Article

Correlation between American policy schizophrenia with China, and Indian Funambulism on Integrating with the U.S.-led Liberal Order

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Abstract

In recent times, Indo-U.S. relations have steadily progressed — mainly in the realms of defense trade and defense interoperability. However, India — to U.S. policymakers’ frustration, has not transitioned fully engaging with the U.S. — and integrating into the U.S.-led liberal order by extension. Instead, New Delhi has pursued ties with nations adversarial to the U.S., and even invested in parallel institutions that seek to challenge the U.S.-led liberal order. Indian policymakers often attribute this diversification of its foreign policy stock to its quest for “strategic autonomy”. However, one may argue the same to also partially stem from a degree of insecurity over American policy incoherence vis-à-vis China. In responding to China’s rise, the United States has alternated between a liberal internationalist prescription of engagement, and a more unilateralist primacy-driven containment agenda. Given this policy schizophrenia, Indian policymakers and commentators often deem the U.S. to be an unreliable partner. This has stoked Indian insecurity, to spur abandonment or entrapment concerns (à la Glenn Snyder) on either being shortchanged in face of a prospective US-China grand bargain, or chain-gained into an American conflict with China. The Trump administration’s approach to China however, may dampen that correlation holding back India’s integration into the liberal order.

Keywords
United States, China, India, Liberal World Order, Alliance Politics, Strategic Autonomy

Introduction

In rhetoric, India has often underscored a free and open Indo-Pacific and insisted on a rules-based order — as a euphemistic endorsement of the U.S.-led liberal
world order which perpetuates norms of free market economies and liberal democracies. It has however, hesitated to fully throw its weight behind American stewardship of the liberal order. To U.S. policymakers’ frustration, India continues to have strong cultural and energy ties with Iran, maintains a defense relationship with Russia, and invests in China-led parallel institutions like the Asian Infrastructure Investment Bank.

In large parts, that need to diversify its foreign policy stock, stems from India’s erstwhile non-aligned movement’s dictum of sustaining a degree of “strategic autonomy” in its international relations. However, the same also pertains to a sense of insecurity over U.S. reliability, as Washington has alternated between opposing approaches to China in the post-Cold War timeline.

This paper thus, addresses the correlation between American policy incoherence towards China, and India’s continued reluctance to integrate itself with the U.S. — and the U.S.-led liberal world order by that extension.

Successive U.S. administrations have endeavored to ascertain a coherent policy to manage China’s rise. In the post-Cold War era, the U.S. has sought a “peaceful” rise of China via encouraging its integration into the U.S.-led liberal order as a “responsible stakeholder.” Meanwhile, it has also alternated to a more, containment-oriented outlook — viewing the Asian giant as a near peer competitor to U.S. primacy in the Asia-Pacific region and the world at-large.

However, over the years, it has become increasingly apparent that this inconsistent approach has failed to address issues such as China’s militarization of the South China Sea and unfair trade practices — which in turn only undercut some fundamental tenets of the U.S.-led liberal world order.

With regards to U.S. policy towards India — which the former has attempted to court as a natural balancer to China, American incoherence on China has accentuated Indian insecurities towards greater engagement with the U.S. — and the U.S.-led liberal world order by that extension. The core of India’s insecurity being, the accentuation of abandonment and entrapment concerns in the respective cases of the US either settling for a “grand bargain” with China or adopting an overtly confrontational approach leading to India being “chain-ganged” against its will into a conflict with China.

In summation, the paper however underscores the potentialities of the Trump administration’s heightened focus on addressing Chinese subversions of the liberal order. The Trump approach has mainly encompassed cracking down on China’s unfair trade practices and militarisation of global commons (i.e. in the South China Sea).
Thus, in dampening the aforementioned correlation which holds back India, Trump's approach on China may reinstate American reliability as a partner -- and as the steward of the liberal world order.

In view of the above, the paper is divided into the following sections:

- U.S. on India: Courting a natural balancer

- Indian funambulism on the U.S.-led liberal order

- U.S. on China: Engaging a responsible stakeholder or containing a strategic competitor?

U.S. on India: Courting a natural balancer

During the 2000 presidential campaign of then-Governor George W. Bush, his senior advisor (and subsequently U.S. Secretary of State) Condoleezza Rice wrote an essay in Foreign Affairs. In which, the U.S. ‘courtship of India was prominently underscored. Rice advocated Washington to “pay closer attention to India’s role in the regional balance. There is a strong tendency conceptually to connect India with Pakistan and to think only of Kashmir or the nuclear competition between the two states. But India is an element in China's calculation, and it should be in America's, too. India is not a great power yet, but it has the potential to emerge as one.” (Rice 2000, 56)

In this vein, the Bush administration’s policy to “take a considered view of India's nuclear programme” set in motion the courtship of New Delhi as a possible balancer to a rising Beijing. (Raghavan 2018, 355) As a result, the Bush administration passed the Hyde Act — an exemption for India under the Atomic Energy Act of 1954 — and negotiated the ‘123 Agreement’ for India to acquire nuclear fuel for civilian purposes. An unnamed Bush administration official at the time deemed these developments to be towards the “goal” of helping “India become a major world power in the 21st century.” (quoted in China Daily report 2005)

Thereafter, the Obama administration oversaw the operationalization of the Indo-U.S. civil-nuclear agreement by ironing out the outstanding nuclear liabilities issue with the Narendra Modi government. With the issue of India’s nuclear program — a major impediment in the development of the Indo-U.S. dynamic, out of the way, the Indo-U.S. dynamic soon progressed into one based on strategic issues.

The Obama administration oversaw the implementation of the H.R. 4825 – U.S. – India Defense Technology and Partnership Act. It underscored U.S.-India defense partnership to be “vital to regional and international stability and security”, and added an amendment to the Arms Export Control Act to designate India with
"special foreign military sales status." (U.S. Congress 2016)

Further, then-Deputy Secretary of Defense Ashton Carter put in place the Defense Trade and Technology Initiative (DTTI) for the U.S.-India defense relationship to go beyond a traditional “buyer-seller” dynamic, to a collaborative one of co-production and co-development. (DoD report 2017). It even involved the setting up of the first-ever country specific special cell — the India Rapid Reaction Cell (IRRC), at the Pentagon. (Joseph 2015)

Over the coming years, according to a report by the Stockholm International Peace Research Institute (SIPRI), U.S. arms exports to India witnessed a “blazing growth” of “over 550%” during 2013-17 relative to the previous five years. As a result, the United States rose to become New Delhi’s second largest arms supplier. (The Hindu report 2018) In addition, towards interoperability between Indian and American armed forces, the Obama administration oversaw the signing of the first of three foundational agreements. The Narendra Modi government inked the Logistics Exchange Memorandum of Agreement (LEMOA) to “give the militaries of both countries access to each other’s facilities for supplies and repairs.” (George 2016)

Subsequently, this momentum was sustained under the Donald J. Trump administration. In 2018, India and the U.S. signed the Communications Compatibility and Security Agreement (COMCASA) — the second of the three defense interoperability agreements, towards facilitating “the use of high-end secured communication equipment to be installed on military platforms being sold to India, and fully exploit their potential.” (Singh 2018) Recently, the two countries have also expressed intent to sign the third foundational agreement — the Basic Exchange and Cooperation Agreement i.e. BECA. (Gupta 2019) In addition, in April 2019, the H.R. 2123 U.S. India Enhanced Co-operation Act was introduced in the U.S. House of Representatives encompassing another amendment to the Arms Export Control Act, to designate India as a ‘Major Defense Partner’ — aim to elevated New Delhi on par with NATO allies and Israel on defense acquisition matters — despite the two countries not having a formal alliance. (U.S. Congress 2019)

Lastly, on a symbolic note, the Trump administration spurred the heightened adoption of the ‘Indo-Pacific’ moniker. Beyond increasing the invocation of the term — which links the fate of the Western Pacific to the Indian Ocean region, the administration renamed the Hawaii-based U.S. Pacific Command to the U.S. Indo-Pacific Command. (Barron 2018)

These developments have led to India — to a certain degree, signal compliance to its role in the U.S.’ regional calculus as a “natural balancer” to China. For instance, Indian Army Chief Bipin Rawat recently professed the time to be ripe for India to “shift focus” from its border with Pakistan to “its northern border” with China.
(quoted in Shukla 2018) However, many U.S. policymakers like former Deputy Assistant Secretary of State Alyssa Ayres deem India to merely seek the “rhetorical flourish” of a formal alliance without its “restrictive expectations”. (Ayres 2017)

This criticism stems from India’s intent to invest in alternative institutions to the U.S.-led liberal order, and even heavily engage with nations adversarial to the U.S.

**Indian funambulism on the U.S.-led liberal order**

As the largest democracy in the world with a rich history of honing a pluralist societal fabric, India’s partnership with the like-minded United States seems like an obvious one. Encapsulated by former Indian Prime Minister Atal B. Vajpayee’s characterization of the Indo-U.S. dynamic as “natural allies”, (quoted in Parthasarathy 2000) New Delhi and Washington have often underscored their convergence of interests and values. Most recently, the same was captured in the *U.S.-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region*.

Seen as an offhand to Chinese assertiveness, it affirmed Indian and American common interests in “safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region, especially in the South China Sea.” (JSV 2015) However, India has largely also displayed a sense of funambulism — on rhetoric and policy levels, on completely integrating itself in the U.S. security calculus in the region.

On the multilateral grouping Quadrilateral Security Dialogue (or simply, the Quad) — comprising of the U.S., India, Australia and Japan — being a consultative forum of the most prominent democracies of the region seemingly against Chinese militarism in the region, India has displayed caution. On the Quad evolving into a vehicle of increased defense interoperability between the said nations, India has appeared to have gotten “cold feet”. (Grossman 2018) After Japan’s inclusion into the Indo-U.S. Malabar Naval exercise, India has rejected Australia’s inclusion — four times to-date, to halt the exercise’s de facto transformation into an operational component of the Quad. (Grossman 2018)

Further, in his key-note address at Shangri-La Dialogue in Singapore, Prime Minister Modi noted, “India does not see the Indo-Pacific Region as a strategy or as a club of limited members.” (Modi 2018) In not even mentioning Chinese military expansion and assertiveness in the South China Sea, Modi’s speech stood in evident contrast to the then-U.S. Defense Secretary James Mattis’ address which called out China’s policy in the South China Sea to be “in stark contrast to the openness” of the Indo-Pacific strategy (Mattis 2018) Furthermore, despite its rhetoric on supporting a free and open order based on international law — a euphemistic endorsement of U.S. stewardship of the liberal world order, India has wavered on fully integrating itself into the U.S.-led liberal world order. It
has simultaneously sought prominence in the Shanghai Cooperation Organisation, initiated the BRICS Contingent Reserve Arrangement and New Development Bank, and emerged as the second-biggest contributor of capital to the China-led Asian Infrastructure Investment Bank (AIIB). (Ayres 2017)

In addition, India has maintained strong ties with countries adversarial to the U.S. — much to the ire of Washington.

Recently, India found itself at odds with the United States’ approach towards Russia under its announced renewed era of “great power competition.” (NSS 2017) On India’s historically strong defense ties with Russia, the U.S. law Countering America’s Adversaries Through Sanctions Act (CAATSA) raised the specter of India being subject to punitive American sanctions. CAATSA aims to punish countries that engage with Russian defense or intelligence sectors. (U.S. Congress 2017). In accordance with the act, India’s deal with Russia to purchase five S-400 missile defense batteries worth over $5 billion came under question. (IT report 2018) Although, at the initiative of the U.S. Congress, the legislation was amended to include waiver provisions for India, Vietnam and Indonesia, the Trump administration has to-date not accorded the waiver to New Delhi. (TNN report 2018) Meanwhile, as the issue has dragged on against American coaxing to purchase the U.S.-made Patriot missile defense system instead, India has hailed its decision to ink the deal late last year as a sign of New Delhi pursuing “an independent policy”. (RT report 2019)

Similarly, India’s historically deep energy ties with Iran have also invoked American ire. Under the Trump administration’s intent to revisit the issue of Iran’s nuclear program, post Trump’s withdrawal from the Joint Comprehensive Plan of Action (i.e. the Iran nuclear deal), India’s energy security has come into cross-fire. In an attempt to cripple Tehran financially and force it back to the negotiation table, the Trump administration has targeted its oil exports which make up a substantial share of its revenue. After issuing warnings to Iran’s client nations, the U.S. momentarily granted six-month-long waivers for India — and seven other countries, on purchasing about 300,000 barrels per day from Iran. (Reuters report 2018) However, it refused to reissue those waivers in May 2019. With India’s energy security coming under question — as Iran was its third largest supplier after Iraq and Saudi Arabia to meet over 10 percent of its demand, (PTI report 2019) New Delhi has been forced in face of American unilateral sanctions, to cease transactions with Tehran.

Instances of India not heeding to American diktats at once, is often viewed from the standpoint of it preserving “strategic autonomy” — i.e. diversifying foreign policy stock as a hedging tactic in an ode to its erstwhile idea of non-alignment. However, the Indian aversion to greater integration with the U.S. — and the U.S.-
led liberal order by extension, can also be attributed to questions over U.S. reliability in an event of India coming at odds with China. At the core of this resultant sense of Indian insecurity is the U.S.' policy schizophrenia with regards to China.

**U.S. on China: Engaging a responsible stakeholder or containing a strategic competitor?**

A key impediment in the further development of the U.S.-India dynamic — and India’s integration into the liberal order by that extension, is Indian insecurity stemming from the United States’ courtship of India on the basis of the strategic competition between the U.S. and China. Despite not being a formal ally of the United States, India — in accordance with the theoretical frameworks of alliance politics, has reflected “abandonment” and “entrapment” concerns. (Snyder 1984, 466)

India worries “both about a China-U.S. condominium (or G-2) and a China-U.S. crisis or conflict” (Madan 2014). With respect to the latter, the concerns pertain to India’s entrapment via exposure to “the risk of a war that one would not wish to fight.” (Snyder 1984, 467) Whereas, the former pertains to abandonment fears over “the reliability of the U.S., with the sense that the U.S. will end up choosing China because of the more interdependent Sino-American economic relationship and/or leave India in the lurch.” (Madan 2014)

This development of the U.S.-India strategic partnership “solely based on China” — i.e. the U.S. courtship of India as a “natural balancer” to China — has proven to be “neither desirable nor sustainable.” (Madan 2014) Remarkably, the same is true not only from the standpoint of India’s discussed aversion to further integration, but also with regards to the United States’ strategic competition with China.

In the post-Cold War world, the United States’ strategy vis-à-vis China has been marred with policy schizophrenia between the liberal internationalist prescription of engagement, and a more unilateralist primacy-driven containment agenda. The former is aimed at seeking the “peaceful” rise of China — in former U.S. Deputy Secretary of State Robert Zoellick’s words, to spur the integration of China into the U.S.-led liberal world order as a “responsible stakeholder.” (Zoellick 1996)

Meanwhile, the containment objective — of cultivating regional partners, strengthening defense cooperation with allies like Japan, promoting liberal values that underpin the U.S.’ “hub & spokes” alliance system in Asia, (Shambaugh 2006) stands in stark reminiscence to the Truman doctrine aimed at the Soviet Union during the Cold War.

This policy incoherence dates back to the immediate onset of the post-Cold War era.
Under the William J. Clinton administration, the *Jackson-Vanik Amendment to the 1974 Trade Act* was introduced to have the executive branch annually review the decision to continue to accord the ‘Most-Favored-Nation’ status to China. Subsequently however, in the bid to usher China’s integration as a “responsible stakeholder” and in recognition of China’s massive market potentialities, the administration dismantled the *Jackson-Vanik Amendment* by passing the *Permanent Normal Trade Relations* legislation that ended the “annual ritual of reviewing China’s trade status.” (BBC Report 2000)

On Chinese militarism and human rights record, the Clinton administration responded strongly — for instance, the Taiwan Straits Crisis of 1995-6 and temporary opposition to the Olympics being held in China — but only momentarily and to little effect on the simultaneous bid to socialize China with the socio-political dictums of the liberal order.

Thereafter, President George W. Bush furthered his predecessor’s engagement policy to spur the accession of China into the *World Trade Organization* — to essentially permit China to pursue socio-economic reforms, with little progress on its socio-political record. This fallacy of the U.S. policy alternation towards China was best captured in a slip-of-tongue by President Bush — “China is a strategic partner, I mean, strategic competitor but that doesn’t mean we can’t find areas in which we can partner and the economy is a place we can partner.” (quoted in Alfredson 2001)

Under President Barrack Obama, the alternation was most apparent, as the U.S. sought China’s critical support to seal the nuclear deal with Iran and the Paris Climate Accords. Most importantly, the Obama administration oversaw the internationalization of Chinese Yuan — by overseeing its inclusion into the *International Monetary Fund’s* (IMF) special drawing rights currency basket alongside the US Dollar, the Japanese Yen, British Pound Sterling, and the Euro. (Allen 2015) All whilst sparring over Beijing’s territorial claims in South China Sea, and initiating the Air-Sea Battle concept to counter Chinese Anti-Access Area Denial capabilities in the Western Pacific.

Overtime however, this approach only led China to rise as the second-largest economy of the world, (Lah 2011) engage in a massive security maximization program to have a defense budget now second only to the U.S. itself, ([SIPRI 2018](https://www.sipri.org/research/armaments/arms-expenditure/world-arms-expenditure)) become the largest holder of U.S. debt worth nearly $1.13 trillion, ([Amadeo 2019](https://www.investopedia.com/terms/u/us-trade-surplus.asp)) and hone a massive trade surplus with the U.S. of over $350 billion. ([USTR Factsheet](https://www.us Trade.gov/)

Moreover, the U.S. policy incoherence towards China, has also meant the latter chipping away at some of the core tenets of the liberal world order. Notably,
China has cut corners on liberal market economics, the Westphalian model of sovereignty, free trade practices, and opening up socio-politically. It has instead pursued a state-driven market economics model, engaged in territorial aggrandizement, militarized the global commons, practiced predatory economics to secure strategic vassals, and lastly, clamped down on civil liberties at home.

In this vein, the Donald J. Trump administration’s focus on China – on the issues of its unfair trade practices, its trade surplus with the U.S., militarization of the South China Sea, and the internment of a million Uyghur Muslims -- may break the cycle of policy schizophrenia.

The Trump administration’s attempt to recalibrate the foundations of U.S.-China relations, may also pave way for the U.S.-India dynamic to develop independently — towards alleviating India’s hesitations with its integration with the U.S. and the liberal order.

To that point as well, the Trump administration has reflected credence. It has sought to develop a robust US-India partnership – beyond calculations based on U.S.-China considerations. For instance, although the trade deficit between the US and India is under $30 billion, there has been a push for diversifying bilateral trade with, for instance, greater US energy exports to India. Moreover, some frictions on the trade front have opened up avenues for either parties to tend to long-standing market access issues like that over dairy products and price caps on pharmaceutical products. Although this has raised tempers in the short term with the imposition of retaliatory tariffs, the long term bears promise by elevating the US-India trade dynamic on “independent, but mutually supportive, grounds” — and eventually set the two countries on path for a Free Trade Agreement. (Linscott 2019)

Furthermore, the Trump administration has also doubled down on the earlier discussed US-India DTTI to institute a more collaborative approach to defense trade. Overtime, the DTTI has come to temper concerns that Trump’s ‘America First’ focus on US technological ingenuity stands incompatible with the Modi government’s push, under its ‘Make in India’ initiative for India to turn into a global hub in manufacturing. (Parpiani 2019)

Therefore, going forward, the Trump administration’s focus on Chinese subversions on the liberal world order, and insistence on developing an independent US-India dynamic can go a long way in reinstating reliability of not only the US as a partner, but also of the U.S.-led liberal order.

**Conclusion**

This paper addressed the correlation between American policy schizophrenia
with regards to China, and India’s reluctance to integrate itself with the U.S. — and by extension the U.S.-led liberal order. In doing so, the paper began with a brief overview of the rising trajectory of the Indo-U.S. dynamic towards Washington’s bid to court a natural balancer to China’s rise. Although highly promising, the development of the dynamic stands perturbed by India’s insistence to diversify its foreign policy stock — by maintaining relations with nations adversarial to the U.S. such as Iran and Russia and even investing in China-led non-Western international institutions. Although the same is often attributed to India’s quest for “strategic autonomy”, it also stems from the U.S.’ policy incoherence vis-à-vis China. Indian insecurity — explained in the metrics of “abandonment” and “entrapment” fears (à la Glenn Snyder), stands accentuated in face of the United States’ alternation between an engagement and containment strategy towards China. In summation, the paper however posited the potentialities of the Trump administration’s approach towards China — of responding to the second-largest economy’s unfair trade practices and human rights violations, to possibly dampen that correlation holding back India’s development of an independent dynamic with the U.S. and fully integrate into the U.S.-led liberal world order.

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Bio

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