



India's Heavy Hedge Against China, and its New Look to the United States to Help

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China and India together account for one-third of humanity. Both were advanced civilizations when Europe was in the Dark Ages. Until the 19th century, they constituted the world's largest economies. Today they are, in terms of purchasing power, the world's largest and third-largest national economies, and the fastest-growing major economies. Were they to form an alliance, they would dominate mainland Eurasia and the sea lanes of the Indian Ocean and Western Pacific that carry a preponderance of the world's maritime energy trade. Yet these civilization-states seem destined to compete in the 21st century.

India is engaged in a heavy hedge against China—although its history of non-alignment, traditional rhetoric of anti-Americanism, the dominance until recently of analysts' tendency to view India's security mainly in terms of its subcontinental competition with Pakistan, and the tendency for emerging market analysts to hyphenate India and China as rising economies can obscure this reality. Tactical cooperation in climate change talks and BRICS summits should not confuse us into seeing any kind of emerging India-China alignment in global affairs. Strategic rivalry of a quiet but steady nature characterizes their ties, to the point where it affects their relations with third countries: India's relations with Russia have cooled substantially since President Putin's tilt toward Beijing in the wake of Russia's isolation from the West over Ukraine.

India-China relations will be determined in part by how the United States navigates between them in pursuit of its national interests. The United States has a key role to play in India's heavy hedge. Historically, India has sought to balance China alone and, when necessary, in combination with the Soviet Union during the Cold War. India has little history of participating in the kind of alliances the United States has constructed in the Asia-Pacific, but tightening Indo-U.S. alignment tests that history and enables India to hedge more readily against daunting strategic competition from China, which many Indians believe to be pursuing a conscious strategy of encircling India on land and at sea while working to diplomatically contain its influence in leading international clubs. U.S. strategic partnership with India should be a stabilizing factor in this equation as a hedge against Chinese hegemony in Asia, the emerging order's pivot of wealth and power.

Every Asia-Pacific state is hedging against the uncertainty and latent threat posed by China's extraordinary rise. India is doing so in a particularistic way on account of its lack of formal external alliances, its inheritance as a non-aligned state, its relative developmental backwardness, its unique scale (relative to every country except China), and the geographical reality of sharing a contested 2500-mile border with China. At the same time, like other Asia-Pacific powers, India seeks to engage China economically to share in the fruits of Chinese growth through higher levels of trade and investment. A key question is whether growing tensions over security between the two Asian giants will constrain economic interdependence between them, or whether India and China—like China and the United States—can manage to qualitatively expand economic ties in the midst of an intensifying security dilemma.

This chapter examines how India has managed its relations with China, using a quick historical survey to set the stage for a more focused consideration of India-China relations in recent years. It also assesses the role of the United States and closer Indo-U.S. ties in influencing relations between New Delhi and Beijing. The chapter argues that India and China both have an interest in focusing on their domestic development, but that China's military assertiveness

as well as the contestation for influence in key regions of shared interest—like the South China Sea and Western Pacific, the Indian Ocean, mainland Southeast Asia, and the Persian Gulf—could propel India and China into a heightened state of geopolitical competition. India's heavy hedge could transform into overt balancing. The United States has an important role to play in working with India to structure an Asian balance of power that is resilient to any Chinese bid for hegemony, but also to help mitigate the security dilemma between New Delhi and Beijing. In this sense, it is the pivotal power in determining the future of an Asian security system otherwise dominated by these two states.

THE U.S.-INDIA-CHINA TRIANGLE

It is a little naïve to think that the trouble with China was essentially due to a dispute over some territories. It had deeper reasons. Two of the largest countries in Asia confronted each other over a vast border. They differed in many ways. And the test was whether any one of them would have a more dominating position than the other on the border *and in Asia itself*.

– Indian Prime Minister Jawaharlal Nehru, 1962, emphasis added¹

India fought a war with China in 1962 over their contested border, but the continuing competition between them since that time has always been about more than their largely uninhabited and resource-poor border regions. India formed its quasi-alliance with the Soviet Union in the early 1970s partly in response to several factors, all of which related to its northern neighbor: China's nuclear weapons test and the Sino-Indian war in the 1960s, China's alliance with Indian adversary Pakistan, U.S. military pressure on New Delhi during the Bangladesh crisis in 1971 as China threatened to intervene on behalf of Pakistan, and the U.S. opening to China. The adverse impact of these developments on India's security was compounded by the U.S.-led international sanctions regime imposed on India following its 1974 nuclear tests, which created an effective Western embargo on advanced technologies to India, handicapping not only its military power but its economic development. From New Delhi's perspective, India's primary strategic competitors, Pakistan and China, had both formed alliances with the United States, which itself was squeezing India through military, diplomatic, and economic pressure; it was only natural, in the days of Cold War bipolarity, for India to look to Moscow for military guarantees, economic assistance, and defense hardware.

It was somewhat ironic, therefore, when in 1998 India openly tested nuclear weapons and Prime Minister Atal Bihari Vajpayee justified this new posture in secret correspondence to President Bill Clinton as a response to China's military buildup and Beijing's arming of India's enemy Pakistan.² In a striking turnaround, Vajpayee called India and the United States "natural allies" who shared interests in managing Chinese power and defeating terrorism, and who should cooperate more closely after decades of geopolitical alienation.³ This led to the forging of a U.S.-India strategic partnership in the 2000s centered on military cooperation and acceptance of India's status as a nuclear-weapons state through U.S. support for normalizing civilian-nuclear trade with India in the International Atomic Energy Agency and the Nuclear Suppliers Group.

India was now reaching out to the United States to help balance against China—even as India in the 1970s had reached out to the Soviet Union to help balance against the United States. Officials in the Clinton, Bush, and Obama administrations grasped India’s importance to the future Asian balance of power, understanding that strengthening the U.S.-India leg of the U.S.-India-China strategic triangle would tilt the balance in the direction of the democracies—just as the U.S. tilt to China in the 1970s had strategically isolated the Soviet Union in Asia. This led one perceptive Indian diplomat to declare that, in building a new strategic relationship with New Delhi in the 2000s, Washington was “doing a China on China.”⁴

GROWING TENSIONS IN INDIA-CHINA BILATERAL RELATIONS

As the Cold War thawed in the late 1980s, New Delhi and Beijing launched what was hoped to be a new era in diplomatic relations with a breakthrough visit to Beijing by Prime Minister Rajiv Gandhi, the first high-level summit between leaders of the two nations in decades. As *India Today* put it at the time, “For 26 years, relations between the two Asian giants have been deep-frozen, activated only by hostility and armed tension.”⁵ Hopes were high that the geopolitical transformation created by the winding down of the Cold War would inaugurate a cooperative period in India-China relations. During the 1990s, however, they struggled to put in place a robust framework to resolve their border dispute, although 2003 did yield the dividend of Chinese recognition of Indian sovereignty in Sikkim (in return for official Indian recognition of China’s sovereignty over Tibet). Meanwhile, China provided advanced nuclear and missile technologies to Pakistan, leading to its nuclear weapons tests of 1998 and its more threatening posture towards India that produced the 1999 Kargil War between the two countries and another near-war following the attack by Pakistani terrorists on the Indian parliament in 2001.

In the 2000s, Beijing and China launched framework talks over principles to guide resolution of their border dispute, with both countries appointing special envoys who made progress in private negotiations. Yet in 2006, China reasserted its claim to India’s state of Arunachal Pradesh, and in the late 2000s China began offering “stapled visas” to Indians from Jammu and Kashmir—implying that Beijing did not recognize India’s sovereignty over Indian Kashmir. China’s crackdown in Tibet from 2008 grated in India, given its historic cultural ties to the region and its hosting of the Tibetan government in exile. Beijing’s initial opposition to Indian membership in the East Asia Summit, its opposition to Indian membership in the Shanghai Cooperation Organization, its attempts to block civilian-nuclear trade with India in the Nuclear Suppliers Group, and its opposition to Indian membership in the United Nations Security Council led the Indian establishment to conclude that China did not want to share Asian leadership in regional and international institutions with its southern neighbor.⁶ Meanwhile, trade blossomed to the point that China became India’s top trading partner,⁷ but India’s exports to China comprised mainly raw materials even as Chinese imports were mainly cheap manufactured goods, causing an imbalance that raised controversy in New Delhi. The Indian government also closed various sectors of the Indian economy to Chinese investment on security grounds, producing tensions with Beijing.

U.S.-India relations cooled during the 2009-14 period after the high-water mark of the second term George W. Bush administration (2005-9) and the first term of Prime Minister

Manmohan Singh (2004-9). This was a result of a number of factors, including an early Obama administration approach to Asia that disdained balance-of-power principles in favor of G2-style outreach to Beijing and a more general diplomatic strategy that appeared to privilege U.S. approaches to strategic competitors like Russia and China over relations with core allies and security partners. Indians were also gravely disappointed by Obama's "surge and withdraw" strategy in Afghanistan and his administration's growing reliance on Pakistan to help facilitate the American drawdown in Afghanistan, both of which compromised Indian equities. It was also a function of drift in New Delhi during the 2010-14 period that resulted in poor governance, weak diplomacy, and lackluster economic growth following a period in which the Indian economy had expanded vigorously at rates approaching 10 percent per annum.

As relations between Washington and New Delhi cooled, Indian officials spoke of pursuing a policy of "equidistance" between the United States and China to maximize India's strategic autonomy and protect its relations with each country against pressure from the other.⁸ However, it was during this period that China became newly assertive with regard to its revisionist territorial claims in Asia, now encompassing not just parts of Indian territory but also islands claimed (and in some cases occupied) by other countries in the South China Sea, as well as the Japanese-controlled Senkaku Islands. Border incidents between Indian and Chinese forces also escalated, leading to confrontations that had a chilling effect on the bilateral political relationship. India did join forces with China at the 2009 Copenhagen climate talks, as well as in launching the BRICS Bank and Asian Infrastructure Investment Bank in 2014-15. Nonetheless, these tactical alignments did not lead to closer strategic convergence. It seemed to Indians that the more powerful China grew, the more it thought it could override India's core interests. These included India's dominant role in South Asia. The China-Pakistan axis had been designed by both countries partly to contest Indian hegemony on the subcontinent and box it into its neighborhood.⁹ This challenge tied Indian forces down on their country's western and northern borders and prevented independent India from pursuing the expansive grand strategy of the Raj, when parts of the Persian Gulf (including Oman), Africa (including Zanzibar), and Southeast Asia (including Burma) were governed from India, and in which Indian forces played a global expeditionary role, fighting in theaters from Europe and the Middle East to China.¹⁰

In the 2000s, Chinese influence grew dramatically across India's periphery. China was the partner of choice to a Burmese military junta isolated by the West. It became the principal ally of Nepal following the collapse of that country's monarchy and a peace agreement that brought self-professed Maoists in Nepal into power. China increased arms flows and development assistance to Bangladesh, including working more closely with its armed forces. China became the leading military supplier and economic donor to Sri Lanka under the government of Mahinda Rajapaksa, a strongman who consolidated political authority among his family members and fended off Western isolation over human rights abuses against minority Tamils by cozying up to Beijing. Across mainland South Asia, from Myanmar in the east to Nepal in the North to Pakistan in the west, China invested heavily in road and rail infrastructure designed mainly to facilitate commerce and energy imports—but which could also be used, in the eyes of wary Indian strategists, to ferry large numbers of military forces directly to India's vulnerable borders and allow China gateways to the Indian Ocean and Persian Gulf via ports like Gwadar. To the alarm of the Indian establishment, China also

enhanced relations with Indian Ocean island territories like the Maldives and Mauritius, feeding into Indian paranoia over a Chinese “encirclement” strategy both on land and at sea. China’s 2015 decision to sell eight advanced attack submarines to Pakistan was governed by a logic of enhancing Islamabad’s ability to check the power of the Indian Navy—just as ongoing Chinese assistance to Pakistan’s missile and nuclear programs is designed to checkmate India’s conventional military superiority on land.¹¹

INDIA’S APPROACH TO CHINA UNDER MODI

The history of Indian foreign policy and Sino-Indian relations suggests that India will not concede to live under Chinese dominion in a unipolar Asia, irrespective of who governs in New Delhi. Yet, unlike in 1962 when the balance of capabilities between them was quite even, China today has a military budget four times larger than India’s—and which is qualitatively superior by a larger multiple than that on account of China’s advanced technological lead and focused investments in asymmetric and power-projection capabilities. China has pulled ahead decisively just over the past decade, making it more accurate to talk about the imbalance of power between them than any kind of stable balance of power. This is dangerous for India and destabilizing for the region. Prime Minister Modi has explicitly linked his agenda of economic revitalization to the need to modernize India’s defense base, pointing out that a lackluster economy cannot provide a resource base adequate for India’s armed forces.¹²

While there may be differences in tone, and while the growth slowdown from 2011-14 had an adverse impact on India’s armed forces, in fact, India’s previous Congress Party-led government sought to build up India’s military power against China. This included stationing a new combat air wing along their contested border, standing up a new mountain division to help secure it, and improving the road infrastructure that would enable rapid reinforcement of Indian positions in the northeast against any Chinese incursion. The previous government also developed a plan to develop three aircraft carrier battle groups by the 2020s—China’s plans are unknown, but it has trailed India—and tested missiles capable of hitting Shanghai and Beijing. Modi is likely to continue these policies—indeed, his early moves in office included authorizing significant new investments in infrastructure along the northern border as well as increasing defense spending. His administration will have more room to accelerate these investments as a revitalized economy provides an expanded resource base for military modernization.

In economic terms, India is not now a peer to China, whose nearly \$10 trillion economy dwarfs India’s. Chinese officials look down on their southern neighbor’s underdevelopment and the ineffective delivery of government institutions. Modi needs to regenerate the kind of rapid economic growth India enjoyed in the 2000s—when it managed consistent GDP expansion in the 8-10 percent range (and even grew faster than China for several quarters)—to prevent China from pulling further ahead. Already growth has improved under his administration, and the stock market clearly expects more to come. Ultimately, India should be able to narrow the gap with China as its demographic dividend combined with China’s middle-income-trap slowdown reverses the momentum. Indeed, India’s economy is now growing faster than China’s, and it is likely to sustain superior growth given its lower base and greater upside potential for catch-up gains, and assuming continued economic reform.

In the near term, the magnitude of China's economic and military lead reinforces the contention that China could become Asia's dominant power. A key question is whether Chinese superiority makes Modi's India more likely to bandwagon with it—or to balance against it more vigorously. Former national security advisor Shivshankar Menon identified the key to a stable China-India relationship along their disputed border an Indian policy “to maintain an equilibrium (or prevent the emergence of a significant imbalance).” This is balance-of-power logic acknowledged about as candidly as a serving public official can.¹³ The current chairman of the prime minister's National Security Advisory Board, former foreign secretary Shyam Saran, makes the point explicitly:

Managing an essentially adversarial relationship with China will require a mix of expanded engagement and robust deterrence. There is greater power asymmetry between our two countries than ever before and this will require asymmetric responses.... Above all, we must reject the notion that we are condemned to live with the current asymmetry with China. If any country has the prospect of closing the gap with China, it is India and a strong and committed government will be able to pursue this goal. I believe it must.¹⁴

India's strategic objective, then, is righting the imbalance of power between it and China, not permanently accommodating itself to overweening Chinese strength.

As revealed in his intensive conversations with President Obama during their January 2015 summit in New Delhi, Modi envisions a future in which India is a peer to China rather than a satellite of it. The general secretary of the Bharatiya Janata Party (BJP), Ram Madhav, a close advisor to Modi in foreign policy, argues that India and China are destined for competition, and that India should take steps including more strongly supporting Tibetan autonomy in order to maintain strategic pressure on Beijing.¹⁵ Modi's constituency in the right-wing, nationalist Rashtriya Swayamsevak Sangh (RSS) shares this view, less out of any sophisticated understanding of international relations and more out of a predisposition towards Hindu greatness. There is an ideological basis in favor of *Shreshtha Bharat* (Strong India) that animates such supporters of the ruling BJP, as expressed in its 2014 campaign manifesto.¹⁶

In 2014, Modi took office after a campaign in which he cannily challenged Chinese territorial revisionism even as he promised to boost India-China business ties. During the campaign, he promised to resist China's “mindset of expansion” and accused the previous Indian government of “making a mockery of itself with its limited and timid approach” to India's primary strategic competitor.¹⁷ At the same time, he signaled his interest in securing high levels of Chinese trade and investment to help India grow. As one of his early moves in foreign policy, last September, Modi hosted President Xi Jinping for what was to be a friendly visit focused on turning a new page in relations by qualitatively upgrading the two countries' economic relationship after years in which a combination of Indian protectionism and Indian security concerns constrained economic cooperation. However, Modi was personally affronted when, on the eve of Xi's arrival, China launched a military skirmish along the two countries' contested border. Chinese troops were pushing into Indian-claimed territory even as he welcomed Xi with red carpet treatment. Chinese diplomacy claims to be subtle, but Beijing seriously miscalculated. During their meeting, Xi did pledge \$20 billion in new Chinese investments in India. Nonetheless, a summit meant to deepen economic

cooperation was overshadowed by a military standoff, and Modi learned that China was unlikely to be the kind of partner India could trust. Modi's May 2015 visit to China sought to turn the page by focusing on closer economic cooperation, including through institutions like the Asian Infrastructure Investment Bank.

A NEW INDIAN OPENING TO THE UNITED STATES

The Sino-Indian power mismatch has important strategic consequences, including that India cannot rely purely on internal balancing against China but must pursue external alignments to compensate for India's relative weakness. Yet, Indians are wary of entrapment in any U.S. design to "contain" China—and, conversely, of any Sino-American G2 condominium that prejudices New Delhi's interests in favor of Beijing's. Hence the continued development under Modi of a deepening India-Japan strategic axis in particular, in which structural pressures to align are reinforced by the hawkish nationalism shared by leaders in Tokyo and New Delhi.¹⁸ But Japan is not enough; India's new government appears to understand that India's preeminent strategic partnership must be with the world's only military and technological superpower, for no other country can potentially do as much to support India's security and development.

Modi visited Washington in September 2014; his summit with Obama produced an unusually detailed joint declaration that laid out a range of areas in which to deepen cooperation.¹⁹ This included the South China Sea, where they declared a joint interest in freedom of navigation and overflight and against any use of force to change the status quo. China was the obvious target. Modi then offered to host Obama for India's Republic Day parade—a first for a country whose traditional non-alignment led it to fete leaders from Asia, Russia, and the developing world rather than the West at this annual ceremony. It was also highly unusual to schedule two summits with an American president only four months apart, but the two leaders obviously had much to discuss.

On January 25, 2015, Modi met Obama on the Delhi airport tarmac with a bear hug that *The New York Times* called the signal of a new great game in Asia—between India and the United States on the one hand, and China on the other.²⁰ Once they got down to business, common anxiety about China, and a common interest in concerting to manage it, drove the conversation between the leaders of the world's biggest democracies. Referring to a long list of issues shared by the two countries, Peter Baker writes,

[W]hen [Obama] and Prime Minister Narendra Modi of India sat down to talk, the first 45 minutes were dominated by just one [issue]: China. Mr. Obama and his aides discovered to their surprise that Mr. Modi's assessment of China's rise and its impact on the greater strategic situation in East Asia was closely aligned with their own. Just as they did, Mr. Modi seemed increasingly uneasy about China's efforts to extend its influence around the region and interested in a united approach to counter them.²¹

China's military pressure on America's forward-deployed posture in East Asia, its attempts to drive wedges between the United States and its allies, and its assertive attempts to whittle away at freedom of navigation and overflight in the East and South China seas are, for the

United States, the mirror images of China's military pressure on India's northern border, its military and political penetration of India's neighbors, and its naval activity all along India's maritime periphery, from Gwadar in Pakistan to Hambantota in Sri Lanka to Chittagong in Bangladesh.²² In the same vein, India's "Act East" policy of elevating strategic and economic engagement with Southeast and East Asia dovetails with the U.S. "rebalance" to Asia; both are pivoting to the region, as seen in their respective closer ties to Japan, Australia, Vietnam, Myanmar, and other states.

Modi's central ambition to transform India economically risks being thwarted by more intensive security competition with China, creating dangerous instabilities across the Indo-Pacific. India needs the United States to help balance Chinese power in Asia so that Modi can get on with his central goal of developing India's economy. It stands to lose from any U.S. retreat from Asia that leaves India alone to manage the threat posed by its northern neighbor, which would require an enormous infusion of resources into national defense and away from the drivers of domestic development. Modi and Obama, therefore, discussed quite openly a variety of ways to strengthen defense and security cooperation. These include, in the bilateral channel, a new ten-year defense agreement to facilitate joint military education and training as well as enhanced U.S. defense sales to India (the world's largest arms importer) and defense co-production premised on the sharing of sensitive but potent U.S. military technologies.²³ In a Joint Strategic Vision document to which they agreed at the January 2015 summit, Obama and Modi declared a partnership spanning the region "from Africa to East Asia," agreed to move India closer to membership in APEC, and pledged a common interest in upholding freedom of navigation and overflight across the region, "especially in the South China Sea."²⁴

Beyond bilateral cooperation, Modi and Obama discussed reinforcing Asia's fragile security architecture by deepening U.S.-Japan-India strategic cooperation and reconstituting the Quadrilateral Partnership of these three countries along with Australia. When the "Quad" held some of Asia's largest military exercises to date in 2007, Beijing protested vehemently, demarching all four capitals and condemning their plans to forge what it called an "Asian NATO." India was the weakest link in that grouping, which otherwise comprised America and its core Asian allies. That India's leader is now considering the Quad's resurrection is a reflection of how badly China has played its strategic hand in Asia in recent years, alarming not only U.S.-allied nations but also once non-aligned states like India, nudging them closer to the Indo-Pacific security network centered on the United States.

It is striking that both recent U.S.-India summit joint declarations—in September 2014 and January 2015—make specific reference to their common interest in freedom of navigation in the South China Sea, and their common opposition to any threat or use of military force to subvert Asia's global commons.²⁵ India views itself as a Southeast Asian power on account not only of its historic cultural influence in countries like Myanmar, Malaysia, and Indonesia but also its sovereignty over the Andaman and Nicobar islands at the mouth of the Strait of Malacca, making India a resident power. Its historic friendship with Vietnam, dating in modern times to New Delhi's support for Hanoi during the Vietnam War, has come under pressure from China. Chinese maritime patrol vessels have intercepted Indian warships visiting Vietnamese ports and Beijing has challenged an Indian state-owned corporation's access to oil and gas blocks within Vietnam's exclusive economic zone, parts of which

China asserts as its own as part of its expansive claims in the South China Sea. More broadly, the South China Sea is China's gateway to the Indian Ocean, on the one hand, and India's gateway to the Western Pacific, on the other. New Delhi has a compelling interest in sustaining an Indo-Pacific maritime order that makes it harder for China to control these critical passageways, and easier for India to freely access them.

ASSESSING INDIA'S HEDGING BEHAVIOR

India stands alone in a category of Asian state that is not a U.S. ally, is highly unlikely to bandwagon with China, but at the same time possesses a size and stature that make it an independent pole of power in the emerging regional order irrespective of its external alignments. In one sense, this makes its China hedge easier: unlike smaller Southeast and East Asian states that have to pursue highly subtle diplomacy vis-à-vis Washington and Beijing, India can focus primarily on expanding the domestic bases of its power—its economy and armed forces—with only secondary consideration of diplomatic strategy as a hedging instrument. However, the two are in fact linked: India craves technology and manufacturing partnerships with advanced economies like the United States and Japan to boost its domestic development, and it cannot easily afford a military conflict with either China or its ally Pakistan that diverts India from its economic modernization drive. Therefore, the external dimensions of its hedging strategy feed directly into India's domestic imperative of priming growth.

India's hedging behavior features strong dominance-denial and indirect-balancing components, as well as some overt military balancing against China. It also features a strong dose of economic pragmatism, reflected in Modi's hope to enhance Chinese trade and investment ties despite the budding security competition between the Asian powers. India has also experimented with binding engagement of China, including in new Chinese-led forums like the Asian Infrastructure Development Bank and the new BRICS Bank, although even within these forums for engagement India can be seen to be hedging (New Delhi and Beijing feuded diplomatically over leadership of the BRICS Bank, achieving a compromise that it would be headquartered in China but run by an Indian). Other forms of Indian engagement of China contain elements of hedging: for instance, in the mid-2000s India made a big diplomatic push to be invited as a founding member of the East Asia Summit, seen at the time as a potentially Sinocentric club. With support from Singapore, Japan, and other powers, India did indeed join the EAS—and in doing so diluted China's influence in the grouping, which is exactly why a number of members supported its admission.

With respect to the United States, India is unlikely to expressly bandwagon with it. India's strategic elite largely believes the country's power trajectory ultimately will make it a peer of the United States, not any kind of lesser ally. Their long-term interests in managing the Asian balance of power to prevent an overly Sinocentric tilt mean that New Delhi and Washington will frequently collaborate on Asian security affairs. Yet Indians are unlikely to view such collaboration as "bandwagoning" with the United States. Nonalignment is finished; Indians today often speak of "multi-alignment," cultivating relations not only with the United States, Europe, and Asian powers but with Persian Gulf and African allies and fellow developing democracies like Brazil. In the same way that a poor, weak, and geopolitically marginalized India was nonaligned during the Cold War, it is also quite possible that a wealthier, strong,

and geopolitically central India in the 21st century will chart its own course, often in collaboration with the United States but never in followership.

CONCLUSION

Modi's embrace of Obama marks the demise of India's tradition of non-alignment, which may have suited the country when it was weak and poor. Rising and strong, India needs a new foreign policy, which Modi and his advisors appear to understand. Previous administrations constructed a strategic partnership with the United States almost by stealth; this backfired, for instance in India's failure to adopt a suitable liability law to implement the 2008 civilian-nuclear agreement, which was designed as the centerpiece of the new relationship. In January 2015, with Obama by his side, Modi rejected this legacy, making clear that India had a compelling national interest in more open alliance with the United States to overcome its security and development challenges.

Modi also made expansive claims that collaboration with the United States would be helpful beyond India's own requirements, helping to determine the nature of the emerging international order. He said the U.S.-India partnership would be instrumental in "shaping the character of this century. After decades of sitting on the sidelines of global politics, he added, India would now assume its "responsibility" within a "global partnership" with the United States.²⁶ This was music to the ears of Obama and his advisors, and resonated with Modi's domestic constituencies as well, who have little truck with the United States, unlike older generations who still espouse non-alignment and a sepia-toned suspicion of American power.

Yet India today wants to date rather than marry. Its foreign policy is multi-aligned, with strong outreach not only to the United States but to the neighborhood, Japan, Europe, and China. For all the security dynamics at play between India and its northern neighbor, Modi appears to understand that replicating China's development miracle in India will require reducing barriers to Chinese direct investment. Although India will remain sensitive towards Chinese investment in sectors like telecommunications, leaving the sectors underdeveloped through foreign investment restrictions may constitute an equal or greater source of insecurity by constraining India's development. The new BRICS Bank and the Asian Infrastructure Investment Bank offer India avenues to secure Chinese capital and direct investment without the complicated politics of the bilateral channel.²⁷

This dualism is likely to be the defining feature of Sino-Indian relations in the period ahead: an intensifying security competition between the two Asian giants combined with deeper economic interdependence between them. Like other Asian leaders, Modi will thus need to balance a growing security dilemma vis-à-vis China against the magnetic appeal of its market as a spur to domestic economic growth. Indeed, his hawkishness may provide him the political cover to open India further to Chinese business. Meanwhile, the United States will nurture closer strategic ties with India that will not amount to an entangling alliance, but which will be a marked departure from the past six decades of often-prickly relations between Washington and New Delhi.

India's growing economy and its strategic geography ultimately will enable it to become the predominant power in the Indian Ocean region, from the Persian Gulf in the West across to Southeast Asia. Its growing entente with Japan and deepening ties to Southeast Asia will create a natural maritime coalition of nations allied with the United States and determined to hedge against Chinese dominance. It is no wonder that Chinese officials, who expect their neighbors to accommodate themselves to China's primacy, appear alarmed by the new warmth in relations between Washington and New Delhi²⁸—and that leaders across the rest of Asia seem encouraged, understanding as they do that the pluralism made possible by an India-U.S. concert would be a firmer source of security and prosperity than would a preponderance of Chinese power in the future Asian order.

ENDNOTES

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