



Delhi Policy Group

Advancing India's Rise as a Leading Power

DPG POLICY BRIEF

Charting the Future of India-US Defence and Security Cooperation

Author

Anil Ahuja

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Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

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Author

Lt. Gen. Anil Ahuja (Retd.), PVSM, UYSM, AVSM, SM, VSM & Bar, Senior Adjunct Fellow for Defence Policy, Delhi Policy Group

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Cover Photographs:

US Secretary of Defense Lloyd Austin and Indian Defence Minister Rajnath Singh at their meeting in New Delhi, March 20, 2021. Source: Twitter/@rajnathsingh

US Secretary of Defense Lloyd Austin inspecting the Tri Services' Guard of Honour at Vigyan Bhawan, New Delhi, March 20, 2021. Source: Twitter/@prodefgau

US Secretary of Defense Lloyd Austin calling on Prime Minister Narendra Modi during his visit to India, March 19, 2021. Source: Twitter/@narendramodi

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Charting the Future of India-US Defence and Security Cooperation

By
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Background

The Indo-Pacific policy of the new US administration has unfolded in an orchestrated fashion during the past weeks. On March 3, the US President released an 'Interim National Security Strategic Guidance'¹, designed "to engage with the world once again, not to meet yesterday's challenges, but today's and tomorrow's". The primary challenge for the US, of course, emanates from China.



US Defence Secretary Arrives in India. March 19, 2021. ANI News

Shortly thereafter, on March 12, the US President and the leaders of Australia, India and Japan, the other members of the Quadrilateral Security Dialogue (Quad), met virtually and issued a Joint Statement, enunciating the 'Spirit of

¹ <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>. Released March 03, 2021.

the Quad'². Following on its heels, the US Secretary of State Antony J. Blinken and Secretary of Defense Lloyd J. Austin III embarked on their first overseas visit to the Indo-Pacific for the US-Japan Security Consultative Committee (2+2) meeting in Tokyo on March 16, and the US-Republic of Korea Foreign and Defence Ministerial (2+2) in Seoul on March 18, reaching out to the two significant US treaty allies in East Asia. This was followed by Secretary of State Blinken and National Security Adviser Jake Sullivan meeting their Chinese counterparts at Anchorage, Alaska, while Secretary of Defense Lloyd Austin visited India from March 19-21, 2021.

That India was included in this maiden visit of the US Secretary of Defense is a reaffirmation of the new US administration's commitment to the continuation of a comprehensive and forward-looking defence partnership with India, considered a central pillar of Indo-Pacific security. Secretary Austin's visit, according to the US official statement, was focused on deepening the US-India Major Defence Partnership (MDP) and advancing cooperation between the two countries for a free, prosperous and open Indo-Pacific and **'Western Indian Ocean Region'**³. A notable emphasis, considering India's area of primary security concern includes its western seaboard in the Indian Ocean.

Talking Differences

The visit of the Secretary of Defense did not commence in the most congenial setting, when just hours before his landing in India, major national dailies carried the letter of US Senator Bob Menendez, chairman of the Senate Foreign Relations Committee, asking Secretary Lloyd to specifically raise democracy and human rights concerns and S-400 acquisition with Indian interlocutors. The Secretary was also advised to caution the Indian side of the possibility of sanctions under Section 231 of CAATSA and likely impediments in the co-development and procurement of high technology defence systems.

Whether or not the two sides discussed these issues, in public they handled them deftly in a manner that created no ripples. This speaks volumes of the maturity and mutual sensitivity that has been cultivated in the relationship. Speaking at a press conference on March 20, Secretary Austin stated that“ we

² Quad Leaders' Joint Statement: "The Spirit of the Quad". March 12, 2021. Ministry of External Affairs. <https://www.mea.gov.in/bilateral-documents.htm?dtl/33620/Quad+Leaders+Joint+Statement+The+Spirit+of+the+Quad>

³ Secretary Austin Travels to Hawaii, Japan, the Republic of Korea, India. March 10, 2021. US Department of Defence. <https://www.defense.gov/Newsroom/Advisories/Advisory/Article/2531379/secretary-austin-travels-to-hawaii-japan-republic-of-korea-india/>

have to remember that India is our partner and a partner that(sic) -- whose partnership we value. And I think partners need to be able to have those kinds of discussions". "And certainly we're(sic) -- we feel comfortable in doing that. And you can have those discussions in a very meaningful way and still -- and make progress (sic)"⁴. This is a step forward in the partnership between two vibrant (and noisy) democracies, where we are learning to put forward our respective perspectives in a measured manner.

Synergising Actions

Positive trends of bilateral convergence were further reinforced during the Austin visit.

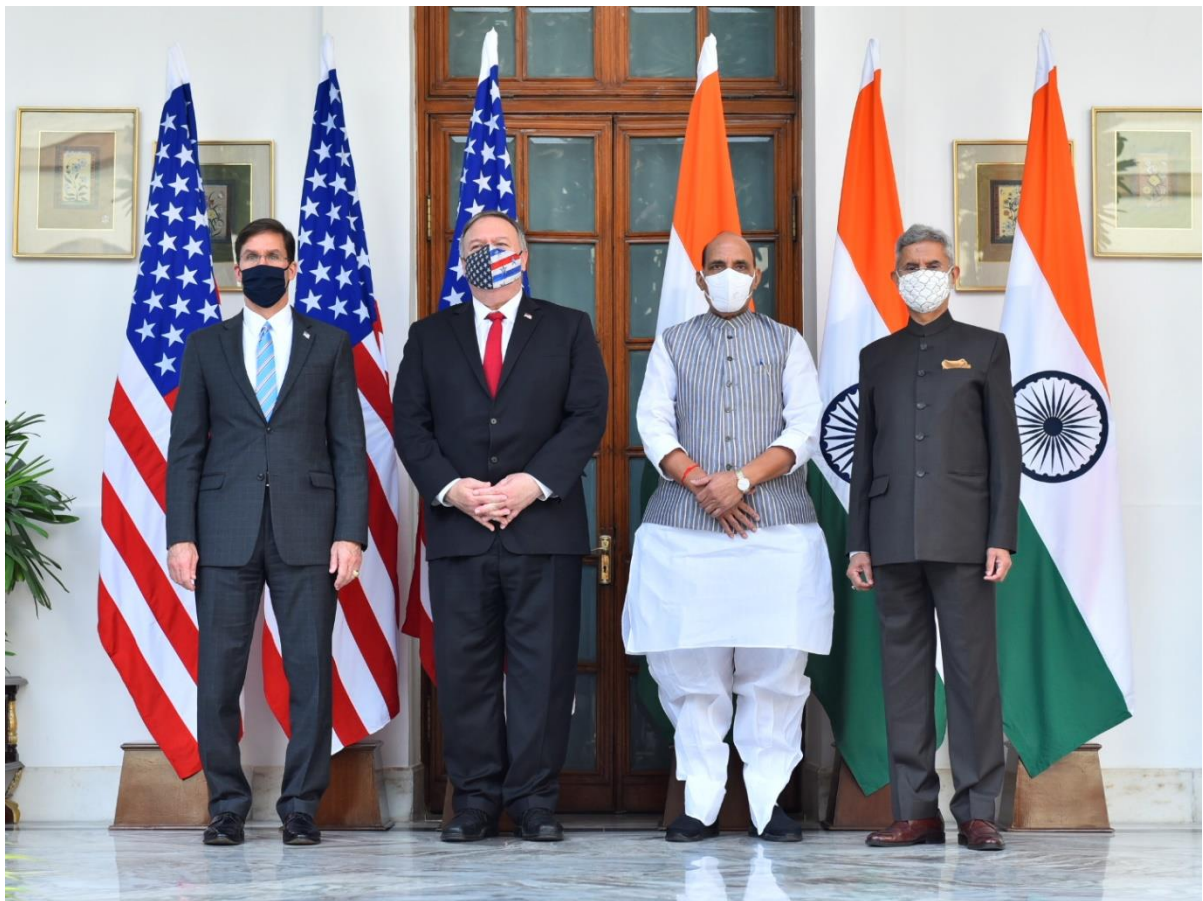
Firstly, there was **reaffirmation of continuity** of bilateral defence and security cooperation, which has now transitioned well across US administrations. Shortly before the end of the Obama Administration, in June 2016, India was designated as a Major Defence Partner (MDP) of the United States. This was pushed by senior officials and political appointees in the Pentagon, who were to exit the office regardless of who won the 2016 election. The aim of formalising this unique status was to cement the significant progress made within the US Department of Defense in redefining the bilateral relationship, by placing India at par with most US allies for technology release and defence cooperation. This status was codified in US law through the NDAA (National Defence Authorisation Act) 2017. This step contributed significantly towards the further momentum witnessed during the Trump administration: COMCASA, BECA, ISA, STA-1 status for India, commencement of cabinet level 2+2 dialogues, and the inception of the tri-service exercise Tiger Triumph. The third 2+2 dialogue held on October 26-27, 2020, barely a week ahead of the US Presidential elections, and the Joint Statement of October 27, 2020, provided a structured platform and basic reference document for providing further continuity and predictability, which is vital in forging a defence relationship.

Secondly, the Austin visit was an emphatic **reiteration of India's status as a Major Defence Partner (MDP)** of the US. Within the ambit of the India-US Comprehensive Global Strategic Partnership, India is now at par with US treaty allies and is central to maintaining a free, prosperous and open Indo-Pacific. The US and India have had some differences in delineating the expanse of the Indo-Pacific. In keeping with India's security concerns across the Indian

⁴ Secretary of Defense Lloyd J. Austin III Press Conference in New Delhi. March 20, 2021. US Department of Defence.

<https://www.defense.gov/Newsroom/Transcripts/Transcript/Article/2544454/secretary-of-defense-lloyd-j-austin-iii-press-conference-in-new-delhi/>

Ocean, a distinct emphasis has now been laid by the US side on extending cooperation to the 'Western Indian Ocean region'. In considering bilateral and multilateral exercises during the visit, the two sides discussed cooperation not only with the US Indo-Pacific Command but also with the Central and Africa Commands. This continued the process of developing broader defence cooperation highlighted in the joint statement of the third 2+2 dialogue held in October 2020, including the positioning of an Indian liaison officer at NAVCENT, Bahrain and a US officer at the Information Fusion Centre for the Indian Ocean Region (IFC-IOR) at Gurugram, near Delhi.



L-R: Former US Secretary of Defense Mark Esper, Former US Secretary of State Mike Pompeo, Indian Defence Minister Rajnath Singh and External Affairs Minister Dr. S. Jaishankar at the India-US 2+2 Ministerial Dialogue, New Delhi, October 27, 2020.

Source: Flickr/MEA Photogallery

Thirdly, there is now a realisation on both sides that India and the US are **entering a new phase of the partnership**, particularly in the field of defence and security. India and the US have signed all the 'foundational agreements'; India has been accorded STA-1 status, allowing controlled items to be exported under defined conditions without a transaction-specific license; they have signed the Industrial Security Annex (ISA) allowing transfer of classified technology and information between the private industries; and India today

operates nearly \$ 20 billion worth of US-sourced defence equipment, including leased Sea Guardian drones, in its armed forces. The intent to further enhance the scope of bilateral and multilateral exercises has been reiterated in the joint statements of the two ministers. The next logical step is to **`consolidate and operationalise these arrangements'** to enhance specific capabilities and interoperability. In the latter context, which the US considers as a function of possessing common platforms, there is now a realisation that **`platform focussed conversations'** cannot eclipse **`mission focussed ones'**, particularly in the maritime domain. There has been a felt need to overcome this mismatch in perceptions, particularly as India possesses a large inventory of Russian origin equipment. The realisation seemed evident from the US Defense Secretary's remarks at the Delhi press conference.⁵ It would be prudent on the part of the US to let the Indian armed forces get used to the operational benefits and ease of use of US origin systems, till these become acquisitions of choice, rather than being forced on India by US pressure which in any case would be most counterproductive.



CH-47 Chinook & AH-64E Apache Helicopters sourced from the US for the Indian Air Force. Source YouTube.

Fourthly, besides consolidating engagement in the conventional domains, **prospects of cooperation are also emerging in hitherto uncharted fields.** The realisation of some of these has manifested post the Ladakh stand-off. These include enhanced information sharing, space situational awareness, strengthening cyber dialogue and invigorating the counter-terrorism joint

⁵ Ibid.

working group. The two sides have also agreed to enhance the capability to address some non-traditional challenges in the maritime domain. Another identified area of cooperation with immense potential is technology cooperation, both bilaterally and as part of the Quad technology-alliance, to jointly develop dual-use technologies from 5G to AI, semiconductors, and critical materials.

Fifthly, the two sides have highlighted the significance of cooperation in **strengthening India's defence industrial base** and consider defence trade as a significant component of their strategic and major defence partnership. During the last 2+2 dialogue, it was agreed to conduct the inaugural Industrial Security Annexe (ISA) summit. This should be taking place shortly and will give an impetus to cooperation between private industry. The revised provisions incorporated in India's Defence Acquisition Procedure (DAP 2020) and liberalised foreign direct investment policies in the defence sector would help this process further. In a joint piece written by two former Deputy Assistant Secretaries of Defense for South and Southeast Asia, on the eve of Secretary Austin's visit⁶, besides some other recommendations, they have suggested an examination of bilateral investment mechanisms like the BIRD Foundation that established non-military technology cooperation between Israeli and American firms starting in 1977. These ideas would be worth exploring as the two nations move ahead in industry and technology cooperation and Indian firms and start-ups ready themselves to enter global supply chains.

Sixthly, the recently held Quad ministerial and summit meetings and the bilateral visit of Secretary Austin, and the quest for Indo-Pacific security accelerated by the China challenge, have highlighted that the **bilateral and the multilateral relationships are not exclusive but mutually reinforcing**. The strength of the India-US strategic partnership has been part of the motivation for India to become part of the Quad architecture; and in turn, India joining the Quad has helped strengthen the India-US bilateral security relationship. It is visualised that in the near term, this overlapping relationship may pave the way for better collaboration in strategic areas and joint planning and coordination for national and regional security. As a caution, however, it may be prudent for both sides to not lose focus on bilateral issues (MDP, interoperability, MDA, and defence technology cooperation) in the aftermath of the emerging Quad, because the former is more crucial.

⁶ Vikram J Singh and Joe Felter. How SecDef Austin Can Make the Most of His India Visit. Defense One. March 18, 2021. <https://www.defenseone.com/ideas/2021/03/how-us-can-make-most-austins-visit-india/172771/>

Reconciling Perceptions

Drawing on our growing ability to address concerns, it would help the two sides to begin discussing issues where mutual perceptions differ or greater convergence is still required. Some of these are highlighted below.

One: The imbroglio over India's planned acquisition of the S-400 Air Defence System from Russia and the prospect of sanctions under Countering America's Adversaries through Sanctions Act (CAATSA), 2017 is casting a shadow on the carefully nurtured India-US defence relationship. The act is basically designed to impose economic costs on Russia by isolating it from the global economy. The implementation, however, with a perceived Congressional overstretch, seems to be hurting US partnerships more instead. India's sourcing of Russian equipment predates the deepening of India-US defence relations and is a trend that cannot be reversed over the short term. The threat of sanctions on the S-400 acquisition impacts India's capability development for its critical air defence needs. In fact, it is also hampering India's plans to export Brahmos missiles to Vietnam and the Philippines⁷, depriving them of capability development against the Chinese threat. Continued talk of sanctions for sourcing Russian origin weapons provides an opportunity for China and Russia to project the US as an unreliable and overly imposing partner, eroding its credibility. It will also be perceived as furthering commercial interests of the US arms industry by preying on the Russian export market. It is for the US to see if the S-400 purchase, spread over 2-3 years, is worth losing a strategic partner. For the record, Russian arms exports globally during the period 2016-2020 have been 22% lower than in 2011-2015. This drop is entirely attributable to a 53% drop in sales to India⁸. A CAATSA waiver would be in the national security interest of both India and the US. To address US concerns regarding the risk of compromising its defence systems, it would be prudent to expeditiously set up a Joint Technical Working Group to identify and address potential vulnerabilities.

Two: In transacting India-US bilateral relations, there are two models available. One is to look at security cooperation as an "Overburdened Pillar" while the other is to view it as the 'Spinal Cord' or main stay of this relationship. Both have their merits. Prima facie, a broad-based bilateral engagement to include trade, economy, energy, environment, cyber and digital issues, health and

⁷ Bedi Rahul. India Ready To Sell BrahMos, but Exports Remain Hostage to Concerns Over CAATSA. The Wire. March 04, 2021. <https://thewire.in/trade/india-brahmos-exports-hostage-russia-caatsa-sale>

⁸ TRENDS IN INTERNATIONAL ARMS TRANSFERS, 2020. SIPRI Fact Sheet, March 2021. https://sipri.org/sites/default/files/2021-03/fs_2103_at_2020.pdf

agriculture would balance an overburdened pillar. Pragmatically, however, with many areas of divergence (such as on trade and digital norms) persisting, it would be hard to juggle through so many complex issues simultaneously. There is merit in keeping the facet of defence and security cooperation insulated to the extent possible as the 'spinal cord' of the broader bilateral relationship. This will be a challenge, as the State Department with its emphasis on larger aspects of international diplomacy now takes the lead over the DoD and the Pentagon, and as America's military operations recede globally.

Three: There continues to be a difference in perception between India and the US in the priority of domains for developing capability and interoperability. For India, according priority to the terrestrial domain (land-centric operations) is an existential necessity. For the US, however, this 'territorial fixation' is seemingly a distraction from India's commitment to the Indo-Pacific. The US perception, evident from Secretary Austin's response at his Delhi press conference, seems to be that India and China have not been on the threshold of war during the last one year, implying a negligible likelihood of land conflict. This is in stark variance with India's concerns of preparing for a two-front war. This hiatus would need to be reconciled since it impacts the priorities of capacity building, joint exercises and acquisitions. ISR equipment like the P-8Is, ISTAR and other acquisitions may need to be optimised for dual-domain employment.



Malabar Naval Exercise. 20 November, 2020. PTI Photo

Four: Another significant challenge is of managing the India-US strategic partnership (Comprehensive Global and Major Defence Partnership) outside an alliance system. The expectations of the US side from India, a partner, are near similar to that from its allies. India, however, is shouldering the responsibility (and cost) of its own defence, values its independence in decision making in world affairs. Undoubtedly, India's decision-making ability (and autonomy) will substantially improve with the enhancement of capability, for which the India-US partnership is most consequential and important. This, however, needs to be nuanced over a period of time. The mismatch in expectations and the role of a 'partner' must be reconciled. This is also pertinent for laying a sound foundation of Quad (an amalgamation of three allies and a partner) cooperation. According to a spot survey conducted during a CNAS webinar (March 18, 2021) on the 'Future of India-US relations,' the overwhelming opinion was that while in the next 10 years India-US relations would become much stronger, there is negligible prospect of the two forging an alliance.

Finally, it is a matter of mutual satisfaction that India-US Defence relations have made a smooth transition across yet another US administration. With all building blocks for a robust strategic relationship now in place, the challenge is of 'operationalising' these arrangements. This calls for a convergence of vision for the security of the Indo-Pacific region with mutually beneficial expectations. While the China threat is a significant catalyst for India's convergences with the US and its receptivity to the idea of Quad, it cannot continue to remain the ultimate *raison d'être*. The relationship must ultimately be built on the shared vision of a free, open, transparent and rules-based Indo-Pacific region. There is also an appreciation now of the significance of the entire Indian Ocean for India's security and an effort is underway to develop operational synergy beyond INDOPACOM alone. Besides strategic convergence, there is also a better understanding of the need for cooperation in defence technology and trade and in future technologies. With such a robust foundation that has been laid, the two countries now need to '**Act in synergy**' to achieve a higher level of operational integration. Concurrently, areas of differing perceptions, in defence as well as in other domains, will need to be addressed and reconciled. The maiden visit of the US Secretary of Defence has set the tone for the two sides to talk constructively even on contentious issues on the way to 'operationalising' this vitally important relationship between these two democracies.



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