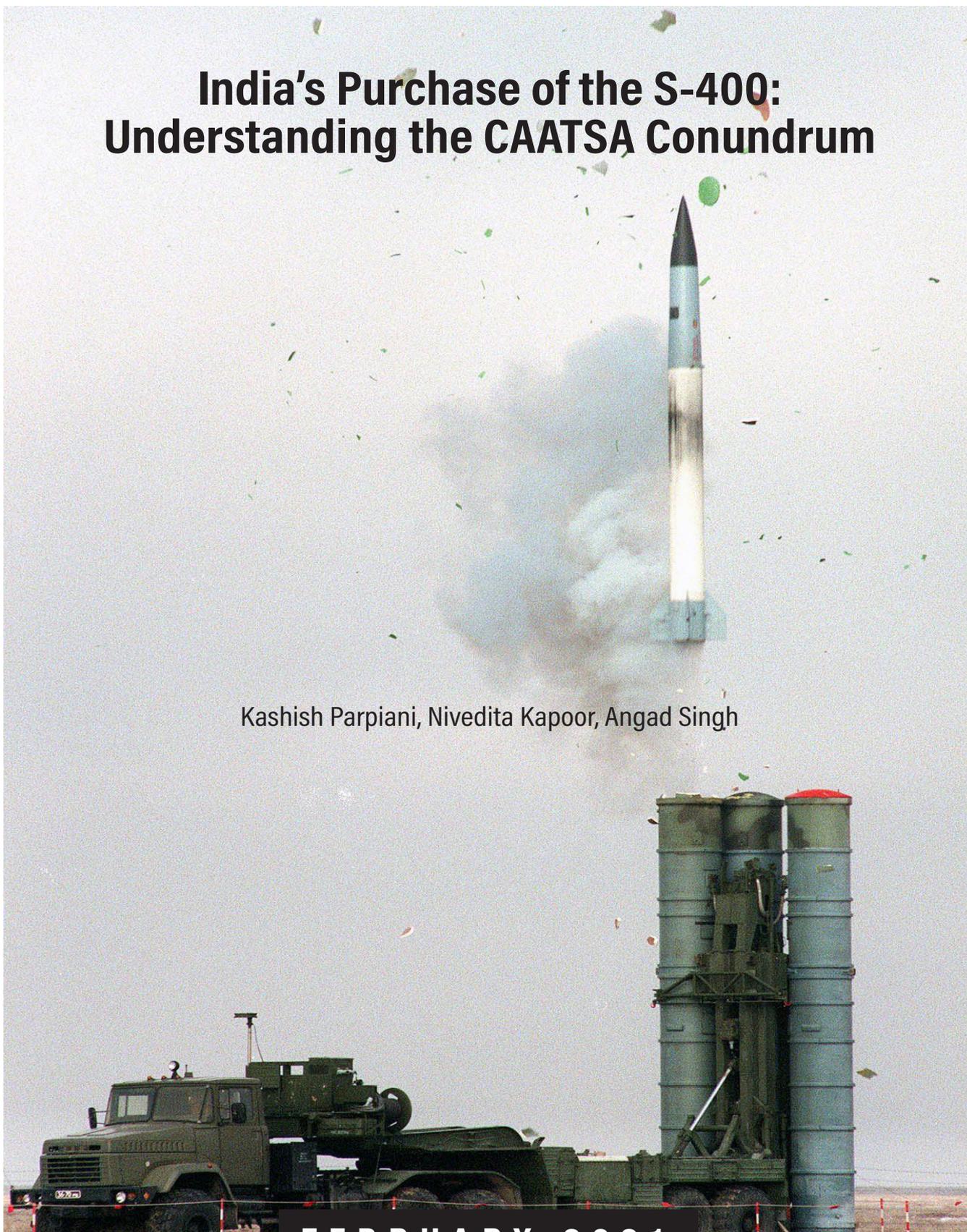


SPECIAL **REPORT** NO. 129

India's Purchase of the S-400: Understanding the CAATSA Conundrum

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INTRODUCTION

The first Indian military team has left for Russia to commence training on the S-400 air defence system,¹ deliveries of which are expected to begin in end-2021. This event has once again thrown into sharp focus the friction that India's enduring defence relationship with Russia creates with India-US bilateral ties. Days before the Indian team headed out, sanctions under the Countering America's Adversaries Through Sanctions Act (CAATSA) were applied to Turkey for procurement of the same system.²

Yet New Delhi appears determined to proceed with the \$5.2-billion deal, having concluded that the S-400 was cost-effective and will be efficient in meeting India's defence needs as compared to rival systems. The Indian government has stressed that negotiations were already underway before CAATSA came into being in 2017, with the Inter-governmental Agreement (IGA) for its procurement having been signed in 2016 during the 17th India-Russia summit in Goa. The contract for its supply was concluded in 2018, and in recent years, India and Russia have signed a number of additional defence deals across domains, including guided missile frigates, T-90 battle tanks, and lease of a nuclear-powered attack submarine.³

This special report offers a comprehensive view of the issues involved in the debate around the purchase of the S-400, and the threat of CAATSA sanctions. The report examines the rationale behind India's choice of the S-400 and outlines the legacy of India-Russia defence ties while acknowledging the challenges posed by CAATSA to this bilateral engagement. It underscores the ever-present spectre of CAATSA sanctions against India, owing to the continued utility of the legislation in US President Joe Biden's foreign policy.

Given the breakdown of relations between the US and Russia, any decision on the matter under discussion will be an either/or choice for the US: between playing hardball with Moscow, and preserving its steadily growing ties with New Delhi. Amid this conundrum, even as the Biden administration signals its continued commitment to the Act, this report underlines reasons – military, political, economic and strategic – that ought to make India eligible for a waiver, the Russia factor notwithstanding.

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S-400 AND THE CAATSA CONTENTION

From the Indian Air Force perspective, there is no alternative system capable of serving its long-range air defence requirements, from the standpoint of either capability or cost. The ability of the S-400 to constrain the adversary’s air operations even within their own airspace, is unmatched by typical Western systems offered up as analogues.⁴ While the S-400 is optimised primarily for long-range prosecution of high-value aircraft targets with a secondary missile defence capability, Western systems like the MIM-104 Patriot are primarily oriented toward missile defence with less focus on the pure anti-aircraft role. The S-400 compares favourably on the cost front as well, with typical configurations costing around half of their western equivalents—it is an important consideration as the Indian Air Force struggles to spread limited modernisation funding across a multitude of operational imperatives, including air defence, manned tactical aircraft, force multipliers, and utility aircraft.

Table 1
Air Defence Systems

	S-400	Patriot (PAC-3)
Place of Origin	Russia	United States
Deployment Time	5 minutes	25 minutes
Max. Target Speed	4.8 km/s (11,000 mph; Mach 14)	1.38 km/s (3,106 mph; Mach 4.1)
Operational Range	400 km (40N6 missile) 250 km (48N6) 120 km (9M96E2) 40 km (9M96E)	20 km
Flight Altitude	185 km (40N6) 30 km (9M96 and 9M96E2) 20 km (9M96E)	24.2 km
Simultaneous Targets; Range	72; 400 km	36; 100 km
Simultaneous Tracking; Range	160; 600 km	125; 180 km
Height Range of Targets	10 m – 30 km	50 m – 25 km
Per Battery Cost (approx.)	\$500 million	\$ 1 billion

Source: Authors’ own, using various open sources.

On the other hand, it is apparent that US concerns go beyond just CAATSA and Russian arms sales. The presence of advanced systems such as the S-400 among US allies will clearly impede certain technology transfers and joint operations, as evidenced by the immediate suspension of F-35 deliveries to NATO ally Turkey, even before sanctions under CAATSA came into force. Turkey has also been removed from the multinational F-35 development and production programme.⁵ In the US-India case, where the countries are not formal allies, the S-400 will nevertheless place constraints on some contours of what the US envisions for the future of the US-India defence relationship.

While CAATSA does provide for waivers, acknowledging that there will be friendly countries with little choice but to continue dealing with proscribed Russian entities, there is no room for a “blanket exception” of the sort that might entirely insulate countries like India. Assistant Secretary of State for Political-Military Affairs, R Clarke Cooper, said in December 2020 that “CAATSA sanctions are not designed to be punitive to a partner and ally that has got a sustainment issue or an operation or maintenance issue... It’s to mitigate and prevent the significant addition of high-level, high-tech Russian systems.”⁶ The distinction clearly suggests that while there is room for India to continue dealing with Russia in order to secure its *legacy* military platforms and hardware of Soviet and Russian origin, the *addition* of new Russian hardware, particularly advanced systems such as the S-400, will prove far more problematic.

The S-400 is not the only Indian procurement that threatens to provoke CAATSA sanctions. Between 2016 and 2019, the Government of India concluded two agreements with Russia, totalling approximately \$1.5 billion, for the supply and local production of four Project 11356 frigates for the Indian Navy. In July 2020, the Indian Ministry of Defence approved some \$2.4 billion for the Indian Air Force to procure 21 MiG-29 and 12 Su-30 fighters from Russia — the former, supplied directly and the latter, assembled in India. In January 2021, Indian government sources indicated that plans to proceed to contract were imminent.⁷ Earlier that same month, the Indian Army Chief, General MM Naravane, confirmed that all issues relating to a delayed procurement and domestic production of Russian AK-203 assault rifles had been ironed out and the approximately \$600 million contract would be inked shortly.⁸

It is worth noting that while the fighters and frigates are significantly capable contemporary platforms, they can be considered to lie in a CAATSA grey area: their acquisition is only expanding existing fleets of both types, and not introducing new platforms to the Indian military. Similarly, the AK-203 is a much-needed frontline weapon for the Army, but is hardly the sort of advanced capability that would trigger concern in the US. Nevertheless, between the S-400 contract, the proposed fighter buys, and the rifle acquisition, India is set to spend in the region of \$10 billion on Russians arms purchases in the immediate future.

Table 2

Countries Operating the S-400

Country	Date of Contract	Date of First Delivery	Sanctioned under CAATSA
Belarus	August 2007 (requested)	June 2016	No (before CAATSA)
Algeria	2014	2015	No (before CAATSA)
China	March 2014	January 2018	Yes (on September 20, 2018)
Turkey	December 2017	July 2019	Yes (on December 15, 2020)
India	October 2018	September 2021 (expected)	

Source: Authors' own, using various open sources.

What this figure fails to capture, however, is that notwithstanding a few key acquisitions, Russia's overall share of Indian defence imports has been steadily declining.⁹ At the same time, the India-US defence relationship has steadily heightened, particularly over the last decade. The same is true of Indian relations with the West and US-allied nations in general, with a significant uptick in imports from Europe and Israel in recent years, in addition to greater cooperation at the operational level. India conducts very few military exercises with Russia in comparison to those with the US, Europe, Japan, and Australia. Indo-Russian exercises also tend to be far less complex, with less focus on interoperability.

Nevertheless, despite an overarching decline in Indian military dependency on Russia, the defence relationship is anchored in over 60 years of cooperation. Furthermore, Russia has been the lone foreign partner of India's that shares the most sensitive of defence technologies, including missiles, nuclear submarines and aircraft carriers.

THE ENDURING INDIA-RUSSIA DEFENCE RELATIONSHIP

India-Russia defence ties, which have existed since the 1960s, remain the strongest pillar of the strategic partnership. The two sides have carefully nurtured these ties since the Soviet period, resulting in a mutually beneficial relationship that has served their national interests.¹⁰ For India during the Cold War period, its ability to deal with threats emanating from China and Pakistan—both of which were growing closer to the US—depended critically on steady, low-cost arms supplies from the Soviet Union. Between 1960 and 1990, the Soviet Union is estimated to have supplied India with weapons worth¹¹ \$35 billion at concessional rates. For the then superpower dealing with its rivalry with the US and its split from China, it was natural to seek new partners across the developing world. India was an attractive partner. India and the Soviet Union built a comprehensive relationship based on robust economic ties, strong defence cooperation, and mutual support on issues of regional and global importance. The positive role played by the Soviet Union during India's 1971 war with Pakistan underscored the importance of the relationship that went beyond arms supplies.

In the early 1990s, defence ties continued, given the need for repair, upgrade and maintenance of Soviet-era equipment, even as pricing and currency issues were being re-negotiated. The visit of Prime Minister Yevgeny Primakov¹² in 1998 saw the signing of a long-term military technical cooperation agreement till 2010. India appreciated the fact that a much weaker post-Soviet Russia refused to bend to international pressure to impose sanctions¹³ on India after that year's Pokhran II and even concluded a deal to construct two light-water nuclear reactors.

These developments together have resulted in two key factors that have sustained the India-Russia defence relationship: reliance of India on Russian weapons due to decades-long arms imports by India, and the trust fostered through uninterrupted interactions even under periods of crisis.

The Post-Soviet Era

The 21st century, which saw a change of leadership in Russia, also witnessed a gradual revival of the India-Russia ties. In the defence sector, the Inter-Governmental Commission¹⁴ on Military Technical Cooperation (IRIGC-MTC) was set up in 2000 under which the defence ministers meet annually to discuss relevant issues and assess ongoing projects. India and Russia have also been holding INDRA exercises involving the army, navy and air force since 2005; joint tri-services exercises were introduced biannually since 2017. Efforts to expand the relationship have meant going beyond the traditional buyer-seller equation, to engagement in joint research and production. This has been seen in the joint venture to produce BrahMos cruise missile as well as licensed production of Su-30 MKI aircraft and T-90 tank. The factory in Amethi to manufacture AK 203 rifles involves 100-percent transfer¹⁵ of technology and the 2019 summit led to signing of agreement to manufacture spare parts for Russian equipment in India.

In effect, what it means is that 58 percent of India's arms imports still come from Russia and estimates of Russian-origin platforms in the military¹⁶ range from 60 to 85 percent. SIPRI estimates that Russia has supplied India with arms worth \$40 billion since 1991.¹⁷ However,

Russian officials have pegged the total volume of contracted products¹⁸ in the same period at \$70 billion. The scope of this relationship makes it both unrealistic and unwise to expect India to suddenly break off ties with Russia, or to diversify at a rapid pace – this would leave its defences vulnerable in a volatile neighbourhood.

This does not mean that India only sources its arms import needs from Russia. SIPRI data suggests that while Russia supplied 58 percent of total arms imports by India in 2014-18, this was a step down as compared to 76 percent in 2009-13.

Table 3 India's Imports of Major Weapons from Key Suppliers

Exporter	Share in Indian Imports 2010-14	Share in Indian Imports 2014-18
Russia	70%	58%
Israel	7%	15%
USA	12%	12%

Source: SIPRI¹⁹

As India looks for more advanced technology and seeks diversified sources of imports to avoid over-dependence on a single source, it is natural that Russia's share will register some decline over time. There have also been concerns in the past about the quality of spare parts supply, delays and cost overruns in meeting delivery and repair contracts. In 2018, India withdrew from the joint development of Fifth Generation Fighter Aircraft due to persistent delays and concerns about technology sharing. There also remains much scope for increased military cooperation²⁰ through training exercises and exchanges.

However, despite these limitations, Russia's importance as the premier defence partner for India remains. While India's arms imports from the US in 2005-20 went from "zero to \$4 billion," the same figure for imports from Russia "grew by seven times that figure."²¹ Estimates suggest that in 2018-19, contracts between the two sides were worth \$14.5 billion.²² This is a testament to the trust the two sides enjoy, given that no one apart

from Moscow is willing to transfer certain sensitive weapons systems and technology to India, reflected most visibly in the leasing of nuclear submarines. Unless India's other partners are willing to engage in a similar technology transfer or/and aid India's indigenous defence production capacities, Russia will continue to occupy a critical position in India's defence sector. Furthermore, this has the potential to serve India's interest in terms of acting as a 'bargaining chip'²³ with other countries while negotiating for technology transfer.

Continuing 'Special and Privileged Strategic Partnership

The defence relationship, in the absence of a flourishing economic base to the India-Russia strategic partnership, has come to form the bedrock of bilateral ties alongside energy cooperation. At a time when Indian and Russian foreign policies are adjusting to the changing balance of power in the international system, their continued engagement acquires a distinct strategic undertone.

Russia has registered a qualitative improvement in ties with China, turning to the rising power as its relations with the West have reached a new post-Cold War low. At present, Russia might not be able to “help India balance China”²⁴ and this forces India to seek other partners. However, there is recognition that pushing Russia into an even closer partnership or worse, an alliance with China, would strengthen the rising power and undermine India’s interests. And while India has been growing closer to the US as it seeks to manage an increasingly aggressive China in its neighbourhood, it is as yet unwilling to sacrifice its strategic autonomy in policy decision-making. Russia, while building its relations with China, is equally reluctant to become a junior partner and seeks to follow a multi-vector policy that would position itself as a significant player in global affairs.

This provides an opening and a rationale for India to maintain close ties with Russia. The two countries also share ideas of a multipolar world and have common concerns that constrain their policy actions in Eurasia, including the threat of terrorism, regional instability and the impact of US-China bipolarity. To be sure, there is no denying some concern in recent past on Pakistan and divergences regarding ongoing closer military engagement between Moscow and Beijing, and Russian opposition to the concept of Indo-Pacific.

However, these have not been allowed to overtake the bilateral agenda. Instead, the engagement has remained steady, with Defence Minister Rajnath Singh visiting Russia in June 2020 for the 75th Victory Day parade. The visit also served to further the defence ties. Russia assured India of meeting its defence supplies²⁵ needs and promised to expedite delivery where possible, while assuring that weapons would not be supplied to Pakistan. Some months later, in September, Moscow hosted the first meeting between Indian and Chinese defence ministers since clashes on the eastern Ladakh border, on the sidelines of SCO Defence Ministers’ Meeting.

“Pushing Russia into an even closer partnership, or worse an alliance with China, would strengthen the rising power and undermine India’s interests.”

Thus, for India, relations with Russia remain a priority and continued defence engagement is a vital part of this “special and privileged strategic partnership.” In such a situation, threat of sanctions from the US is unhelpful as it impinges on India’s efforts to maintain a diversified portfolio of ties in order to further its national interests. While India is naturally expanding its defence ties with other countries, the use of sanctions by Washington will likely hurt the interests of a close US partner, rather than Russia.

As India continues to improve its relations with the US, realising the importance of this bilateral engagement for dealing with the changing international order and strengthening its global standing, it remains aware that defence ties with Russia will remain crucial in the immediate future. Given the billions of dollars’ worth of defence orders already given and those in process of being executed, Indo-Russian defence relations are set to continue for the coming years.

New Delhi would of course benefit from a situation where Moscow’s ties with the West are more stable. But given that is unlikely in the short to medium term, India sees no valid reason to further isolate Russia by delinking from its strategic partner, especially when it comes to defence supplies. India and Russia are not involved in a direct conflict with each other, and a trusted relationship has been maintained in arms supplies. As long as the relationship continues to meet the standards of achieving common interests through pragmatic bilateral engagement, the defence pillar of their partnership will sustain itself. This means that concerns about sanctions under CAATSA are unlikely to go away any time soon, as the relevance of the legislation under the Biden administration looks set to continue.

THE UNINTERRUPTED UTILITY OF CAATSA IN US FOREIGN POLICY

Donald Trump's tenure as US President witnessed increased tension between the US' legislature and executive branches. Although a degree of tension is mandated by design, under the US Constitution's core tenet of checks-and-balances between co-equal branches of government, under Trump, inter-branch pulling-and-hauling reached a crescendo with bipartisan apprehensions over his 'America First' foreign policy. For instance, in guarding tenets of US foreign policy towards allies, Republicans and Democrats often worked together to institute Congressional backstops on Trump's proposed withdrawal or drawdown of troops from partner nations.²⁶

Subsequently, such efforts reduced with the 2018 midterm elections yielding a divided 116th US Congress (2019-21)—i.e., with Democrats winning control of the US House of Representatives and Republicans holding the US Senate. Under the 115th Congress (2017-19) however, despite Republicans holding both chambers, it made sense to work with Democrats on foreign policy issues. This, in view of their own scepticism around the then-newly inaugurated Trump administration, and in order to set a precedent of cooperation with Democrats ahead of near-certain assessments of a 'Blue wave' in the 2018 midterms. Therefore, some legislative efforts to rein-in Trump's foreign policy encompassed multiple sub components—with 'Short Titles' for instance, that catered to either side's partisan priorities along with some bipartisan issues. One such legislation was the H.R.3364 —Countering America's Adversaries Through Sanctions Act (CAATSA),²⁷ under which Capitol Hill mandated the Trump administration to ramp up US sanctions against Iran, North Korea, and Russia.

With the Short Title - Countering Iran's Destabilizing Activities Act of 2017,²⁸ Republicans informed the Trump administration's "maximum pressure" campaign against Iran, in line with their own stated opposition to the Iran Nuclear Deal, which was negotiated by the predecessor Barack Obama administration. CAATSA directed the Trump administration to sanction Iran's ballistic missile/weapons of mass destruction programs, arms transfers, and entities of ruling dispensation. With the Short Title - Korean Interdiction and Modernization of Sanctions Act,²⁹ Democrats sought to inform Trump's North Korea policy, away from his stated intent to personalise negotiations with Kim Jong Un, over the traditional approach centred on punitive sanctions. CAATSA mandated the Trump administration to target foreign revenue sources of the Kim regime, with sanctions on North Korean shipping, and international entities that employ North Korean forced labour.

Finally, with the Short Title - Countering Russian Influence in Europe and Eurasia Act of 2017, Republicans and Democrats sought to wean Trump away from his intent to pursue warmer ties with Moscow. Amidst rising clamour over Russian interference in the 2016 election,

CAATSA mandated a broad scope of sanctions against Russian activities concerning cyber security, oil projects, financial institutions, corruption, human rights record, evasion of sanctions, transactions with Russian defence/intelligence sectors, export pipelines, privatisation of state-owned assets by government officials, and arms transfers to Syria. Notably, it even mandated the Trump administration to submit for congressional review any plans to "terminate or waive sanctions with respect to the Russian Federation."³⁰

With the legislation catering to such broad partisan and bipartisan priorities, it also had substantial political support, with senior legislators from either sides lending their weight. Notably, CAATSA was introduced by Republican Rep. Ed Royce (then-Chairman of the House Foreign Affairs Committee (HFAC)) and co-sponsored by Democratic Rep. Eliot Engel (then-Ranking Member of HFAC), Republican Rep. Kevin McCarthy (then-House Majority Leader), and Democratic Rep. Steny Hoyer (then-House Minority Whip). As a result, the legislation passed with an overwhelming majority (419-3 in the House and 98-2 in the Senate).³¹ Thereafter, Trump "grudgingly" signed the legislation,³² by noting the "many ways it [CAATSA] improperly encroaches on Executive power."³³

One may argue that with Trump's departure, CAATSA has served its purpose as a means by which Capitol Hill sought to guard US foreign policy against Trumpian disruptions. However, the spectre of US sanctions under CAATSA is expected to persist, in view of it fitting squarely with the aims of the Joe Biden administration.

During the campaign, Biden vowed to address "rabid partisanship" that has gripped Washington. In doing so, he often invoked his experience as US senator, to reminisce the sense of "civility" to get "things done" — even when Republicans and Democrats "didn't agree on much of anything."³⁴ With Biden's commitment to govern with consensus from across the aisle, the chances are slim that his administration will jettison a landmark bipartisan undertaking like CAATSA. Furthermore, CAATSA's impact on US foreign policy will remain relevant from the standpoint of Biden's plan to either pursue continuity on certain Trump policies or employ CAATSA as competitive leverage to pursue his agenda of reversing course on Trump's foreign policy.

With Trump's "fait accompli" on Iran for instance, Biden will inherit his policy of "maximum pressure" against Tehran.³⁵ In Biden's commitment to have the US rejoin the Iran nuclear deal, continued US sanctions under CAATSA could offer vital leverage in Biden's plan to "offer Tehran a credible path back to diplomacy" and coax the Iranians to pursue "follow-on negotiations" to revert to pre-Trump compliance to the deal.³⁶ They could also help Biden in pushing the Iranians to expand the scope of the deal to address other issues like the Islamic Revolutionary Guard Corps' actions in the region. Continuing CAATSA's focus on Iran would also serve the Biden administration well in terms of placating Republicans, and thereby avoiding partisan obstructionism as with Senate Republicans' 2015 declaration to not ratify the Iran Nuclear Deal under Obama.³⁷

On North Korea, the Trump administration underscored the limits of its predecessor administration's approach based on sanctions and 'left of launch' cyberattacks. With that approach barely going beyond deferring the issue, Trump used personalised diplomacy—albeit with limited success. With the precedent for high-level political engagement in place, Biden could find it particularly useful to continue CAATSA's focus on sanctioning the political elite in Pyongyang.

Meanwhile, on Russia, CAATSA's broad provision of sanctions—ranging from Moscow's actions on energy, arms, finance, to even its civil-liberties record—arms the Biden administration with considerable leverage. This will be useful in view of the Biden administration inheriting an exhaustive agenda with the Vladimir Putin dispensation. The same includes a range of pending and nascent issues, like long-standing divergent positions on European collective-security, Ukraine, Syria, and Iran; nascent contentions over Venezuela and Afghanistan; and bilateral issues like arms control agreements, election interference, and human rights record.

As CAATSA continues to occupy political and strategic space in US foreign policy, the concurrent issue of secondary sanctions will persist, i.e. penalising “third-country individuals and companies for dealing with sanctioned countries.”³⁸ Under Trump, China was first imposed with secondary sanctions under CAATSA, on account of its purchase of SU-35 fighter aircraft and S-400 surface-to-air missile system from Russia. Given an emergent US bipartisan consensus on confronting China in multiple domains, secondary CAATSA sanctions on China will probably not invite controversy under the Biden administration. However, in line with Trump's criticism of CAATSA's prospects to

“negatively affect American companies and those of our allies,”³⁹ chances of India being sanctioned are likely to re-emerge, and Biden's continuity on Trump's *implicit* waiver for India will come into question.

At first, the Trump administration seemed determined to make no distinction between friends and foes on their “significant transactions” with Russian defence industry. Over time however, it became sensitive towards India's traditional dependence on Russian weaponry. This was evident with senior Trump administration officials, like US Secretary of Defence James Mattis arguing against leaving US partners in key regions “with no other option than to turn to Russia, thereby undermining a once-in-a-generation opportunity to more closely align nations with the US vision for global security and stability.”⁴⁰

“Given Biden's commitment to govern with consensus from across the aisle, his administration will likely not jettison a landmark bipartisan undertaking like CAATSA.”

Table 4
US-India Defence Trade (2008-20)

Year of Finalisation	Platform/Equipment	x	To be/already Inducted in	Reported Cost (rounded in US\$ billion)
2008	Super Hercules C-130J military transport planes	6	Indian Air Force	1
2009	P8I Poseidon Long Range Maritime Patrol and Anti-Submarine aircraft	8	Indian Navy	2.1
2010	AGM-84L Harpoon Block II missiles	24	Indian Air Force	0.170
2011	C-17 Globemaster-III transport aircraft	10	Indian Air Force	4.1
2011	MK-54 all-up-round lightweight torpedoes	32	Indian Navy	0.086
2012	Super Hercules C-130J military transport planes	6	Indian Air Force	1
2012	AGM-84L Harpoon Block II missiles	21	Indian Air Force	0.200
2015	AH-64E Apache helicopters	22	Indian Air Force	2.1
2015	CH-47F (I) Chinook helicopters	15	Indian Air Force	0.900
2016	M777 Howitzer guns	145	Indian Army	0.732
2016	Super Hercules C-130J military transport planes	1	Indian Air Force	0.134
2016	P8I Poseidon Long Range Maritime Patrol and Anti-Submarine aircraft	4	Indian Navy	1.1
2019	Sig Sauer Assault Rifles	72,400	Indian Army	0.090
2020	AH-64E Apache helicopters	6	Indian Army	0.930
2020	MH-60 Romeo Seahawk helicopters	24	Indian Navy	2.1

Source: Kashish Parpiani, "India-US Defence Trade Continuity Under Trump", *The Observer Research Foundation*, July 02, 2020, <https://www.orfonline.org/research/india-us-defence-trade-continuity-under-trump-68919/>.

Subsequently, the US Congress did heed Mattis' advice and instituted modified waiver provisions for India, Vietnam and Indonesia under Section 231(d) of CAATSA via the National Defence Authorization Act of 2019. However, the spectre of US sanctions on India did not disappear, as the Congressional action did not rest the authority to grant waivers with then-US Secretary of State Mike Pompeo – another prominent administration official supportive of waivers for partners. Instead, the decision was left with the office of the US President, which rendered this issue to be another subject of Trumpian transactionalism.

For instance, in late 2018, the Trump administration reportedly made an offer for granting the CAATSA waiver in exchange for India purchasing US-made F-16 fighter jets.⁴¹ Whereas, according to the Section 231(d) provision, a waiver may be accorded if the country in question is either taking steps to reduce its inventory of Russian defence equipment and advanced conventional weapons; or is cooperating with the

US Government on other security matters that are critical to its strategic interests. On both these counts, India's record had been strong, with Moscow's arms exports to New Delhi decreasing and India stepping up its integration with US aims in the Indo-Pacific. Possibly, as a result, even as Trump continued to remain cryptic on India getting a waiver (“[India] will soon find out”⁴²), his administration did not come down hard on India as it did on Turkey for its purchase of the S-400. Ahead of the December 2020 imposition of CAATSA sanctions on Ankara,⁴³ the US even expelled the NATO-ally from the F-35 joint strike fighter programme.⁴⁴

Another factor that may have contributed to this implicit waiver for India, could have been influential lawmakers continuing to express their support for finding “some way to manage India's past commitment to Russia and its defence relationships with that country” without hampering US-India ties.⁴⁵ Furthermore, in placating Trump's impulse for transactionalism, India offered gains for his push to increased US arms exports, by also clearing the acquisition of the US-made National Advanced Surface to Air Missile System-II (NASAMS-II).⁴⁶

In a sign of US focus on Russian arms exports continuing under Biden, during his confirmation hearing at Capitol Hill, Defence Secretary-designate Lloyd Austin recognised that arms sales were a component of Russia's strategy to "undermine Western influence."⁴⁷ However, in a welcome sign of the Biden dispensation continuing the Trump precedent on India and CAATSA sanctions, Biden cabinet nominees focused on Turkey. For instance, Biden's nominee for US Secretary of State, Antony Blinken said, "the idea that a strategic - so-called strategic - partner [Turkey] of ours would actually be in line with one of our biggest strategic competitors in Russia is not acceptable."⁴⁸

With India, it is possible that Biden would alter the semantics of transactionalism under his conduct of US foreign policy. However, given the fact that weaning India away from Russian weaponry was a priority—albeit an understated one, even under the Obama years, the Biden administration will not leave the issue unaddressed. It then remains to be seen if an increase in India's import of US arms will continue to be the de facto price for it not being subject to CAATSA sanctions. However, with Trump's State Department leaving behind its clearance of the NASAMS-II with a price tag of US\$ 1.867 billion (nearly at double the rate cleared by India), it would be prudent for New Delhi to consider the long-term viability of that approach.⁴⁹

“Influential US lawmakers continue to express their support for finding some way to manage India's past commitment to Russia.”

CONCLUSION

Despite momentary frictions or even a “very mild” imposition of CAATSA sanctions against India,⁵⁰ one may argue that the Biden administration will eventually recognise that penalising India for serving a part of its military modernisation needs through Russia would put at risk ongoing and potential India-US defence business worth several billion dollars. The US as a strategic partner must appreciate that the extent of India-Russia defence ties means these relations cannot be wished away.

While India has begun a gradual process of diversifying its arms imports, this process can only take place incrementally. In such a scenario, the use of secondary sanctions is more likely to be perceived as an infringement on India’s strategic autonomy and would also cause the bilateral relationship to crater. The Biden administration could face serious Congressional pushback since support for US-India ties continues to invite bipartisan support even in these times of increased partisanship on US foreign policy. It may also jeopardise Biden’s stated intent to practise continuity on the Indo-Pacific strategy, where India occupies a central role in the US’ security calculus.

Moreover, under the aegis of its ‘Act East’ policy, India has made progress towards integrating itself into the US’ Indo-Pacific calculus. This has encompassed gradually shedding its historic focus on westward security apprehensions and instituting an eastward security outlook—with India’s Ministry of External Affairs now having an Indo-Pacific division; engaging in naval sailings with like-minded partners in the South China Sea; and assuming the mantle of being the Indian Ocean’s preeminent net security provider with the establishment of the Information Fusion Centre – Indian Ocean Region (IFC-IOR) for comprehensive maritime domain awareness.

This adds credence to New Delhi’s case for receiving a CAATSA waiver, as cooperation on security matters that are critical to US strategic interests is a criterion under Section 231(d) waiver provisions. Therefore, in re-strategising its outreach to relevant stakeholders of the 117th US Congress and the Biden administration, New Delhi would do well to make a case for a waiver based on its robust record in assisting US strategic aims in the Indo-Pacific.

Furthermore, a comparison of the overall trajectories of India-Russia and India-US defence ties illustrates how India stands apart from Turkey on the applicability of CAATSA sanctions. India has reduced its arms imports from Russia, a trend that precedes CAATSA as it diversifies its supplies. This also brings it in line with the first criteria under Section 231(d) waiver provisions, on demonstrating credible action on gradually reducing the share of Russian defence equipment and advanced conventional weapons in its arsenal.

Turkey, on the other hand, despite being a NATO ally and partner in one of the most significant US-led military programmes, the F-35, broke bilateral precedents by selecting the S-400. So far as India continues to reduce reliance on Russia, whether through indigenous capacity or diversified sources of supply, it should be treated as distinct from cases like Turkey's, allowing it to deal in good faith with both of its principal defence partners.

“The Biden administration will eventually recognise that penalising India for serving a part of its military modernisation needs through Russia would risk several billion dollars' worth of India-US defence business.”

ENDNOTES

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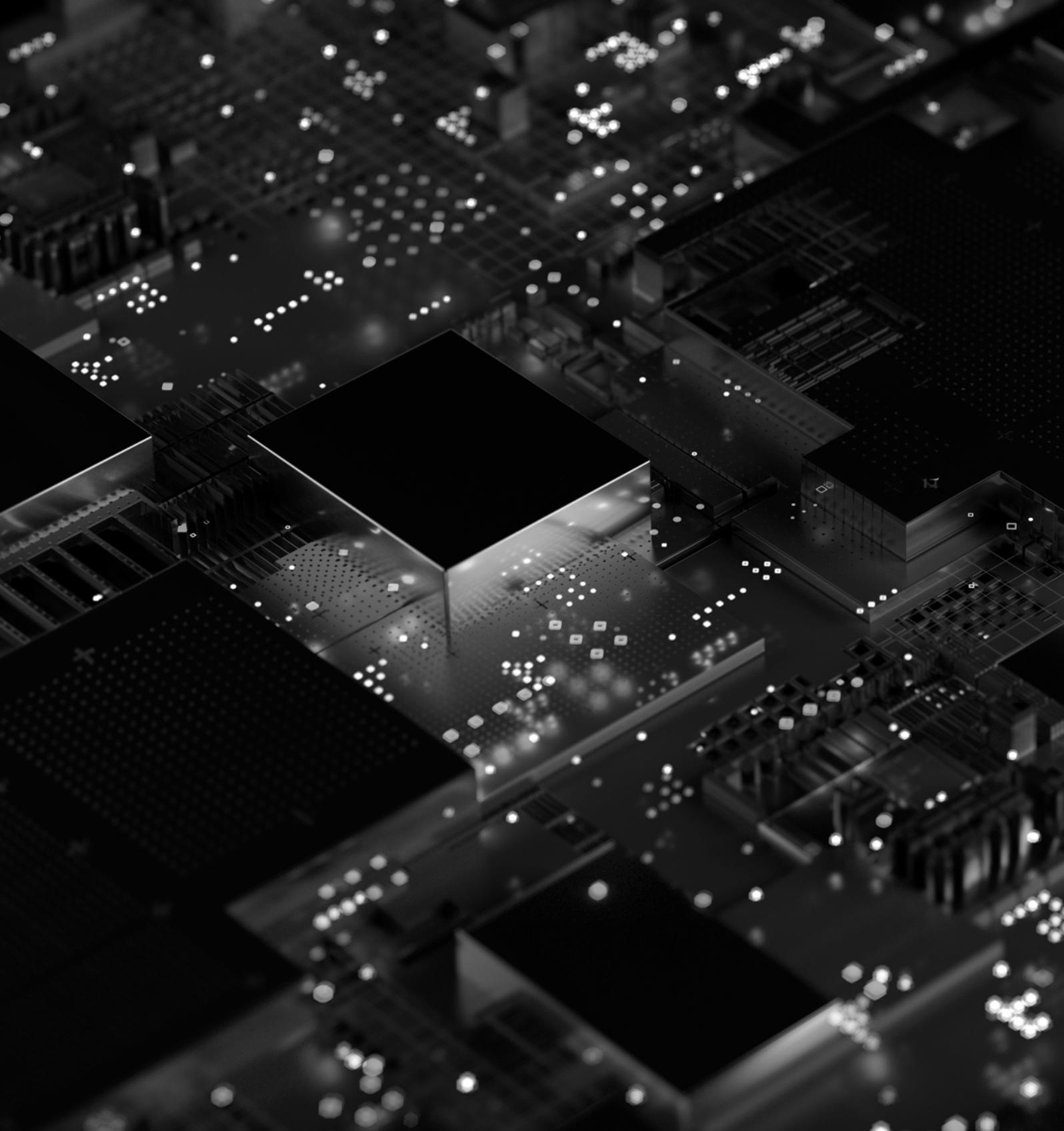
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