to know India for the first time, the country is a sea of contradictions. Even as its aspirational and middle classes embrace digital and emerging technologies in their daily lives and their workplaces, it must bring with it the millions who constitute the poorest 10 percent. Similarly, even as New Delhi's rhetoric leans into *aatmanirbharta* (self-sufficiency), it is turning outward to offer its own technologies, innovations, and talent to the world.

It is because of these contradictions, and not despite them, that India's technology partnership with the US has gone from strength to strength in the past decade, even as points of contention remain. In May 2022, on the sidelines of the Quad Leaders' Summit in Tokyo, US President Joe Biden and Indian Prime Minister Narendra Modi announced the United States–India Initiative on Critical and Emerging Technologies (iCET), “spearheaded by the National Security Councils of the two countries to expand partnership in critical and emerging technologies” (1). This partnership is the culmination of a decade-long effort to position India not just as a receiver of technologies but as an emerging technology power in its own right.

Building on Solid Foundations

India's technology ecosystem has had links with those of the US for decades. Indian IT companies, including TCS and Wipro, benefited from the "millennium big" panic in the late 1990s, which served as a launchpad for these homegrown giants to take on more ambitious and complex projects and clients, with Infosys listing on NASDAQ in 1999 and WIPRO debuting on the New York Stock Exchange in 2000 (2). In 2000, as relations between the two countries thawed with the end of the Cold War, the US and India launched the India-US Science and Technology Forum, with funding from both sides supporting collaboration in health sciences, clean energy, biotechnology, among others, through fellowships, trainings, and joint research centres (3). Indian talent has also been foundational to the US's tech ecosystem. In FY 2014, the US issued 101,800 H-1B visas to Indian nationals, and Indians accounted for 29.6 percent of worldwide L-1 visa recipients, making them the single largest group of beneficiaries in both categories (4).

The Defense Technology and Trade Initiative (DTTI) was launched in 2012, although, as the name suggests, the focus was solely on the co-development and co-production of technologies with defence applications. The lacklustre track record notwithstanding, it was an extraordinary leap forward in the relationship, and marked a concerted effort to clear bureaucratic hurdles (5). The DTTI has arguably only truly taken flight since 2018, with a new administration in Washington, renewed energy in New Delhi, and India's ascension to Strategic Trade Authorization Tier 1 (STA-1) status (6).

India's growing strategic importance in the region—especially as a balance against Beijing's zero-sum approach under Chairman Xi—overlaid upon its burgeoning digital economy and ambitions of becoming a technology exporter, have transformed the US-India technology partnership in the past decade.

A Turning Point for India

In the last five years, India's worsening security relations with its neighbour and US trade restrictions targeting China have prompted efforts to reduce dependence on China.

India benefited from the boom in outbound FDI flows from China, peaking in 2016 (7). Several Indian unicorns and startup ecosystem mainstays (such as digital payments platform Paytm, ridesharing app Ola, and e-commerce giant Flipkart) have received investments from Chinese tech giants like Alibaba, Tencent, and Didi Chuxing (8). It is also worth noting that India is heavily dependent on China for semiconductors, particularly digital integrated circuits (ICs) and memory. In 2021, India imported US\$5.38 billion worth of semiconductors, US\$4.25 billion of which was from China, representing a 160 percent growth over the previous year, and 53 percent growth for three years cumulatively (9).

However, China's blitzkrieg strategy for dominating emerging tech has proved to be a double-edged sword. Its 14th Five Year Plan Six (2021-2025) prioritised several cutting-edge fields, including quantum, new generation AI, ICs, brain science, genetics and biotech, clinical medicine and health, and frontier exploration (space, deep sea, and so on) (10). On the one hand, Indian researchers have collaborated with their Chinese counterparts on important work, including in the field of AI, and there has been a not insignificant volume of investment in emerging technologies between the two countries (11). On the other hand, Beijing has demonstrated time and time again that it is willing and able to weaponise any and all linkages. For instance, in 2010, following Japan detaining a Chinese fishing trawler that had ventured into disputed waters, the Chinese government reportedly threatened to halt exports of rare earths. At that time, Japan was the largest buyer of rare earths from China (12).

In 2020-21, New Delhi and Washington arrived upon similar conclusions when it came to the risks of dependence on China for critical technologies and components, although both were not wholly aligned on the approach. New Delhi's measures to restrict Chinese leverage over the Indian technology ecosystem were somewhat circuitous. In April 2020, India's Ministry of Commerce and Industry released a press note requiring investments from entities of countries with which India "shares a land border" to obtain formal government approval (13). In June 2020, the government excluded Chinese 5G vendors from its 5G trials, and in 2021, it did not invite these vendors to the briefing where it notified telcos of new "trusted vendor" requirements.

Strategic Convergence

The US-India partnership on emerging technologies has made significant headway in the last three years, both bilaterally and under the aegis of the Quad. The Quad Critical and Emerging Technology Working Group was launched at the 2021 Quad Leaders' Summit, with five work areas: principles for technology, design, development and use; technology standards; telecommunications vendor diversification; supply chains; and horizon scanning for other critical and emerging technologies (14). In 2024, the Quad also launched the second iteration of the Quad Fellowship, which enables promising young STEM talent in the Indo-Pacific to study in the US (15).

In the bilateral relationship, the most significant recent development is iCET, with six pillars (16):

1. **Strengthening Innovation Ecosystems:** Research partnerships and standards in AI, quantum technologies, and high-performance computing.
2. **Defense Innovation and Technology:** Co-production, R&D on intelligence surveillance reconnaissance use cases.
3. **Resilient Semiconductor Supply Chains:** Joint ventures for semiconductor fabs in India, workforce development, and long-term ecosystem assessment.
4. **Space:** Collaboration between commercial entities, training, and developing ISRO-NASA relationship.
5. **STEM Talent:** University partnership and research collaboration.
6. **Next Generation Telecommunications:** 5G, 6G and beyond, Open RAN adoption.

iCET has served as a platform for the two countries to involve a range of stakeholders in offering ideas on how to take the relationship forward, including practical considerations about regulatory hurdles and industry investment (17). It is also significant that the process is led by the national

security advisors, Jake Sullivan (US) and Ajit Doval (India), speaking to the level of leadership buy-in as well. Within a year of iCET's operationalisation, the two sides have announced partnerships ranging from joint research and development programs aimed at "designing, manufacturing, and commercializing semiconductor chips" (18), to a "Quantum Entanglement Exchange Programme" (19).

The Next Decade

Perfect alignment is impossible even between the closest of allies, and India's closeness with the US is in a stage of relative adolescence. Some obstacles remain, including differing perspectives on fair competition in the digital economy, tariff and non-tariff barriers and procurement standards that are peculiar to India. The Indian government views the market dominance of technology giants, which are mostly US-based, as a threat to fair competition. In 2020, it expanded the Equalization Levy—which in 2016 introduced a 2 percent levy on "nonresidents" engaged in online advertising—to include e-commerce operators broadly. The US Trade Representative's investigation called the levy discriminatory, given that 72 percent of the companies liable under the levy are US companies (20). In February 2024, India's Ministry of Corporate Affairs released a Draft Digital Competition Bill, which takes inspiration from global regulations like the EU's Digital Markets Act to promote fair competition (21). The Bill, if accepted, would introduce a penalty of up to 10 percent of a large digital enterprise's global turnover.

US immigration policy has also periodically caused friction in the relationship, including decades-long wait times some Indian applicants face for green cards. Appetite in the US Congress for visa reforms has waxed and waned, but a recent bipartisan bill in the Senate could offer some relief (22). A longer-term solution would enable two-way mobility, including mutual recognition of qualifications. This in consideration of the fact that in the emerging tech area, while India remains a major exporter of talent, its ability to retain and reattract talent has grown. In 2022, for instance, one-fifth of Indian AI researchers ended up staying to work in India (23).

Speaking at ORF in February 2024, the US's Deputy Secretary of State for Management and Resources Richard R. Verma noted how far the US-India

relationship has come, from the Cold War chill to the current spring: “Our work on new and emerging technologies will take on even more promise. From semiconductors to critical minerals to space exploration and innovation in clean energy to battling climate change, and so much more, this is about economic and physical security...We are the perfect partners in so many ways, given our existing base of technical cooperation” (24).

As election season looms over the world’s largest and oldest democracies, the range and depth of institutional relationships built in service of technology cooperation between the two countries promises that the momentum will continue to build. Stakeholders on both sides are bullish about the relationship, and while India and the US are *unusual* partners, a spur of initiatives, not least under iCET, will only see the two grow closer in the coming decade.

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Advancing Defence Ties: Matching Expectations

Vikram J. Singh

In early 2024, the Indian Navy released videos featuring extraordinary anti-piracy missions in the Indian Ocean. Since starting the effort in December 2023, Indian forces have performed at least 18 maritime rescue missions to save commercial vessels and their crews from pirates. In the most dramatic of these, Indian Marine Commandos (India's version of the US Navy SEALs) are seen jumping with their gear into the sea to execute the mission, demonstrating the highest degree of discipline and capability (1).

For a former US defence official who worked to deepen defence ties with India for two decades, this is a welcoming sight. It shows India as a net security provider in the region, something central to US strategic interests and foremost in the thinking of US leaders who have long bet that a capable India would use its power to protect the global commons in ways generally congruent with American interests. India does not need to sign up to every coalition of the willing, and it is not expected to. The important thing is that India is acting to preserve a free and open Indo-Pacific. Seeing Indian paratroopers deploy from US-supplied C-17s

with video streaming from leased American MQ-9 drones, all supported by P8-I multi-mission maritime aircraft, is the icing on the cake.

Trust Where It Counts

General coverage and commentary about US-India defence ties tend toward hand-wringing. Some say the US is making a bad bet because India will never join it completely, say in a possible tussle with China over Taiwan (2). Critics in India complain that India is being duped somehow into a transactional buyer-seller relationship with Washington that leaves it weak (3). But in reality, the expectations of the two sides have been realistic and quite well matched, especially over the past decade.

If anything, leaders in Washington and New Delhi have worked steadily to accelerate advanced defence cooperation with substantial acceleration in the decade since Prime Minister Narendra Modi took office. The basis for this has been deepening trust and respect among political leaders, government officials, and military personnel up and down the chain of command built on three key areas: regular exercises; better and more interoperable capabilities via defence trade; and new arrangements to facilitate cooperation, including the sharing of sensitive intelligence.

Military exercises, both bilateral and multilateral, have gone from something unusual at the start of the 21st century to a constant feature of the relationship. Leaders from both countries consistently note that the US and India do more exercises together than with any other partners. Whether you look at high-altitude combat or anti-submarine warfare, boarding hostile ships or counterterrorism operations, Indian and American warfighters have practised together year in and year out. The Yudh Abhyas army exercises that started over 20 years ago took place along the Chinese border in 2022, prompting complaints from Beijing. The troops even broke out drums and electric guitars to give an impromptu concert at the end of the gruelling training. Many thousands of US and India warfighters have developed relationships over these decades, steadily deepening tactical and operational trust. Troops from both countries speak of how much they learn from and appreciate one another.

As they exercise, US and Indian troops communicate and share tactical battlefield information on secure Link 16 systems, the same system used by NATO. The materiel purchased by India and the integration of India into global supply chains for systems like C-130 aircraft and Apache attack helicopters further bring the two militaries together. Sharing of intelligence, repairs and servicing of each other's military vessels and aircraft, using each other's facilities, and allowing businesses in both countries to share classified information are all possible because of the range of bilateral arrangements reached after years of negotiation (4). The two nations share information in real-time about Chinese military movements or possible militant activity emanating from Pakistan or Afghanistan and share maritime domain information about the Indian Ocean region. Their ships and aircraft can access each other's military installations and request support like refuelling. Industry and governments in both countries can share classified information. At the same time, the difficult regional security environment has been drawing the US and India closer in all areas of defence cooperation.

Solid Floor, Hard Ceiling?

Several critical junctures pushed the defence partnership forward this century. They start with the Kargil crisis, during which then-US President Bill Clinton clearly sided with India against Pakistan for its brazen occupation of disputed territory along the Line of Control (5). The next critical advance stems from the US decision during the Bush administration to support India's nuclear programme despite its status outside of the Non-Proliferation Treaty. When that deal was finally ratified—after three years of negotiation overcoming opposition in both capitals that almost brought down India's coalition government—it cemented a strategic bond that continues today. At the time, US Secretary of State Condoleezza Rice said, “The world's largest democracy and the world's oldest democracy, drawn together by our shared values and, increasingly, by our many shared interests, now stand as equals, closer together than ever before” (6).

In essence, by partnering to make India the only country on earth accepted into the nuclear club while outside the global non-proliferation regime,

Washington and New Delhi embraced a kind of mutual exceptionalism. They agreed that each could do things their own way.

Just six weeks after the signing of the nuclear deal, Pakistan-based terrorists stormed Mumbai from the sea, killing 166 people. The US stood fast by India, and the two sides deepened counterterrorism cooperation that continues to this day with mutual support and cooperation on the designation of terrorists (7). Over the next decade-plus, through the Pathankot attack in 2016, the Dokhlam incident with China in 2017, and the Galwan clashes in 2020, it became clear that India could rely on the US for intelligence and diplomatic support when its security was threatened. Shortly after Galwan, India signed the long-delayed Basic Exchange and Cooperation Agreement (BECA) agreement to allow real-time sharing of geospatial intelligence.

As trust deepened over the past 20 years, so did defence trade, and both nations clearly wanted to develop a meaningful defence partnership. In 2012, just two years after India took delivery of major US defence equipment (C130J aircraft) for the first time in decades, Secretary of Defense Leon Panetta visited India and announced the Defense Technology and Trade Initiative (DTTI), which committed the countries to codevelop and coproduce innovative defence equipment. The DTTI never lived up to its promise and may have been premature, but it signalled a clear intent to move beyond a buyer-seller relationship just as the defence trade was getting underway.

In 2016, the US declared India to be a 'major defense partner' and, in 2018, elevated India to Strategic Trade Authorization Tier 1 status, allowing licence-free export of many defence and dual-use technologies. Trade over the past 15 years has exceeded US\$20 billion, and major US defence industry players such as Boeing and Lockheed Martin have partnerships in India to build components for their global supply chains. India is finalising the purchase of 31 MQ-9 Sea Guardian drones from General Atomics.

Many of the ideas that did not take off under DTTI have a new lease on life as part of the initiative on Critical and Emerging Technology (iCET)

and INDUS-X, the defence component of iCET, which is led by the national security advisors in each country. Most notably, the US and India agreed to co-produce GE F414 fighter jet engines for India's indigenous Tejas Mark II and Advanced Medium Combat Aircraft. Cooperation on a next-generation javelin anti-tank missile has also been revived, and new programs like coproduction of Stryker combat vehicles are underway.

However, this very solid foundation for advanced defence ties is not limitless. At the strategic level, the US understands India's historic reliance on Russian technology and military systems. New Delhi's longstanding relationship with Moscow is understood as a part of the landscape and can even prove useful. For example, Indian purchases of Russian oil helped make the G7 imposed price cap on Russian oil viable, holding down global energy prices while limiting Russia's oil revenue (8). Modi's objections to the war in Ukraine, expressed directly to Russian President Vladimir Putin, were also viewed as helpful, as are New Delhi's recent engagements with senior Ukrainian officials. But as Putin continues aggression in Europe, even threatening to use nuclear weapons, strains on the US-India partnership could yet develop.

At a more operational level, US officials are very confident in India's commitment to safeguarding sensitive technology, but Russia's significant presence as a key security partner presents opportunities for Russian intelligence services to operate in the country. China is more constrained, given its deep tensions with India, but has demonstrated an ability to mount cyberattacks and intrusions into Indian systems and should be expected to target India's defence industrial base and any American companies working with Indian partners (9).

Even with the agreements on drones and jet engines, export controls and international traffic in arms regulations make transferring technology to India (and any other partner) more onerous. But India's quest for top-flight technology is also hindered by the commercial choices made by companies, which can lead to restrictions on technology sharing for business rather than strategic or security reasons. At the end of the day, most of India's key offensive weapons systems, including major strategic systems, are Russian origin or indigenous but based on

Russian technology. It is unlikely that the US will supplant Russia as the main technical source for Indian missiles, aircraft carriers, or nuclear submarines.

Maturing the Defence Partnership

The solid foundation of the defence partnership should be complete by 2025. In the near term, this requires the successful conclusion of a security of supply arrangement (SOSA) and reciprocal defence procurement (RDP) arrangement, which started being negotiated in June 2023 with the launch of the Roadmap for US-India Defense Industrial Cooperation (10).

INDUS-X has also established a government Senior Advisor Group to look into and address regulatory obstacles, and a public-private Senior Leader Forum that convened in early 2024 and offers a path for industry to engage on issues related to defence cooperation directly. Both the US's Department of Defense and India's Ministry of Defence have identified senior officials to ensure the roadmap is implemented and set the stage of an update to the 2015 Framework for the US-India Defense Relationship (11).

An updated Defense Framework, SOSA, RDP, the implementation of the Industrial Security Annex, and the continued regular use of the other enabling agreements will ensure all the needed guidance is in place to enable defence cooperation to go to the next level. Really getting there will require some breakthroughs on outright defence purchases like the MQ-9 drones and on announced co-production or co-development programmes. The industry in both countries has grown somewhat weary of big announcements that drag on for years. Indus-X must deliver and continue the trend of defence cooperation leading the way on the bilateral journey.

Beyond this, however, there is a need for an ambitious vision, as was seen 20 years ago when the 'Next Steps in the Strategic Partnership' drove the civil nuclear deal. The INDUS-X Senior Advisory Group should stretch its mandate beyond regulatory hurdles and innovation to explore

in private what might be possible, to include cooperation on missiles, surface ships, and manned or unmanned subsurface vessels. Innovation in key areas in India is as good or better than innovation in the US, so cooperation on an undersea platform or missile programme, for example, is not a one-way proposition. Priority US defence initiatives like Replicator could also benefit from this partnership, for example, by exploring ways to scale up the production of small drones at low cost in India. For all these efforts, leaders should focus on meeting Indian and US defence requirements and also look to exporting materiel that India and the US co-produce to third countries in Asia, Africa, West Asia (Middle East), and Latin America.

With both the US and India in an election year, it is important to remember that every pair of leaders over the past 25 years has established strong personal and strategic bonds. Clinton and Atal Bihari Vajpayee, George W. Bush and Vajpayee, Bush and Manmohan Singh, Barack Obama and Singh, Obama and Modi, Donald Trump and Modi, and Joe Biden and Modi all focused on building a strong US-India defence partnership. The strategic rationale behind the partnership continues to grow. Cooperation between militaries and between the private sectors in both countries continues to deepen.

During Modi's tenure, in particular, India has worked with three US presidents to take ideas that had languished in the bureaucracies in both capitals and drive them forward. Elevating initiatives like the Quad to leaders' level and putting technology cooperation in the hands of both national security advisors has ensured action. With their new focus on technology and innovation and sufficient ambition, India and the US are poised to keep advancing this pillar of their start on the next big thing in this vital partnership. After all, as Modi said in his first address to a joint session of Congress, "A strong India-U.S. partnership can anchor peace, prosperity and stability from Asia to Africa and from the Indian Ocean to the Pacific" (12). Doing so will require an ambitious defence partnership to reach new heights.

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India-US Ties in the Indo-Pacific: Alignment, Convergence, and Parallels

Satu Limaye and Lei Nishiuwatoko

Parallels, alignment, and convergence between India and the US in the Indo-Pacific region have increased in the decade since Prime Minister Narendra Modi took office in May 2014. Put another way, the Indo-Pacific has become embedded in India-US relations, and bilateral coordination and cooperation are emerging and extending to the region.

Within months of taking office, Modi indicated his intention to enhance and expand India's ties with the region. The three US administrations (of Presidents Barack Obama, Donald Trump, and Joe Biden) that have overlapped with Modi's tenure since 2014, have similarly sharpened and developed Washington's focus on the Indo-Pacific. Flowing from this parallel enhancement and articulation of Indo-Pacific policies by both India and the US, four elements of alignment and convergence are of particular importance to bilateral ties: (a) efforts to introduce and establish Indo-Pacific coordination and cooperation directly into bilateral relations; (b) a preference for a new set of minilateral "wires" of cooperation, such as the Quadrilateral Security Dialogue (Quad) while supporting a latticework of ASEAN-centered regional institutions such as the East Asia Summit (EAS) and the ASEAN Defense Ministers Meeting Plus; (c) respective growing strategic distrust and competition with China; and (d)

mixed engagement on regional economic initiatives including overlap on the Biden Administration's Indo-Pacific Economic Framework (IPEF).

A net assessment is that a combination of parallelism, alignment, and convergence characterises India-US ties in the Indo-Pacific. Though not identical nor symmetrical in their approach, India and the US have fashioned ties about the Indo-Pacific that offer considerable ballast for their overall ties. This coordination and cooperation represent a dramatic departure from the days when the two countries were essentially disconnected on issues related to the Indo-Pacific.

Areas of Convergence

Bilateral Indo-Pacific Coordination and Cooperation

Modi took office in May 2014 at just over the 30-year mark of India's 'Look East' policy, which began in 1991. During his first attendance at the EAS, he announced that India would launch an 'Act East' policy—signalling an increased commitment to the region. A year later, in an end-of-year assessment, his administration noted the Act East “policy which was originally conceived as an economic initiative, has gained political, strategic and cultural dimensions including establishment of institutional mechanisms for dialogue and cooperation” (1). The priority given to the region was evident in the fact that in an official review of India's foreign relations entitled 'A Year of Smart Diplomacy: Milestones 2015', the section on 'Act East Policy: Vision, Vigour and Plan of Action' followed discussion of 'Neighborhood Diplomacy' and before 'Engaging Major Powers', and indication of the priority that the Modi administration accorded to East Asia (2).

It was in this context that India and the US issued their Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region in January 2015, when Obama visited India as the chief guest on India's Republic Day (3). Modi then said, “For too long India and the U.S. have looked at each other across Europe and the Atlantic. When I look towards the East, I see the Western shores of the United States” (4). The fact that both the Asia-Pacific and Indian Ocean regions are mentioned in this first-ever India-

US bilateral statement on the region is significant. It signals the mutual recognition of priorities where the US, primarily focused on the Asia-Pacific, maintains interests in the Indian Ocean, while India, primarily focused on the Indian Ocean, has growing interests in the Asia-Pacific. The net effect is a convergence shared by the two countries about the connection of the Indian and Pacific oceans in what is now referred to as the Indo-Pacific region. The pattern set by this Joint Strategic Vision is carried forward in subsequent statements of the partnership and respective national strategic and policy articulations.

For instance, in his 2018 keynote address at the Shangri-la Dialogue, Modi described the Indo-Pacific as a pillar of improving bilateral India-US ties, saying “...India’s global strategic partnership with the United States has overcome the hesitations of history and continues to deepen across the extraordinary breadth of our relationship. It has assumed new significance in the changing world. And an important pillar of this partnership is our shared vision of an open, stable, secure, and prosperous Indo-Pacific Region” (5).

The Trump administration kept apace on such alignment, such as, for example, through its 2019 Department of State document ‘A Free and Open Indo-Pacific: Advancing A Shared Vision,’ which referred to India 33 times and declared that “[a] strong U.S.-India partnership is vital to the U.S. Indo-Pacific vision” (6). Additionally, an unclassified 2021 US Strategic Framework for the Indo-Pacific articulated considerably comprehensive and high-expectation objectives for cooperation with India. It aimed to solidify a strategic partnership relevant to working in the Indo-Pacific region, in areas ranging from South Asia to the Indian Ocean (7).

India-US alignment on the Indo-Pacific is continuing under the Biden administration. The administration’s February 2022 Indo-Pacific Strategy states clearly that “[w]e support a strong India as a partner in this positive regional vision [to advance freedom and openness and offer ‘autonomy and options’]” (8).

Lastly, together, India and the US have pursued alignment and cooperation through associated frameworks such as the Indo-Pacific Oceans Initiative announced by Modi at the 14th EAS in Bangkok in November 2019, as well as the Indian Ocean Rim Association (9).

As India approaches its general elections in April and May and the US approaches the presidential elections in November, further developments in the bilateral relationship are anticipated, including a possible meeting of the Quad in India.

Minilaterals and ASEAN-Led Regional Institutions

Alignment on approaches, strategies, and policies towards the Indo-Pacific—including on Southeast Asia, the Pacific, and the Indian Ocean—find their most structured expression in India-US cooperation (with Japan and Australia) in the Quad (10). The revival of this minilateral arrangement brings together the threads of respective Indian and US engagements with the Indo-Pacific through cooperative activities aimed at providing regional public goods. The significance of this development should not be underestimated, although considerable opportunities to expand and enhance Quad deliverables remain. The significance is that the US and India are not only no longer disconnected in the region, but also that the two countries work within mostly ASEAN-led regional institutions and have a bespoke alliance-partner configuration—the Quad—through which to work together.

Convergence on China

Another critical area of convergence is China. The India-China relationship has plummeted since the 2017 stand-off at the disputed Doklam Plateau area. Despite India and China both being in the G20 and the BRICS configurations, land disputes brought bilateral relations to a near standstill. Meanwhile, the US has identified China as a pacing threat, and the most recent US Annual Threat Assessment ranks China as the biggest threat amidst the Ukraine and Gaza wars (11). The convergence comes, for example, in US recognition in its Indo-Pacific strategy that China's coercion and aggression is expressed in the conflict on the Line of Actual Control. This has led to concrete cooperation between India and the United States, including the sharing of information and intelligence.

The Indo-Pacific Economic Framework

India and the US are also engaged in new regional economic initiatives. India, for example, has joined three (supply chain, clean economy, and fair economy) of the four pillars of the Biden administration's IPEF while remaining an observer for the fourth and final pillar of trade (12). Given that neither India nor the US are parties to the Regional Comprehensive Economic Partnership or the Comprehensive Progressive Trans-Pacific Partnership, the IPEF is one area of alignment in the commercial space supplementing bilateral trade and investment ties (13).

Conclusion

In the past decade, the Indo-Pacific has become a parallel area of priority for India and the US. Bilateral ties have increasingly achieved alignment and convergence on key elements, ranging from strategy and policy to the Quad, China, and commercial initiatives. In the years since Modi announced India's 'Act East' policy, laid out India's concept of the Indo-Pacific, and articulated the maritime concept of the Indo-Pacific Oceans' Initiative, India-US ties have grown steadily in the Indo-Pacific individually, with each other, and with close allies and partners via the Quad.

The Indo-Pacific is set to be an enduring and sustainable facet of India-US bilateral ties for the foreseeable future. The bilateral relationship has progressed from an era in which 'India' did not appear in US strategy documents about the region and India itself was only lightly engaged in Indo-Pacific regional institutions and initiatives, to an era in which the two countries refer to each other in their respective strategy and policy pronouncements about the region and have developed new focused initiatives for the region (such as the Quad).

Still, the Indo-Pacific is not the sum total or end state of a broad global partnership between the US and India forged over the last decade and more. India-US ties have many functional and regional intersections on which to build. The Indo-Pacific, however, is one critical and prominent element of expanded and enhanced India-US ties.

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Institutionalising Bilateral Ties: Deepening Trust between Democracies

Ian Hall

The story of how and why India and the US ended their estrangement and constructed a strategic partnership in the early years of the twenty-first century is now well-known (1). The intensification of institutional linkages between the two countries after 2014 is, however, less well understood, as are the implications of these developments for the bilateral relationship and the capacity of both countries to manage the diplomatic, economic, social, environmental, technological, and security challenges they both face. For those reasons, this essay sketches these evolving ties and outlines an explanation for their development. It contends that these institutionalised arrangements are grounded in trust between the Indian and US governments, which has persisted through both Democrat and Republican administrations and is helping to generate more confidence across the two systems (2). India and the US also offer evidence for the longstanding argument that democracies can and do work together more effectively than other kinds of regimes (3).

Institutionalising Ties

The US-India relationship drifted in the early 2010s, as both countries faced significant economic difficulties and lost a degree of confidence in the other (4). As a result, what should have been minor disagreements, such as the Khobragade incident, festered into public disputes, while substantive issues, such as the possible extension of the 10-year Defense Framework Agreement signed in 2005, were neglected (5). The BJP's landslide election win under Prime Minister Narendra Modi's leadership thus provided a useful circuit breaker. New Delhi and Washington moved quickly to take advantage of the changed circumstances. Modi and President Barack Obama forged an initial understanding during the former's visit to the US in September 2014. Obama then went to New Delhi as the guest of honour on India's Republic Day celebrations in 2015, where the two leaders released an ambitious new 'Joint Strategic Vision'. That statement envisaged further and broader exchanges on issues of mutual concern, "trilateral consultations" with others, and deeper cooperation in regional multilateral forums (6). Importantly, these pledges were accompanied by the renewal of the Defense Framework Agreement and the upgrading of the bilateral Strategic and Commercial Dialogue to the ministerial level (7). These deals reinforced the existing institutional infrastructure and provided support for much more.

During the remainder of Obama's term, which ended in January 2017, further efforts were made to deepen cooperation. These included the introduction of a bilateral policy planning dialogue, a foreign ministers' trilateral with Japan, and high-level meetings on finance and trade (8). Significant strides forward were also made in defence cooperation. The US and India held a Maritime Security Dialogue in May 2016 (9). A Logistics Exchange Memorandum of Agreement (LEMOA), facilitating the provision of military supplies, was signed in September 2016. Finally, India was designated a 'Major Defense Partner' in December 2016, easing the transfer of defence technologies, and efforts were made to revive the Defense Technology and Trade Initiative, which began in 2012 (10).

This institutionalisation of the bilateral relationship and cooperation with like-minded states deepened after Donald Trump's unexpected election as US president, despite the emergence of some differences between New Delhi

and Washington, notably over trade (11). This process was supported by non-governmental initiatives, including the US-India Strategic Partnership Forum launched in August 2017. Consequently, the Obama-era Strategic and Commercial Dialogue was transformed into an annual foreign and defence minister '2+2' summit (12). In parallel, considerable progress was made in furthering the economic relationship. Despite trade tensions, the US and India reconstituted a bilateral Commercial Dialogue in 2017, and further meetings were held in 2019 and 2023 (13). However, arguably the most dramatic development was the reconvening of the Quadrilateral Security Dialogue (Quad) with Australia and Japan in November 2017, and its subsequent elevation from official-level meetings to consultations between foreign ministers (in 2019) and then leaders (in 2020) (14). This arrangement allowed India and the US regular opportunities to share information, coordinate policy, and further cooperation across multiple domains, including advanced technologies, infrastructure, and maritime security (15).

After US President Joe Biden took office in 2021, both countries refocused on the economic side of the relationship. The US-India Trade Policy Forum, founded in 2010 to explore ways to boost bilateral trade and investment and lay the groundwork for a potential free trade agreement, was reconvened. The forum has held regular meetings, with the annual bilateral trade valued at US\$200 billion (in March 2024) (16). In 2022, New Delhi also became a founding member of the Indo-Pacific Economic Framework and agreed to participate in three of its four pillars (the exception was trade). This drew India into ongoing negotiations concerning regional supply chains, clean energy, tax, and anti-corruption (17).

Defence and security linkages were also strengthened; consequently, India conducted more bilateral and multilateral military exercises in 2023 with the US armed forces than with any other partners (18). These efforts were aided by the earlier signing of the Communications Compatibility and Security Agreement in 2018 to permit the secure transmission of information, and the Basic Exchange and Cooperation Agreement in 2020 to allow the sharing of geospatial data. While defence technology transfer has proved harder to enable, the two countries launched the Initiative on Critical and Emerging Technology in early 2023. Washington has since agreed to provide both unmanned aerial vehicles and advanced jet engines to India (19). Moreover, the US and India

have started an Advanced Domains Defense Dialogue intended to facilitate closer collaboration on defence-related space and artificial intelligence capabilities (20).

Deepening Trust

Taken together, this expanding web of institutionalised relationships between the US and India provide evidence of deepening trust at a political level and a strong appreciation in both New Delhi and Washington of mutual interests (21). Just as importantly, they also point to growing levels of trust across the two systems of government and among officials in the multiple ministries in both capitals involved in various levels of ongoing interaction with their peers, and, indeed, confidence in the bilateral relationship. These outcomes are not unexpected. One purpose of the kinds of official and non-official dialogues in which India and the US—and indeed other like-minded Indo-Pacific states—have engaged since the late 1990s is building working relationships between interlocutors and broadening knowledge of each other's worldviews and practices. In this way, both sides can boost trust and confidence and minimise the risk of misperception and misinterpretation (22).

These outcomes are sometimes neglected in assessments of the US-India bilateral ties, especially those that focus simply on deals delivered rather than on the growing complexity of intergovernmental dialogue and ongoing cooperation. Yet, they matter. Continuous interaction between officials at multiple levels of government allows decision-makers to better manage uncertainty and minimise the risk of inadvertent disagreement. Among other things, including strong ties with partners like Japan, this assisted New Delhi's handling of the Trump administration, for example, allowing it to weather the storms generated by the president's personal interest in the US trade deficit with India, among other issues that might have led to rifts in the relationship (23). High levels of openness and accountability institutionalised across different platforms and trust between leaders and officials in both systems have allowed the strategic partnership to deepen despite periodic turbulence.

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US-India Cooperation Against Terrorism: Redefining Convergence Amidst Challenges

Max Abrahms and Soumya Awasthi

India's foreign policy has strategically realigned, significantly emphasising strengthening ties with the US. This bilateral relationship, fortified by shared values and interests, including a mutual concern and agreement over countering extremists, particularly terrorists, is not just a partnership but a crucial alliance. Counterterrorism convergence has become a cornerstone of the burgeoning US-India relationship, propelling the two nations towards collaborative initiatives and robust partnerships to combat this global scourge. While analysts often attribute the development of the bilateral relationship to other important strategic and normative factors such as the growth of the Indian economy and population, the desire to counterbalance against China, and support for democratic governance, it is counterterrorism cooperation that has been the unsung hero, a linchpin of the bilateral relationship dating back to the September 2001 attacks in the US and the November 2008 strikes in Mumbai. This essay aims to underscore the importance of this collaboration, identifying areas from intelligence sharing to joint military exercises to participation in multilateral partnerships such as the Counterterrorism Joint Working Group and Quad exercises. Simultaneously, it

sheds light on the challenges threatening this counterterrorism convergence in the bilateral relationship.

Intelligence Sharing and Cooperation

Counterterrorism collaboration between the US and India is a dynamic process that includes exchanging vital information, threat assessments, and actionable intelligence to counter violent extremists. Recent instances of this collaboration include the March 2024 Security Dialogue (1), where mutual concerns over the presence of pro-Khalistan elements on US soil and the extradition of Tahawwur Hussain Rana, an accused individual in the Mumbai terror attacks, were discussed. The signing of the Basic Exchange and Cooperation Agreement for Geospatial Cooperation in 2020 bolstered India's capabilities in collecting, processing, and utilising GEOINT data (2), another significant development. The General Security of Military Information Agreements signed in 2015 (3) and the Communications Compatibility and Security Agreement in 2018 (4) further solidified the interoperability of the two countries' militaries and facilitated intelligence sharing. The Logistics Exchange Memorandum of Agreement, inked in 2016 (5), addresses logistical support and incorporates intelligence-sharing provisions. Moreover, the Industrial Security Annex of 2019 (6) promotes collaboration in defence technology and intelligence sharing. These recent examples underscore the ongoing commitment to enhancing intelligence capabilities and remaining vigilant against evolving terrorist tactics.

Joint Military Exercises and Operations

Joint military exercises between India and the US, including Exercise Yudh Abhyas (2015), Malabar (2015), Red Flag (2016), Vajra Prahar (2017), Tiger Triumph (2019), Cope India (2020), Milan-24 (2024), and Sea Defenders (2024) mark a positive shift in bilateral relations (7). These exercises enhance interoperability, foster mutual trust, and demonstrate strategic alignment between the two nations. Focusing on areas such as maritime security and counterterrorism contributes to capacity building and signifies a commitment

to shared security objectives. Furthermore, these exercises serve as diplomatic gestures, reinforcing the strength and depth of the India-US partnership with regional and global stakeholders.

Challenges of Counterterrorism

While significant progress has been achieved and efforts to enhance counterterrorism measures have intensified, the Modi-Biden partnership occasionally faces challenges that impede its shared objectives. These challenges, albeit not insurmountable, arise from differing contextual factors influencing their adversaries' perceptions. However, with a pragmatic approach, these challenges can be effectively managed.

Scholars analysing the intersection of constructivism and foreign policy contend that the US, as a predominant global power, frequently assumes the role of a "norm revisionist", reshaping international norms to suit its interests (8). American exceptionalism significantly drives this inclination, compelling the nation to seek reform of legal normative frameworks on a global scale. Meanwhile, India's counterterrorism approach differs from that of the US due to its regional power status and unique geopolitical context. While India primarily contends with threats from regional groups like Lashkar-e-Taiba and Jaish-e-Mohammed (9), the US focuses on transnational threats such as Al Qaeda and Islamic State (ISIS) (10). Despite some alignment in identifying terrorist entities, alterations persist in policy approaches, particularly concerning Afghanistan, Pakistan, and Iran.

The US and India, while sharing aligned views and strategies on various global issues, diverge in their policy approaches toward countries like Afghanistan, Pakistan, and Iran. In Afghanistan, India prioritises stability and security, reflecting its historical ties, whereas the US considers broader geopolitical factors, as evidenced by its peace agreement with the Taliban (11). Regarding Pakistan, the present government of India advocates for a more cautious stance due to security concerns regarding cross-border terrorism and the spillover of radicalisation into Indian territories. At the same time, the US employs a transactional approach, offering economic and defence incentives for counterterrorism efforts, such as support for Pakistan's fleet

of F-16 warplanes (12) and rejoining the International Military Education and Training (13).

Similarly, the US has pursued a transactional strategy in dealing with Iran; during the Trump administration, India was asked to halt oil imports from Iran in exchange for designating Masood Azhar under UN sanctions as part of the “maximum pressure” campaign to deter Iranian nuclear development and support for terrorist proxies (14). At the same time, the Biden administration has adopted a less forceful approach, although the nuclear deal remains stalled with sanctions still in place. These differences underscore distinct perspectives on regional dynamics despite shared goals.

Differences in Approach and Strategy

Many differences in the US and India’s counterterrorism perspectives also depend on their approaches and strategy building. Their approaches can be categorised as multilateral-diplomatic versus unilateral-military actions. While the US, a global power, tends to favour a unilateral and military approach, India’s approach to counterterrorism is prejudiced by its regional status and specific security challenges, leaning towards a multilateral and diplomatic strategy.

A significant aspect of India’s counterterrorism strategy is its reliance on multilateral and diplomatic measures. India often engages with neighbouring countries and international partners to address shared security concerns and disrupt terrorist networks. For example, India has consistently sought diplomatic support to pressure Pakistan to address cross-border terrorism. Moreover, by engaging in multilateral forums and collaborative initiatives like South Asian Association for Regional Cooperation, Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, and Organisation of Islamic Cooperation, India aims to leverage the importance of intelligence-sharing and expertise to mitigate security threats. By contrast, the US employs a more unilateral and military-centric counterterrorism approach. With its wide-ranging military capabilities and global reach, the US often conducts targeted military and kinetic action against transnational terrorist organisations such as Al Qaeda and ISIS; drone strikes as in the case of

Afghanistan, Syria, and Iraq; and special operations raids against terrorist targets in various regions like Operation Geronimo, Operation Red Dawn, and the killing of Ayman al-Zawahiri, the Al Qaeda chief. Overall, while both India and the US share the goal of countering terrorism, their approaches diverge due to differences in geopolitical context, national security priorities, and strategic capabilities. These differences in approach are manifested most vividly in divergent perspectives on countering terrorism in both Gaza and Afghanistan.

Historically, the US has been a staunch supporter of Israel and has provided military aid and diplomatic backing to Israel against Hamas since Operation Al-Aqsa Flood. However, the debate over the Rafah campaign between US President Joe Biden and Israeli Prime Minister Benjamin Netanyahu reflects a downturn in the US-Israeli “special relationship”. Nonetheless, it is fair to say that the US’s approach to Israel has been relatively consistently supportive. Whereas, the Narendra Modi government, despite being an ally of Israel, has been advocating less against Hamas than for a mutual ceasefire to quell the violence and reach a lasting two-state solution, which various US administrations have promoted only inconsistently.

In the case of Afghanistan, the US approach has been centred on military intervention, particularly following the September 2001 attacks, to dismantle terrorist networks and remove the Taliban regime. To this day, the US relies on “over the horizon” military capability to counter terrorism in Afghanistan.

Meanwhile, the Indian government’s approach to Afghanistan has focused more on development, capacity-building, and regional diplomacy. India has invested in infrastructure projects, education, and healthcare in Afghanistan to promote stability and economic growth.

The Way Forward

Modi and Biden have forged a robust alliance in combating terrorism, and significant strides have been made in bilateral relations. Under the pragmatic leadership of the Modi government, concerted efforts have been made to strengthen counterterrorism initiatives. Nonetheless, the focus must now shift

towards tackling persistent challenges in this domain. Acknowledging their partnership's enduring and multifaceted nature, both nations must adopt a comprehensive and inclusive strategy, fostering seamless coordination among relevant agencies.

Addressing the lack of policy congruence is imperative to enhance India-US counterterrorism cooperation further. While recent meetings have showcased temporary alignment, such piecemeal approaches fly by night. Therefore, both nations must pivot towards greater institutionalisation in their counterterrorism agenda, akin to the institutionalisation witnessed in their defence ties. Building upon the dehyphenation policy pursued by the US in South Asia—wherein considerations for India and its neighbours were made independently—institutional, department-level links with the US homeland security establishment can provide a more stable foundation.

The two countries' leaders agreed to work together more closely on law enforcement and legal matters. They confirmed their dedication to teamwork in groups like the Quad Counterterrorism Working Group and international organisations such as the United Nations and the Financial Action Task Force. Their goal is to improve regional security and promote a free and open Indo-Pacific that includes everyone and is strong enough to face challenges (15).

India has already begun exploring a new counterterrorism consensus within the Indo-Pacific framework, which is evident in initiatives like the counterterrorism dimension of the Yudh Abhyas 2019 exercise and the Counter Terrorism Tabletop Exercise for Quad member countries (16). To institutionalise linkages between India and the US, India can consider decentralising its counterterrorism apparatus, drawing inspiration from the American model. Establishing a position along the lines of a director of national intelligence (DNI) under the purview of the Indian national security advisor (NSA) could streamline intelligence-gathering and dissemination processes. This would alleviate the burden on the NSA's office and enhance operational efficiency, akin to the role played by the American DNI in coordinating intelligence efforts (17). Despite past attempts to institute a National Counter Terrorism Centre in India, opposition from various quarters hindered its establishment. However, appointing a chief intelligence officer under the NSA's purview could achieve similar objectives without infringing on federalism or state security agencies'

autonomy (18). By prioritising institutional links, leveraging Indo-Pacific dynamics, and adopting innovative models, India and the US can forge an even more robust, enduring partnership in counterterrorism, transcending regional complexities and broader national differences.

Finding common ground amidst regional priorities requires a nuanced understanding of each other's perspectives. Whether opting for a multilateral or unilateral, diplomatic or military approach, ongoing collaboration and a shared commitment to addressing the multifaceted challenges posed by terrorism are essential. As the India-US partnership in counterterrorism progresses, future collaboration can be strengthened through strategic recommendations to address evolving challenges and maximise effectiveness. While established consultative platforms have generally functioned smoothly, there have been challenges in insulating counterterrorism cooperation from divergences in other issues. For instance, upgrades to coordination channels faced hurdles due to bilateral differences in data localisation. The US policymaking also poses challenges, hindering India's complete integration into the American security calculus in the region. Hence, both nations must build institutional linkages to address and resolve their disagreements.

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India-US Economic Relations: Resurgence through Trade and Trust

Atul Keshap

Trust is the essential precursor for meaningful cooperation. This is as true for the US-India relationship as it is for all other areas of human endeavour. Where our bilateral relationship flourishes can be traced back to laborious work by both governments and private sectors to establish, build, and grow trust among our governments, businesses, and people. Where it lags behind its potential, the culprit is usually a deficit of trust somewhere in the mix.

Today, the US and India are upgrading their bilateral relationship from a steady friendship to a comprehensive global and strategic partnership. After 30 years as a diplomat and as a passionate champion of the US-India relationship, I fundamentally believe this great convergence is not only necessary for the future of the region but also for the future of the world order as we know it.

However, this present state of affairs was never guaranteed; it speaks to the tireless efforts of Washington and New Delhi to overcome history's legacies. The success of our recent generational and geopolitical recalibration is rooted

in the investments in trust we started making more than 20 years ago. In the public sector, this is best exemplified by the Bush, Vajpayee, and Singh administrations' demonstrable ambition during the Civil Nuclear Agreement; a similar view of global threats and painstakingly familiar firsthand experience leading us to collaborate on intelligence and counter-terrorism efforts in the 2000s; and an appreciation for the regional and global challenges both countries face, producing everything from the Quadrilateral Security Dialogue (Quad) to the Strategic Clean Energy Partnership.

Behind the scenes, though, and for many years, our private sectors quite capably ran with the baton where our governments could only walk. Moreover, the recent feats we have enjoyed at the government-to-government and strategic levels have only been made possible thanks to the early intertwining of our technological, financial, and academic systems through the exchange of goods, services, research, and capital years and decades prior.

Slow and Steady Wins the Race

In 1975, the US Chamber of Commerce's US-India Business Council (USIBC), the organisation I currently lead, was created to galvanise and marshal our respective private sectors' vast expertise and resources in pushing for improved commercial and trade relations between our two democracies. Critically, this ambition ran counter to the prevailing poor strategic view each nation held for the other, views worsened by the declaration of the Emergency that same year, followed by President Gerald Ford's postponement of his scheduled trip to India (1). Despite these sentiments, American and Indian business leaders and a select cadre of officials in both capitals clung to a longer-term vision of US-India cooperation, which gradually, throughout the 1990s, liberalisation of the Indian market, and the 2000s, became more and more of a reality.

That boldness and vision have thus far paid off handsomely. Alongside India's remarkable re-emergence and development, today, bilateral trade in goods and services between the US and India has increased to likely just over US\$200 billion in 2023 (around a 100 percent increase since 2014) from its paltry levels in the 1970s and 1980s, and there has been an unprecedented expansion of trade in sectors like aerospace and defence and elsewhere in

our economic relationship (2),(3). The US is now the third-largest investor in India, totaling over US\$63 billion in foreign direct investment since 2000; the US is also India's largest trading partner, and India has now cracked the US's Top 10 list of trading partners (4). Many of the most prominent American companies today rely on substantial investments and workforces in India, and importantly, a lot of that capex and opex is now being funnelled towards higher rungs of global value chains, including advanced research and development, not just back-office support (5). For many of us lifelong US-India watchers, these statistics point to a union we long could only hope for.

These robust investments into one another's economies and even human capital pipelines—Indians now account for almost 25 percent of international students studying in the US—have produced at least a base level of compatibility between our economies, which are increasingly becoming more interwoven (6). This early-stage symbiosis between the US's unmatched industrial expertise and capacity for capital deployment and India's peerless scalability and talented labour force has thus far produced a potent combination for global markets and provided a bright spot for an otherwise sluggish global economy. Importantly for our analysis, it has also led to a crucial realisation on the part of our two governments when taken in tandem with a view of the current regional and global landscape: perhaps our economic synergies, especially in the digital and technological space, ought to be bolstered and harnessed for global good.

A Year Like No Other

The year 2023 will forever represent a significant milestone in the US-India relationship, where, for arguably the first time since the Civil Nuclear Agreement, the two nations looked at one another not just as steady friends but as partners who view one another's essential functions and responsibilities within the international system complementarily. Three significant mechanisms were developed last year between the US and India, supported by USIBC and aimed to further unlock the potential of the American and Indian private sectors, and which were only made possible in the first place through the trade and trust established by our economic relationship.

Firstly, in January 2023, the inaugural Track 1.5 talks of the initiative on Critical & Emerging Technology (iCET) were held at the US Chamber of Commerce with US Secretary of Commerce Gina Raimondo, US National Security Advisor Jake Sullivan, Indian National Security Advisor Ajit Doval, and the CEOs of over 40 major American and Indian companies to leverage and elevate our strategic technology partnership and budding defence industrial cooperation (7). From finding opportunities for collaboration on space and geospatial technologies to developing policy frameworks that will help semiconductor companies invest in both the US and India, iCET aims to supercharge the US and India's cooperation around the technologies of tomorrow. The next round of iCET talks will likely take place later in April 2024 in New Delhi.

In June 2023, in the days leading up to the State Visit of Indian Prime Minister Narendra Modi to Washington, USIBC welcomed officials from the US Department of Defense, India's Ministry of Defence, and over 25 exhibiting American and Indian defence startups for the launch of INDUS X, the India-US Defense Acceleration Ecosystem (8). The INDUS X initiative seeks to catalyse defence cooperation and demonstrate the fundamental necessity of public-private partnerships as a component of the US and India's relationship, identifying co-development and co-production opportunities, and promoting tech releasability between American and Indian firms. The second round of INDUS X talks concluded in New Delhi in February 2024, which again included over two dozen exhibiting companies and high-ranking defense officials from both nations, including INDOPACOM Commander Admiral John Aquilino and Indian Defense Secretary Giridhar Aramane.

Lastly, on the sidelines of the 2023 APEC Leaders' Summit in San Francisco, USIBC hosted the inaugural Track 1.5 talks of the 'Innovation Handshake' between US Secretary of Commerce Gina Raimondo and Indian Minister of Commerce and Industry Piyush Goyal, alongside over 30 American and Indian company executives. The Innovation Handshake was initially developed under the US-India Commercial Dialogue and announced as a deliverable of the State Visit (9). It offers American and Indian companies an opportunity to provide industry feedback to both governments on broader challenges to doing business in areas including artificial intelligence, quantum computing, telecommunications, supply chains, and clean energy, and the need for utilising private equity and venture capital as a launchpad in the innovation

ecosystem. Like INDUS X, the second round of the Innovation Handshake was held in New Delhi earlier this year.

Keep Investing in Trust

Washington and New Delhi remain guided by a long-term goal of expanding bilateral trade and investment, one day hopefully leading to a US-India free trade agreement. However, that goal will only be achievable through more work by both sides to invest in additional trust-building apparatuses and improve our overall trade relationship. Geopolitical competition in the Indo-Pacific and beyond cannot and will not nullify investor concerns on policy predictability, intellectual property protections, lengthy litigation, near-obligatory joint ventures, and increasingly protectionist rhetoric (including in the US).

Both governments wish for a broader strategic alignment to continue apace and piggyback off gains in the economic realm. To do so, they must inculcate policy and regulatory structures that seek to enable and embolden the private sectors, not stifle their ability to innovate, restrict their capacity to deliver for customers, press-gang them into subservience, or render them competitively disadvantaged in the other's market. Self-inflicted wounds by both sides, such as India's continued obstinacy at the World Trade Organization or the US Trade Representative's earlier reversal on digital trade, only empower the shared adversaries and neglect the fact that global free trade remains one of the best vehicles of job growth, affordability, and overall prosperity in human history (10),(11). Conversely, the private sectors must understand the needs and views of policymakers whose primary responsibility is to deliver for their citizens. Capital flows and foreign investment alone do not always lead to the blossoming of trust at the political level.

The US and India must focus on the continued development of a 'high-trust ecosystem', one where the governments are confident that Indian and American business and commerce will contribute to respective economic capabilities and positive and inclusive outcomes for their societies, where the businesses can rely on the enforcement of their legal rights and protections

without fear of lopsided playing fields, and where industry can put stock in an unambiguous commitment to free and fair trade, rather than a world of competing and market-distorting incentives.

Trust is the most sensitive currency in international politics. If you invest in it in one area, it can yield dividends in another. If you erode it in one place, it may wither elsewhere. The past half-century has shown what is possible when governments and businesses understand and trust one another. Let us work to ensure the next half-century realises the vision we embarked upon together all those years ago.

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