

## Strings in Strategic Reorientation: Evaluating the India-United States Strategic Relationship during Obama Administration

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### Abstract

*The US strategic compulsions regarding its Asia-Pacific policy, India's primacy in Indian Ocean region containing China, and India's thirst for obtaining the major power status bound them together. However strategic shifts in states affairs always take time to yield the desired results. At the same time, realpolitik will continue to play a significant role in determining the course of relationship between the two states.*

**Keywords:** MTCR, NSG, Indo-US Strategic Dialogue, UNSC, Indo-US Civil Nuclear Dialogue.

With the beginning of 21<sup>st</sup> century, India and United States sought to develop highly ambitious strategic partnership in various areas of mutual interests, which covered a lot of issues but the most significant with reference to the strategic relationship were the promises for civilian nuclear cooperation and defence related deals, which caused a lot of uproar in international politics indicating a shift in the US foreign policy as well as that of India. The United States pledged to help India to become a major power in the world and provide India an unconventional support in obtaining waivers from various international non-proliferation regimes with regard to nuclear trade with the US as well as other countries in the world. It helped India to get approved the country specific waivers from International Atomic Energy Agency (IAEA) and Nuclear Supply Group (NSG). The US itself had to modify its national laws for granting nuclear deal to India at the cost of decade long efforts for non-proliferation. At the other end, India too pledged to place some of its nuclear reactors under the IAEA safeguards and promised to help United States as significant partner in various areas of mutual interests.

Most of the significant developments in India-United States strategic relations took place under the President Barack Obama's

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administration for practical implementation of the strategic partnership, which was initiated by President Clinton and concluded by President Bush. Despite seven years since the nuclear deal, the corner stone of the Indo-US strategic partnership, the US yet awaits to reap the benefits it expected. After his election as President, Obama invited India's Prime Minister Manmohan Singh as the first state guest of his new administration on November 22-26, 2009. According to the website of Indian Embassy in Washington D.C.:

The visit focused on the common interests and shared values in a strategic partnership of global relevance and reflected the vision and resolve of the two leaders to embark upon a new phase in their bilateral partnership. In their meeting on November 24, Indian Prime Minister and the US President reviewed all aspects of the India-US bilateral relationship including the progress of the Strategic Dialogue that was announced during the visit of Mrs. Clinton to India on July 20, 2009. Eight MOU/MOIs were signed between the two sides during the visit.<sup>1</sup>

Prior to the visit of Indian Prime Minister to the United States, Hillary Clinton, the Secretary of State, who termed India-United States Strategic Partnership as 'Partnership of Democracies';<sup>2</sup> paid a visit to India in July 2009 where she launched a new strategic dialogue with India. According to Teresita C. Schaffer, "she[Hillary Clinton] signed two important new agreements, a Technical Safeguards Agreement permitting US-licensed components to be used on Indian civilian spacecraft...The Indian government settled the end-use monitoring arrangements needed to permit major military sales from the United States and pledged to designate two sites for US companies to build nuclear facilities."<sup>3</sup> During a reception for India-US strategic dialogue session on June 2010 in Washington D.C., President Obama said that, India is a leader in Asia and around the world. It's a rising power and a responsible global power. That's why I firmly believe that the relationship between the United States and India will be a defining

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<sup>1</sup> Embassy of India. General Overview of India - US Relations. 2010.

<http://www.indianembassy.org/general-overview-of-india-us-relations.php> (accessed February 22, 2011).

<sup>2</sup> Clinton, Hillary Rodham. "Partnership Of Democracies." *Times of India*, June 4, 2010.

<sup>3</sup> Schaffer, Teresita C. Hillary Clinton's Visit to India. July 23, 2009. <http://csis.org/publication/secretary-state-hillary-clinton%E2%80%99s-visit-india> (accessed February 13, 2011).

partnership in the 21st century. The new National Security Strategy that I released last week makes this absolutely clear: A fundamental pillar of America's comprehensive engagement with the world involves deepening our cooperation with 21st century centers of influence, and that includes India.<sup>4</sup>

Significant developments were found in the US President Barack Obama's visit to India on November 6, 2010 and during second visit in January 2015. The US National Security Council spokesman, Mr. Mike Hammer, said about India on the eve of the US President's visit, "we have a strategic partnership which we're trying to develop. India is an indispensable partner; one that we recognize is rising on the global stage, one that we want to embrace." He added that "there are many things we can do together that advance both our countries' interests and also that provide for others."<sup>5</sup> The most important event of Obama's 2010 visit to India was declaration of the US support in obtaining United Nations Security Council's permanent seat to India. Ashley Tellis said that it is important in a sense that "it communicates to the outside world that the United States values its relationship with India in ways that people did not appreciate before."<sup>6</sup> According to Robert M Hathaway, Director of Asia program at Woodrow Wilson International Center, "It turns out that the sceptics were wrong. Historians will see the trip as an important milestone in the maturation and consolidation of what President Obama called 'the defining partnership of the 21st century'," <sup>7</sup> Lisa Curtis, the South Asia specialist at the Heritage Foundation said that "the visit sent a clear signal of the importance his administration attaches to India, highlighting both economic and security cooperation. Robust endorsement of India's global role can also be seen in other more concrete initiatives like the easing of export controls on Indian

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<sup>4</sup> "Remarks by the President Obama at US-India Strategic Dialogue Reception." *Washington DC: White House*, June 3, 2010.

<sup>5</sup> The Economic Times. "Ahead of Obama's visit, US says India indispensable partner." *The Economic Times*. November 7, 2010. [http://articles.economictimes.indiatimes.com/2010-11-07/news/27580520\\_1\\_security-agencies-foolproof-security-high-profile-visit](http://articles.economictimes.indiatimes.com/2010-11-07/news/27580520_1_security-agencies-foolproof-security-high-profile-visit) (accessed December 5, 2010).

<sup>6</sup> Srinivasan, Dinesh Narayanan and S. "Ashley Tellis: The real meaning of Obama's visit." *Forbes*. November 23, 2010. <http://forbesindia.com/interview/close-range/ashley-tellis-the-real-meaning-of-obamas-visit/19452/1> (accessed December 5, 2010).

<sup>7</sup> Deccan Herald. "Obama's maiden visit to India a triumph: Experts." November 9, 2010. <http://www.deccanherald.com/content/111232/content/217589/pension-scheme-nris.html> (accessed December 5, 2010).

organizations and support for Indian membership in non-proliferation groupings like the Nuclear Suppliers Group and the Missile Technology Control Regime.”<sup>8</sup>

According to a press release by the White House: “the two leaders reaffirmed that India-US strategic partnership is indispensable not only for their two countries but also for global stability...President Obama welcomed India's emergence as a major regional and global power and affirmed his country's interest in India's rise, its economic prosperity, and its security.”<sup>9</sup> During his visit to India, President Barack Obama made trade deals of worth \$10 billion that could create 50,000 jobs for United States and announced to take measures to remove Indian space and defence companies from the “restricted entities list”. He also declared the US support to India in its efforts to obtain permanent seat in United Nations Security Council as well as membership of global non-proliferation regimes. According to the Obama-Singh Joint Statement, “the United States intends to support India's full membership in the four multilateral export control regimes (Nuclear Suppliers Group, Missile Technology Control Regime, Australia Group, and Wassenaar Arrangement) in a phased manner.”<sup>10</sup> Based on the counter-terrorism initiative 2010 both states agreed to enhance cooperation in counter-terrorism capacity building and transfer of technology for this purpose. Regarding their role in international affairs, both sides declared their resolve to promote cooperation and consultation towards building a stable Afghanistan. Both states also acknowledged the importance of access to the sea, air, and space in an interdependent economic world and launched a dialogue to develop cooperation in these areas to enhance security and development. The leaders declared their resolve to enhance defence cooperation in multiple areas, i.e. defence equipment, military exercises and security issues.

According to the Joint Statement by President Obama and Prime Minister Singh: “United States welcomes India's decision to purchase

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<sup>8</sup> Deccan Herald. "Obama's maiden visit to India a triumph: *Experts*." November 9, 2010.

<http://www.deccanherald.com/content/111232/content/217589/pension-scheme-nris.html> (accessed December 5, 2010).

<sup>9</sup> "Joint Statement by President Obama and Prime Minister Manmohan Singh." *Washington DC: White House*, November 8, 2010.

<sup>10</sup> Ibid

US high-technology defence items, which reflects our strengthening bilateral defence relations and will contribute to creating jobs in the United States.”<sup>11</sup> They also welcomed the 'Memorandum of Understanding' for “cooperation in the Global Centre for Nuclear Energy Partnership being established by India.”<sup>12</sup> Both leaders also showed their satisfaction over the completion of initial steps towards the implementation of India-United States civilian nuclear agreement. According to the Joint Statement: “United States and India reiterated their commitment to build strong India-US civil nuclear energy cooperation through the participation of the US nuclear energy firms in India on the basis of mutually acceptable technical and commercial terms and conditions that enable a viable tariff regime for electricity generated.”<sup>13</sup>

President Obama also addressed the joint session of the Indian Parliament on November 8, 2010. During his address to the Indian Parliament, Obama termed the India-United States partnership as the defining partnership of the 21<sup>st</sup> century and put emphasis on joint Indo-US efforts to work in three main areas which include global partnership to promote prosperity in both countries by creating high-tech and high-wage jobs for each other, civilian nuclear cooperation to meet energy needs of India, partnership in high-tech defence and space areas. He also pledged to cooperate in agricultural development to spark the green revolution, weather forecasting, improving the health sector, educational cooperation through student exchanges, democratic development through strengthening democratic governance and human rights, while slightly mentioning Indian avoidance to involve in human rights issues at international forums.<sup>14</sup> Another pledge was made by President Obama in November 2012 in a meeting with India's Prime Minister Manmohan Singh at the East Asia Summit by stating that, “India is a big part of my plans.”<sup>15</sup>

<sup>11</sup>“Joint Statement by President Obama and Prime Minister Manmohan Singh.” *Washington DC: White House*, November 8, 2010.

<sup>12</sup>“US-India Strategic Dialogue Joint Statement,” US Department of State. Office of the Spokesman. June 3, 2010. <http://www.state.gov/r/pa/prs/ps/2010/06/142645.htm> (accessed April 9, 2013).

<sup>13</sup>“Joint Statement: Fourth US-India Strategic Dialogue.” US Department of State. Office of the Spokesperson. June 24, 2013. <http://www.state.gov/r/pa/prs/ps/2013/06/211084.htm> (accessed August 19, 2013).

<sup>14</sup>“Text of President Barack Obama's Address to a Joint Session of the Indian Parliament.” *US-India Friendship.Net*. November 8, 2010. <http://www.usindiafriendship.net/viewpoints1/obama-remarks-to-indian-parliament.html> (accessed February 23, 2011).

<sup>15</sup>“Sukhoi fighters to be equipped with Brahmos missiles.” *The Economic Times*. June 19, 2012.

Despite a lot of declarations, commitments and reiterations, pragmatic steps yet need to be taken for implementation of the cooperation promised under the strategic partnership. Although, both states claim to be cordial and indispensable for each other's strategic interests but at times are sceptical about other's intentions when it comes to the conclusion of various supplementary agreements required to materialize the strategic partnership. Search for strategic autonomy and mutual suspicion are the major hurdles that have yet stuck the implementation of strategic partnership in letter and spirit.

### **The Strategic Dialogues: Stepping Ahead**

In order to channelize the strategic relationship, an initiative was taken in 2009 by the US Secretary of State, Hillary Clinton and Indian Foreign Minister S.M. Krishna, who jointly set up a structure for developing ties in the core areas of mutual interests. They announced to conduct annual strategic dialogues in alternate capitals. According to the Joint Statement of Krishna-Clinton meeting 2009, "This dialogue will focus on a wide range of bilateral, global, and regional issues of shared interest and common concern, continuing programs currently under implementation and taking mutually beneficial initiatives that complement Indian and US development, security and economic interests."<sup>16</sup> A series of annual strategic dialogues was started in 2010 with the first meeting at Washington D.C. when Indian External Minister S.M. Krishna visited the US in June 2010. The first round took into account the discussions related to Advancement in Global Security and Countering Terrorism, Disarmament and Non Proliferation, Trade and Economic Relations, High Technology, Energy Security, Clean Energy and Climate Change, Agriculture, Education, Health, Science and Technology. They also agreed to continue the process of strategic dialogue for further discussions and development.<sup>17</sup> One of the significant developments made by the first dialogue was that it set the stage for President Obama's visit to India where he declared the promise to support India's bid for permanent seat in the United Nations Security Council in the linchpin.

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<sup>16</sup> "US - India Joint Statement." US Department of State. *Bureau of Public Affairs*, Office of the Spokesman. July 20, 2009. <http://www.state.gov/r/pa/prs/ps/2009/july/126230.htm> (accessed April 9, 2013).  
<http://www.state.gov/r/pa/prs/ps/2009/july/126230.htm> (accessed April 9, 2013).

<sup>17</sup> "US-India Strategic Dialogue Joint Statement." US Department of State. Office of the Spokesman. June 3, 2010. <http://www.state.gov/r/pa/prs/ps/2010/06/142645.htm> (accessed April 9, 2013).

Second round of strategic dialogue took place at New Delhi on July 19, 2011 with visit of the Secretary of State, Hillary Clinton to India. This round was mainly focused on the enhancement of bilateral issues encompassing Defence, Security and Counter-terrorism, Civil Nuclear Cooperation, Membership of Export Control Regimes, Export Control Cooperation, Nuclear Security, Strategic Security Dialogue, Education, Innovation, Science and Technology, and Space.<sup>18</sup> This dialogue mainly reiterated the commitments made by the two countries regarding implementation of nuclear cooperation agreement and expressed satisfaction over the developments regarding India's full membership of various export control regimes including NSG, MTCR, Australia Group and Wassenaar Arrangement.<sup>19</sup>

The third round of Strategic Dialogue was conducted at Washington on June 13, 2012 with the visit of India's Minister of External Affairs, S.M. Krishna. This dialogue did not represent any significant progress in the India-US relations and relied traditionally on reiterating the commitments and promises made earlier and explored opportunities in further areas of mutual interests. However, this dialogue had a comprehensive discussion regarding Afghanistan and each aspect of upcoming transition in Afghanistan was taken into account. Both countries committed to cooperate not only with each other in the Afghanistan transition process but also talked about the possibilities of trilateral dialogue including Afghan government.<sup>20</sup> The analysis of discussions regarding Afghanistan suggests that the US wants to replace itself with India in Afghanistan as a guardian of the US interests. The first two dialogues were also significant regarding India-US collaboration in regional development and especially the US effort to encourage India for enhancing its role in Afghanistan. The US has been very ambitious in providing India the role of regional player, a security provider, and a key partner in the 'rebalancing' policy of the United States. The US looks at India as the security provider in the Asia-Pacific region while India is also ambitious to adopt this role but at the same time is sceptic in adopting the role of the US subservient for its policy in Asia. This strategic conundrum raises big questions for

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<sup>18</sup> "India-US Strategic Dialogue Joint Statement." *The Hindu*. July 19, 2011.  
<http://www.thehindu.com/news/resources/indiaus-strategic-dialo>

<sup>19</sup> Ibid

<sup>20</sup> "Joint Statement on the Third US-India Strategic Dialogue." *US Department of State*. Office of the Spokesperson. June 13, 2012. <http://www.state.gov/r/pa/prs/ps/2012/06/192267.htm> (accessed April 11, 2013)



mutual cooperation between the two countries.

Fourth round of strategic dialogue was conducted on June 24, 2013 at New Delhi between the US Secretary of State John F. Kerry and his counterpart Mr. Salman Khurshid representing India. Discussing the regional strategic connotations, the dialogue focused on cooperating in Indian and Pacific ocean regions, which is seen as converging India's 'Look East' policy and United States' 'Asia-Pacific Strategy'. The regional strategic consultation also included cooperation in Afghanistan; both reiterated their commitments to support the transition process in Afghanistan, especially in building up the defence capacities of Afghan national security forces. It is notable here that Pakistan has always been sceptical about the enhancing Indian role in Afghan affairs and considers it instability catalyst for regional peace and security. Discussions on security and strategic cooperation welcomed the defence trade that reached \$9 billion and explored opportunities for technological cooperation including defence co-developments and co-production. Other issues of interest included counter-terrorism, partnership in commerce, education, energy and cooperation on various global issues.

The strategic dialogue, fifth in the series, was conducted at New Delhi on July 31, 2014 between the US Secretary of State John Kerry and the Indian Foreign Minister Sushma Swaraj. Dialogue started with positive expectations of further rapprochement in the India-US relations with the newly elected government in India. Discussion included issues related to commerce, combating terrorism, non-proliferation, cyber security, nuclear cooperation, defence cooperation, and extradition. The meeting welcomed the to-date developments in India-US cooperation in various areas and reaffirmed their commitments to enhance bilateral cooperation in the forthcoming summit meetings. The US delegation reiterated its commitment to support India's full membership in prominent non-proliferation regimes like NSG, MTCR, WA, & Australia Group. Another reiteration of commitment for full implementation of nuclear deal was pledged as usual. The delegations projected the India-US strategic partnership as truly significant element not only for regional peace and stability but also for global peace. Discussing the India-US role in various parts of the world, the meeting discussed about UN reforms introducing India as one of the permanent member in the UNSC, engagement in Afghanistan, promotion of stability in Iraq, Gaza & Israel as well as in Middle East, South Asian region, Asia and globally. In short, the fifth dialogue was also conducted in traditional manner that



focused on reiterations rather than introducing any breakthrough. The dialogue focused mainly on prospects for bilateral economic cooperation including commerce and investment. Most of the issues discussed were related to the non-traditional security cooperation.<sup>21</sup>

The regular conduct of strategic dialogue as designed is the only success yet but they failed to achieve the objectives that were conceived at the time the dialogue process was initiated. Five rounds of strategic dialogues have been conducted to date and all ended with the renewal of old commitments and hopes for further cooperation in strategic realm. A few defence trade deals that have been materialized are fraction of the volume expected. However, during President Obama's visit to India in 2015, leaders of the two states elevated the US-India Strategic Dialogue and converted it into the Strategic and Commercial Dialogue, reflecting the United States and India's shared priorities of generating economic growth, creating jobs, improving the investment climate, and strengthening the middle class in both countries.<sup>22</sup> The inaugural meeting of the S&CD was held in the US in September 2015, which also ended with traditional commitments to enhance strategic partnership between the two countries and further strengthen the bilateral cooperation.

### **Strings in Strategic Reorientation**

Although, both the states have committed to cooperate with each other in a variety of areas, the developments are at a very slow pace. An evaluation of cooperation in strategic realm suggests that despite claiming to become global partners, both are sceptic about each other for the conclusion of various agreements for the practical implementation of the strategic partnership. India has been reluctant in signing the end-use monitoring agreements, the Communications Interoperability and Security Memorandum of Agreement (CISMOA), the Logistics Supply Agreement (LSA), and the Basic Exchange and Cooperation Agreement (BECA) that are prequalification for defence trade with United States, while the US reluctance to materialize strategic partnership agreement without Indian adherence to such agreements represents the US scepticism in dealing with India. An

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<sup>21</sup> "Joint Statement on the Fifth India-US Strategic Dialogue." *The US Department of State*. July 31, 2014. <http://www.state.gov/r/pa/prs/ps/2014/07/230046.htm> (accessed August 10, 2014).

<sup>22</sup> The US Department of State. "US-India Strategic and Commercial Dialogue." *The US Department of State*. September 21-22, 2015. <http://www.state.gov/p/sca/ci/in/strategicdialogue/> (accessed October 26, 2015)

example of such scepticism can be seen in the National Defence Authorization Act for Fiscal Year 2013, where the section 1279, related to the bilateral defence trade relationship with India, sub-clause (b) calls for the comprehensive 'policy review' regarding feasibility and assessment report for defence co-production and co-development with India. The said clause mentions:

Comprehensive Policy Review - The Secretary of Defence shall, in coordination with the Secretary of State, conduct a comprehensive policy review-- (1) to examine the feasibility of engaging in co-production and co-development defence projects with India; and (2) to consider potential areas of cooperation to engage in co-production and co-development defence projects with India that are aligned with United States national security objectives.<sup>23</sup>

The first setback to India-US strategic relationship came to blow when India rejected the US offer of F/A-18 or F-16 fighter jets in Medium Multi-Role Combat Aircraft (MMRCA) competition in April 2011. Describing Indian viewpoint on the MMRCA competition, Amer Latif writes, "For New Delhi, the MMRCA competition was never intended to account for 'strategic considerations' but rather sought a fighter platform that it perceived as a top-of-the-line performer with the latest technology and provided the required amounts of technology transfer, along with coproduction and co-development prospects."<sup>24</sup> Rejection of the US offer due to technology transfer and co-production prospects indicates not only India's priorities but also manifests the US scepticism regarding technology transfers to India.

Another issue of disagreement between the two countries is the 'India's Nuclear Liability Act', where both states seem to be at odds with each other's viewpoint. India passed its Nuclear Liability Act in 2010 which places liability of any nuclear accident potentially on the nuclear suppliers as well as to the operators of nuclear facility. Discussing the hurdles in implementation of Civilian Nuclear Cooperation Agreement, the Principal Deputy Assistant Secretary of State for South and Central Asian Affairs, Geoffrey Pyatt said:

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<sup>23</sup> "National Defence Authorization Act for Fiscal Year 2013." *govtracks.us*. December 28, 2012. <http://www.govtrack.us/congress/bills/112/hr4310/text> (accessed April 6, 2013)

<sup>24</sup> Latif, S. Amer. "US-India Defence Trade: Opportunities for Deepening the Partnership. Wadhani Chair in US-India Policy Studies", *Center for Strategic and International Studies*, 2012, 3.

India's nuclear liability law is not in line with the international nuclear liability principles reflected in the Convention on Supplementary Compensation for Nuclear Damage... Current liability law and regulations impose the risk of a heavy financial burden on equipment suppliers seeking to enter the Indian market and expose such companies to the risk of significant financial penalty in the event of a nuclear accident, neither of which is consistent with international standards... Without a law consistent with this Convention in place, companies from the United States as well as other nations will find it difficult to participate in India's nuclear power expansion plans.<sup>25</sup>

The disagreement on 'nuclear liability' between the two countries hinders the implementation of nuclear deal, which was thought to be materialized steadfastly. Although, the US President Obama and Indian Prime Minister announced the settlement of differences over the Nuclear Liability Act during President Obama's visit to India in 2015,<sup>26</sup> the practical implementation yet involves too many complications, holding the nuclear deal yet plagued. The most recent development that supports the complexities in the nuclear cooperation between the two states is the statement given by Jeff Inmelt, the CEO of General Electric (American Company for Nuclear Trade with India) who spoke outlandishly against the Indian attitude over the nuclear liability issues with India. Inmelt said that "I am not going to put my company at risk for anything - there is no project worth it... India can't re-invent the language on liability."<sup>27</sup> Moreover, India has not yet ratified the CSC (Convention on Supplementary Compensation), which the US wants to be ratified by India. According to a report in Times of India, "India's liability law does not comply with the CSC, which would then put India in a quandary... If, after ratifying the CSC, other countries report India's domestic laws as being in violation of the CSC, India would be in the unhappy situation."<sup>28</sup> Seven years have been passed after the nuclear deal was inked but the US is

<sup>25</sup> "India's Liability Law not in Line with International Norms: US." *The Hindu*. December 1, 2012. <http://www.thehindu.com/news/international/indias-liability-law-not-in-line-with-international-norms-us/article4153366.ece> (accessed April 6, 2013).

<sup>26</sup> The Guardian. "Obama and Modi agree to limit US liability in case of nuclear disaster." *The Guardian*. January 25, 2015. <http://www.ibtimes.com/obamas-india-visit-us-india-move-forward-operationalizing-stalled-civil-nuclear-deal-1794052> (accessed October 26, 2015).

<sup>27</sup> "GE CEO blows a fuse over India's Nuclear Liability Law." *Neutron Bytes*. September 27, 2015. <http://neutronbytes.com/2015/09/27/ge-ceo-blows-a-fuse-over-indias-nuclear-liability-law/> (accessed October 26, 2015).

hat-indo-us-nuclear-trade-has-stalled-says-washington-403342 (accessed August 19, 2013).

still waiting to benefit from the commitments made in 2008. As reported by Pallava Bagla:

The US says the nuclear commerce has not benefitted the Americans who did most of the global diplomatic heavy lifting... the US Director of Nuclear Energy, Safety and Security at the US State Department, Richard Stratford told, "The nuclear issue is complex, the US is not frustrated but India's nuclear liability law is a concern and it is unfortunate that nuclear trade has not commenced."<sup>29</sup>

However, in the backdrop of India-US nuclear deal, India successfully obtained special treatment from NSG and IAEA, which helped India to conclude nuclear related agreements with other suppliers in international market. India managed to conclude a nuclear cooperation agreement with Canada after forty years of abandonment when it had clandestinely used the Canadian provided facilities for its first nuclear test in 1974. Canada is the second largest uranium-producer in the world that was earlier reluctant to supply uranium to India due to its nuclear weapon development. India and Canada had inked a nuclear cooperation agreement in 2010 but the Canadian demands for sufficient surety about non-use of Canadian produced uranium towards nuclear weapon development had stalled the negotiations. Canada wanted an end-user arrangement for the proper use of its uranium and wanted its uranium to be 'traceable' even after supplied to India. However, India succeeded in convincing Canada on the basis of its India-specific safeguards agreement with IAEA, which will be used by Canada as a monitoring mechanism. Both countries have signed the Appropriate Arrangements Agreement (AAA) on March 21, 2013, which will allow Canada to ship uranium to India.<sup>30</sup> Another benchmark for India's nuclear cooperation move was achieved when Australia (who had previously refused the nuclear cooperation with India) agreed to conduct talks for nuclear cooperation agreement with India. On her visit to India, Australian Prime Minister Julia Gillard and Indian Prime Minister Manmohan

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<sup>28</sup> "US Wants India to Ratify CSC." *Times of India*. June 22, 2011.

[http://articles.timesofindia.indiatimes.com/2011-06-22/india/29689595\\_1\\_convention-on-supplementary-compensation-csc-nuclear-liability-law](http://articles.timesofindia.indiatimes.com/2011-06-22/india/29689595_1_convention-on-supplementary-compensation-csc-nuclear-liability-law) (accessed April 7, 2013).

<sup>29</sup> Bagla, Pallava. "Unfortunate that Indo-US nuclear trade has stalled, says Washington." *NDTV*. August 9, 2013. <http://www.ndtv.com/article/india/unfortunate-t>

<sup>30</sup> "India Inks Nuclear Commerce Pact with Canada." *The Times of India*. April 13, 2013.

[http://articles.timesofindia.indiatimes.com/2013-04-13/india/38510778\\_1\\_safeguards-agreement-sourcing-uranium-signed-npt](http://articles.timesofindia.indiatimes.com/2013-04-13/india/38510778_1_safeguards-agreement-sourcing-uranium-signed-npt) (accessed April 14, 2013).

[ald.com/content/307958/india-hopes-restart-nuclear-talks.html](http://www.ndtv.com/content/307958/india-hopes-restart-nuclear-talks.html) (accessed April 14, 2013)

Singh declared in a joint statement that, "India and Australia would commence negotiations on a bilateral Civil Nuclear Cooperation Agreement which, for Australia, is a prerequisite for uranium sales to other countries."<sup>31</sup> Apart from Australia, India is also seeking to have nuclear cooperation agreement with Japan and the negotiations for civilian nuclear cooperation are underway since June 2010.<sup>32</sup>

Apart from various strings attached to the developing strategic relationship, the two countries have had military engagements as well as defence trade deals. Discussing the defence transactions between India and United States, S. Amer Latif writes, "The United States has made significant inroads with the induction of US military equipment into Indian military ranks... In fiscal year 2011, India became the third-largest purchaser of US arms, with contracts worth \$4.5 billion."<sup>33</sup> Discussing the India-US partnership, the ex-foreign secretary of India, Kanwal Sibal writes, "The US has bagged the largest number of arms contracts – about \$8 billion worth in the last five years – despite the stringent and intrusive end-use monitoring requirements... India is likely to order more C-17s and P-8I aircraft... The contract for attack helicopters and light howitzers could well go to the US too... India no longer allows fears of a cut-off of US arms supplies in the event of regional tensions to stand in the way of enhanced defence ties."<sup>34</sup> Referring to military engagements between the two countries, Yogesh Joshi writes, "Strategically India and the US have become extremely close... More than fifty joint defence exercises have taken place in the last seven years."<sup>35</sup> Another development in India's favour is the renewal of framework for defence relationship 2015 that enables India to extract further benefits from United States to strengthen defence procurements. Keeping in view the Tarapur fiasco 1984, Indians are much conscious this time in dealing with the Americans

<sup>31</sup>"Joint Statement - Prime Minister of Australia and Prime Minister of India." *Prime Minister of Australia, Press Office*. October 17, 2012. <http://www.pm.gov.au/press-office/joint-statement-prime-minister-australia-and-prime-minister-india> (accessed April 14, 2013).

<sup>32</sup>"India Hopes to Restart Nuclear Talks with Japan Soon." *Deccan Herald*. January 26, 2013. <http://www.deccanher>

<sup>33</sup>Latif, S. Amer. "US-India Defence Trade: Opportunities for Deepening the Partnership. Wadhvani Chair in US-India Policy Studies", *Center for Strategic and International Studies*, 2012, 3.

<sup>34</sup>Sibal, Kanwal. "The Arc of the India-US Partnership." *Indian Defence Review*. November 7, 2012. <http://www.indiandefencereview.com/spotlights/the-arc-of-the-india-us-partnership/0/> (accessed April 7, 2013).

<sup>35</sup>Joshi, Yogesh. "Paying Dividends: The US-India Nuclear Deal Four Years On." *The Diplomat*. December 28, 2012. <http://thediplomat.com/2012/12/28/americas-strategic-bet-on-india-is-paying-off/?all=true> (accessed April 7, 2013).

and minutely focusing on the terms and conditions in each agreement required for implementation of the strategic partnership commitments. Despite a lot of American relaxations and special treatment, Indians seem to be reluctant in signing any agreement on rapid basis. India has refused to join any agreement based only on buyer-seller relationship, rather its is insisting on transfer of technology, co-development and co-production, which is contradictory to the US practices in dealing with foreign customers. Keeping in view the US strategic compulsions in Asia, Indians would be able to extract as much as possible benefits in dealings with Americans.

### **Conclusion**

The evolution of India-US relations and the analysis of recent developments suggest that although both states desire to develop very enthusiastic relationship, but the realpolitik attaches a lot of strings to the strategic reorientation. Although, India has started to reap the benefits of the Indo-US deal through the auspices of NSG and IAEA, which helped it to start negotiations at the places where it was abandoned before, i.e. Australia, Japan, Germany, Canada etc., but it does not mean at all that India-US cooperation shall go into stalemate. The US strategic compulsions regarding its Asia-Pacific policy, India's primacy in Indian Ocean region, containing China, and India's thirst for obtaining the major power status bound them together. It is not an easy task to forget all the past differences in a moment and commemorate new relation. Unless the two states vow to help and cooperate with each other, since both have differences on a number of issues, the problems will not be easily settled. Strategic shift in states affairs always take time to provide the desired outcomes. Although, both the states declared their resolve to cooperate in the areas of defence, space, and nuclear cooperation in a very hurried manner but the practical implementation requires a lot of work yet to be done.