

palgrave pivot

THE US PIVOT AND INDIAN FOREIGN POLICY

Asia's Evolving Balance of Power

Harsh V. Pant and
Yogesh Joshi





The US Pivot and Indian Foreign Policy

Other Palgrave Pivot titles

Alan Bainbridge: *On Becoming an Education Professional: A Psychosocial Exploration of Developing an Educational Professional Practice*

Bruce Moghtader: *Foucault and Educational Ethics*

John K. Roth and Carol Rittner: *Teaching About Rape in War and Genocide*

Robert H. Blank: *Cognitive Enhancement: Social and Public Policy Issues*

Cathy Hannabach: *Blood Cultures: Medicine, Media, and Militarisms*

Adam Bennett, G. Russell Kincaid, Peter Sanfey, and Max Watson: *Economic and Policy Foundations for Growth in South East Europe: Remaking the Balkan Economy*

Shaun May: *Rethinking Practice as Research and the Cognitive Turn*

Eoin Price: 'Public' and 'Private' Playhouses in Renaissance England: The Politics of Publication

David Elliott: *Green Energy Futures: A Big Change for the Good*

Susan Nance: *Animal Modernity: Jumbo the Elephant and the Human Dilemma*

Alessandra Perri: *Innovation and the Multinational Firm: Perspectives on Foreign Subsidiaries and Host Locations*

Heather Dubrow: *Spatial Deixis in the Early Modern English Lyric: Unsettling Spatial Anchors Like "Here," "This," "Come"*

Felicity Callard and Des Fitzgerald: *Rethinking Interdisciplinarity across the Social Sciences and Neurosciences*

Catrin Norrby and Camilla Wide: *Address Practice AS Social Action: European Perspectives*

Alastair Ager and Joey Ager: *Faith, Secularism, and Humanitarian Engagement: Finding the Place of Religion in the Support of Displaced Communities*

Øyvind Kvalnes: *Moral Reasoning at Work*

Neema Parvini: *Shakespeare and Cognition: Thinking Fast and Slow through Character*

Rimi Khan: *Art in Community: The Provisional Citizen*

Amr Yossef and Joseph R. Cerami: *The Arab Spring and the Geopolitics of the Middle East: Emerging Security Threats and Revolutionary Change*

Sandra L. Enos: *Service-Learning and Social Entrepreneurship in Higher Education: A Pedagogy of Social Change*

Fiona M. Hollands and Devayani Tirthali: *MOOCs in Higher Education: Institutional Goals and Paths Forward*

Geeta Nair: *Gendered Impact of Globalization of Higher Education: Promoting Human Development in India*

palgrave pivot

The US Pivot and Indian Foreign Policy: Asia's Evolving Balance of Power



Harsh V. Pant

King's College London, UK

and

Yogesh Joshi

Jawaharlal Nehru University, India

palgrave
macmillan



© Harsh V. Pant and Yogesh Joshi 2016

Softcover reprint of the hardcover 1st edition 2016 978-1-37-55771-1

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No portion of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, Saffron House, 6–10 Kirby Street, London EC1N 8TS.

Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The authors have asserted their rights to be identified as the authors of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 2016 by
PALGRAVE MACMILLAN

Palgrave Macmillan in the UK is an imprint of Macmillan Publishers Limited, registered in England, company number 785998, of Hounds Mills, Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan in the US is a division of St Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States, the United Kingdom, Europe and other countries.

ISBN: 978-1-37-55772-8 PDF

ISBN: 978-1-349-71844-3

A catalogue record for this book is available from the British Library.

A catalog record for this book is available from the Library of Congress.

www.palgrave.com/pivot

DOI: 10.1057/978137557728



To

The Indomitable Spirit of Kumaon

Contents

Preface	vii
1 Introduction	1
2 Power Transition in Asia and Indian Foreign Policy	11
3 Indo-US Ties in the Age of “Pivot”	38
4 India’s China Challenge	60
5 The Indo-Japanese Strategic Partnership and Power Transition in Asia	82
6 India and Regional Balance of Power in Asia	103
7 Conclusion	124
Bibliography	128
Index	148



Preface

Facing an assertive China in the Asia-Pacific, US President Barack Obama announced in late 2011 his strategy of pivoting toward the region. India has emerged as an important constituent of this new policy framework, which is aimed at balancing China's growing power. For India, too, China's growing military and economic prowess poses a strategic challenge. Yet rather than endorse the pivot, Indian foreign policy shows signs of pursuing a hedging strategy in three distinct realms. First, New Delhi is recalibrating its strategic ties with the US. Second, rather than balancing China through external help, New Delhi has been trying to normalize its relationship with Beijing without much apparent success. Third, India is encouraging a more localized form of balancing by increasing its defense partnerships with other regional powers. This book examines India's foreign policy response to the US pivot toward Asia and investigates New Delhi's strategy for dealing with the changing balance of power in the region.

This book came out of an Economic and Social Science Research Council grant that enabled us to pursue this collaborative research project. Thanks to the Department of Defence Studies at King's College London and Jawaharlal Nehru University for allowing us to take this project forward. Hannah Kaspar at Palgrave Macmillan remained patient even as we missed a few deadlines but her support for us did not waiver. Special thanks to Kundan Singh who provided critical last-minute assistance to us which was badly needed. We would like to express our gratitude to

the numerous policymakers, thinkers and defense officials, both in India and the US, who took time off to talk to us and shared their valuable insights. Last, but not the least, both of us would like to thank our families who have continued to support us through our academic journeys.

We dedicate this book to the hills and people of Kumaon, a region in India where both of us come from and which we treasure deeply.

1

Introduction

Abstract: *Transition of power in international politics often leads to conflict and confrontation between the existing hegemon and the rising challenger. For secondary powers, this period of transition is marked by strategic flux. Uncertainty over the ultimate results of such transition motivates the tendency to hedge. Against the backdrop of the US “pivot” to Asia, Indian foreign policy also shows signs of a hedging strategy.*

Pant, Harsh V. and Yogesh Joshi. *The US Pivot and Indian Foreign Policy: Asia's Evolving Balance of Power*. Basingstoke: Palgrave Macmillan, 2016.

DOI: [10.1057/9781137557728.0003](https://doi.org/10.1057/9781137557728.0003).

Shaped by China's miraculous rise and perceptions of relative decline in American prowess, contemporary Asia is witnessing a transition of power. Unlike the immediate aftermath of the Cold War when the US power reigned supreme in the world, China's ascendancy in Asia is increasingly turning Asian geopolitics into a bipolar contest between Beijing and Washington. On the one hand, China's policies in the region have taken an increasingly assertive turn since 2008. On the other, America has indicated its determination to maintain its primacy in the region by tightening its erstwhile alliances, embracing new strategic partners and by realigning its strategic focus back to the Asia-Pacific. This has been underscored by a formal announcement of the strategy of pivot in 2011.

Power transition, strategic flux and hedging behavior

International politics is often characterized by hegemonic world orders.¹ The hegemon's overwhelming power helps not only in maintaining peace but also provides for norms and rules of global conduct and integration of the international system. Concentration of power in the hegemon leads to stability and peace and is a prerequisite for maintenance of order. As William Wohlforth has argued, "unipolarity favours the absence of war among great powers and comparatively low levels of competition for prestige or security."² After the end of the Cold War, the first two decades of global politics were defined by absolute American hegemony. With China's ascendancy, both economic and military, the US "unipolar moment is drawing to a close" and its primacy today stands increasingly contested.³ From extreme concentrations of power at the end of the Cold War, the world is now moving toward a parity of sorts between Beijing and Washington.⁴ Such transitions in global structures of power, as "Power Transition" theorists would argue, often lead to instability in the global system, increases chances of conflict and confrontation, and sometimes results in major wars between the declining hegemon and the rising challenger.⁵ Peaceful transitions of power are possible, as was the case with Britain handing over the baton to the US between the First and the Second World War. However, under conditions of parity, peace can only be guaranteed when both parties are satisfied with the existing system.⁶ Though in international politics it is always hard to read others intentions, China's assertive behavior suggests that it is far from being a

satisfied power under the current world order.⁷ The “masked revisionism” which was underlined by the adage of China’s “peaceful rise” during the first decade of the 21st century is now slowly and surely shifting toward more assertive revisionism.⁸ Given its behavior since the 2008 financial crisis, a “gnawing distrust” prevails in Asia and around the world over China’s ultimate intentions.⁹

Since 2009, Beijing has been aggressively pursuing its territorial interests in East China Sea, South China Sea and along the Himalayan border with India.¹⁰ Assertive territorial diplomacy is backed by the use or threat of use of force. Its massive military modernization is aimed at developing asymmetric offensive capabilities to counter US intervention in the region while simultaneously exerting control over its smaller neighbors. This has stoked an arms race across Asia.¹¹ Even when China’s rise has been possible under the US-led liberal international economic and security order, it remains committed to an alternative system: from currency wars to the creation of new financial institutions, China’s contentment with the existing international rules of the game remains highly doubtful.¹² China’s alternative political system only adds up to the ideological conflict with the liberal and democratic world order.

Given increasing economic interdependence, China’s stakes in the system remain substantial. Economic interdependence also translates into absolute gains for all states integrated in the international system and China remains critical to the overall health of the world economy. However, such economic interdependence is highly skewed in China’s favor; its exports remain exorbitantly high compared to its imports. This skewed economic interdependence has made China gain relatively more than other stakeholders in the system, in turn fueling its military power.¹³ China has shown no restraint in using economic interdependence to pursue its territorial interests and use economic coercion against states—such as Japan and Philippines—who have tried to resist China’s territorial assertiveness.¹⁴ As Ashley Tellis has argued, “its [economic interdependence] fecundity and depth imply that the US and its allies today contribute towards enhancing the prosperity and the material capability of countries that will one day become their rivals.”¹⁵ It is now readily accepted that the most powerful of these potential rivals is China and if Beijing “continues to accumulate national power” through its integration with the international economy, USA’s decline, which may be a “statistical artefact” today, will become “politically fateful” tomorrow.¹⁶

The process of transition often injects huge uncertainties in the system. Whereas the perceptions of transition increase the risk of conflict, results of such transition are often uncertain.¹⁷ The current transition in Asia presents a similar dilemma. Even when China is rapidly catching up with the US, it is still far from certain who will appear on the top of this geo-political competition. Will Beijing replace Washington's primacy in Asia? Would US be able to successfully throttle Beijing's hegemonic ambitions and maintain its preeminent position? Or would US and China form a condominium of power, dividing Asia into spheres of influence? All these possibilities remain open ended.¹⁸ Such uncertainty is further aggravated by the fact that the rise of China and relative decline of the US is also accompanied by what has been termed as the "rise of the rest": many other states in Asia are growing simultaneously along with the transition of power between China and the US.¹⁹ They are also called "swing states" because of the unknown nature of their ultimate intentions and also because their eventual choices could tilt the balance of power in one way or the other.²⁰ Overall, the picture in Asia appears to be one of strategic flux: transition of power inducing uncertainty in the system where clear cut strategic choices are hard to make.

Economic theory suggests that uncertainty and volatility in the market drives hedging behavior which has been explained as "risk shifting," where actors invest in diverse policies to insure against unexpected failures.²¹ As Van Jackson argues, hedging is a "strategy of pursuing opposing or contradictory actions as a means of minimizing or mitigating downside risks associated with one or the other action."²² International relations scholars have suggested that hedging gains prominence among actors during periods of structural transformation. It has been suggested that "leaders... operate under the constraints of the current structure, but act to hedge against the uncertainty that accompanies structural transformation."²³ Some scholars have argued that hedging is not a strategy; rather, it is a default foreign policy option when clear-cut strategies are unavailable.²⁴ Caught in the trap of uncertainty induced by the current transition of power in Asia, many states in the region are exhibiting a tendency to hedge.²⁵ India is no exception.²⁶

India and the US pivot to Asia

The perception that America is in decline holds sway both among its allies and adversaries.²⁷ Overwhelmed by financial crisis, military

overstretch and also the rapid rise of China, two decades after the end of the Cold War, the US primacy is under challenge. To counter an increasingly assertive China and perceptions of American decline, US announced the strategy of pivot toward Asia in late 2011. Soon after, in January 2012, this strategy was rechristened as “strategic rebalancing” by the Pentagon. Pivot or “strategic rebalancing” indicates America’s desire to balance China’s growing economic and military influence in Asia. Pivot emphasizes upon strengthening America’s existing alliances as well as on building partnerships with like-minded states in the region.

India has emerged as an important element in the US strategy of pivot. Aimed at balancing China’s growing power, New Delhi is a natural strategic choice for Washington: the only state in Asia comparable to China in geography and demography, an economic growth story of the 21st century, and a state which believes in democratic and liberal values.²⁸ From the very initiation of the rebalancing strategy in December 2011, the Obama administration has underscored India’s important role in the new US framework for Asia. In fact, Leon E. Panetta, former Secretary of Defense, during his visit to New Delhi in June 2012, had called India-US defense partnership as a lynchpin of America’s rebalancing strategy and requested New Delhi to play a bigger role in the security of Asia-Pacific region.²⁹ For Washington, India is an important strategic choice.

For India too, China’s growing military and economic prowess poses a strategic challenge.³⁰ Balancing China’s growing economic and military power has been a strategic priority given serious differences between New Delhi and Beijing. The Sino-Indian border dispute continues to fester. The China-Pakistan “axis” has only grown stronger in recent years. India also remains wary of China’s intentions in the Indian Ocean Region (IOR) even as China’s presence in the region has increased dramatically over the last decade.

Yet, as this book argues, in the age of American strategic rebalancing to Asia, Indian foreign policy shows signs of a hedging strategy. Rather than balancing China with help from the US pivot, India is simultaneously investing in three-pronged strategy to manage the current transition of power in Asia. First, New Delhi is developing a close strategic partnership with the US. Second, it is trying to stabilize its relationship with Beijing. Third, it is opening up to a more localized form of balancing by increasing defense partnerships with other regional powers. Such a strategy is puzzling, not the least because in the first decade the 21st century India appeared to be closely aligning with the US, a process which culminated in the path-breaking Indo-US nuclear deal. Hedging made inroads into

India's foreign policy mainly due to two reasons. First, during the first few years of his presidency, Barack Obama made an attempt to seek a grand accommodation with China in the form of G-2. Washington's failed attempt at a rapprochement with Beijing made India feel both vulnerable and ignored after years of being wooed under the presidency of George W. Bush. Second, this feeling of vulnerability brought to the fore India's default foreign policy choice of "non-alignment." Facing an uncertain US foreign policy landscape, many in India started questioning New Delhi's growing strategic partnership with the United States, thereby leading to a push for "strategic autonomy" in foreign policy.

However, such hedging behavior is also being shaped by India's domestic politics. If under the United Progressive Alliance (UPA) government headed by Manmohan Singh, hedging became a default foreign policy option because of lack of political will, organizational indecisiveness and the absence of strategic imagination, the Narendra Modi-led National Democratic Alliance (NDA) government has unveiled a more assertive and proactive hedging strategy. The new government continues to invest in normalizing relations with China but not at the expense of its strategic partnership with the US and like-minded regional states, which was the case with its predecessor. Under the UPA, in the post-2008 period, defense relationship with the US stagnated and India remained reluctant to invest in strategic partnerships with key Asian states that were perceived to be close to Washington—Japan and Australia. Singh's defensive hedging strategy was partly motivated by the necessity to signal Beijing that New Delhi was not a part of any American plan to contain China. It was also a result of the Congress Party's residual foreign policy thinking from the Cold War, coveting "non-alignment" and strategic autonomy as fundamental to Indian foreign policy. Modi, on the other hand, appears to believe in a more assertive hedging strategy where Chinese concerns and principles of "non-alignment" are far less important compared to the necessity of balancing China's growing power. Building close strategic relations with the US and like-minded Asian states has therefore been prioritized.

Structure of the book

This book examines Indian foreign policy as the current transition of power unfolds in Asia. Since the strategy of pivot is the defining symbol

of such a transition, India's foreign policy response to US rebalancing in Asia provides a unique opportunity to study Indian foreign policy response to the changing geopolitics of the region. The first chapter sets up the conceptual premise for the book. It discusses the debate surrounding America's relative decline, China's rise and the transition of power unfolding in Asia. It argues that such a transition is altering the post-Cold War liberal security order promulgated by the US in unprecedented ways. Such alteration of the Asian order has huge consequences for India. It not only challenges the conceptual foundations of Indian foreign policy but also impinges upon some of the most substantive security issues concerning New Delhi. India's foreign policy, therefore, requires a renewed focus in this age of pivot.

The second chapter focuses on the evolving trajectory of India's relations with the US against the backdrop of American pivot to the Asia-Pacific. It discusses the expectations which Washington has from New Delhi as part of its new approach toward the region. However, Indian foreign policy debate remains divided among those who argue against India's active involvement in the pivot strategy and others who see pivot as a strategic opportunity for New Delhi to build a close strategic partnership with the US. If Indian foreign policy response to pivot under the UPA government appeared to have veered toward "punctuated reluctance," the Modi government seems to be a far more enthusiastic supporter of the US presence in the region.

Subsequently, India's relations with China are discussed in the Chapter 3. Though India-China relations have been characterized as a "protracted contest," China's rise has only sharpened its intensity. From the Himalayan border to the Indian Ocean, China is increasingly encroaching upon India's national interests. Balancing China therefore has become a strategic imperative for New Delhi. However, it is still far from clear whether India would opt for internal balancing or external balancing. Given its limited national power, internal balancing may not suffice to deter China; pivot therefore provides India an external hedge against its internal incapacity to balance Beijing on its own.

The last two chapters explicate India's local balancing strategies. The Chapter 4 delineates the burgeoning strategic partnership between Asia's two other resident powers: Japan and India. China's rise and doubts about America's commitment and staying power in the region has made this relationship especially attractive for Tokyo and New Delhi. The Chapter 5 focuses on India's engagement with other major Asian

countries as an attempt to build a web of balancing relationships against future uncertainty in Chinese intentions. India's burgeoning defense partnerships with Australia, Indonesia, Vietnam, Singapore and South Korea are discussed with a focus on their implications for the strategic realities in the region. Finally, a short concluding chapter summarizes this book's major findings and offers some policy recommendations for Indian foreign policy.

Notes

- 1 Robert Gilpin, *War and Change in World Politics*, (Cambridge: Cambridge University Press, 1981); Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*, (Princeton: Princeton University Press, 1984); W.R. Thompson, *On Global War*, (Columbia: University of South Carolina, 1988).
- 2 William Wohlforth, "The Stability of a Unipolar World," *International Security*, Vol. 24, No. 1 (1999), p. 23.
- 3 Aaron Friedberg, "The Geopolitics of Strategic Asia, 2010–2020," in Ashley J. Tellis, Andrew Marble and Travis Tanner, (eds), *Strategic Asia 2010–11: Asia's Rising Power and America's Continued Purpose*, (Washington D.C.: National Bureau of Asia Research, 2011), p. 33.
- 4 National Intelligence Council, *Mapping the Global Future* (Washington, DC: GPO, 2004). Also see, National Intelligence Council, *Alternative Worlds: Global Trends 2030*, (Washington, DC: GPO, 2012).
- 5 Ronald L. Tamm, Jacek Kugler, Douglas Lemke, Mark Abdollohian, Carole Alsharabati, Brian Efird, Allan C. Stam III and A.F.K Organski, *Power Transitions: Strategies for the 21st Century*, (Chatham: Chatham House, 2000). AFK Organski and Jacek Kugler, *The War Ledger*, (Chicago: University of Chicago Press, 1980).
- 6 Ronald Tamm and Jacek Kugler, "Power Transitions and China-US Conflict," *Chinese Journal of International Politics*, Vol. 1, No. 1 (2006), p. 42.
- 7 The debate around China being a status quo power or a revisionist power is intense. See, Aaron L. Friedberg, *A Contest for Supremacy: China, America and the Struggle for Mastery in Asia*, (New York: W.W. Norton, 2012); Steve Chan, "China, The U.S. and the Power Transition: A Critique" (New York: Routledge, 2007); John J. Mearsheimer, "The Gathering Storm: China's Challenge to US Power in Asia," *Chinese Journal of International Politics*, Vol. 3, No. 3 (2010), pp. 381–96; John J. Mearsheimer, "Can China Rise Peacefully," *The National Interest*, 25 October 2014, <http://nationalinterest.org/commentary/can-china-rise-peacefully-10204>; Feng Huiyan, "Is China a Revisionist Power,"