CHINA US Focus

Fading Hopes for India as a Strategic Counterweight to China

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Over the past decade, expectations have risen that India would be the next country to join the ranks of the world's leading economic and strategic powers. That was certainly the hope of George W. Bush's administration. As U.S. officials watched China's expanding economic and military capabilities, they became increasingly uneasy about Beijing's ambitious geopolitical goals from the Middle East to the South China Sea. Administration policy makers sought potential partners in a quiet, but very real, effort to constrain China. Although much of that strategy focused on strengthening Washington's existing network of bilateral alliances with such countries as South Korea and Japan, there was also a desire to identify new partners, and India's name was at the top of the list.

The effort to forge a cooperative strategic relationship with Delhi marked a major shift in U.S. policy. Throughout the Cold War, U.S. leaders viewed India as a balky Third World underachiever at best and a de facto Soviet client at worst. Not even India's border war with China in 1962 truly tempted U.S. officials to see Delhi as a potential ally against Beijing, despite Washington's own intense hostility toward China. Indicative of Washington's jaundiced view of Asia's largest democracy was the blatant policy tilt toward Pakistan in the 1971 war between that country and India. Not even the end of the Cold War and demise of the Soviet Union diminished the U.S. wariness toward India to a significant degree.

Bush dramatically altered that orientation. The desire to enlist Delhi as a strategic partner was strong enough to impel Washington to approve the sale of nuclear technology to India, despite strong opposition from an arms control community that never forgave the Indian government's decision to build and deploy a nuclear arsenal. Although U.S. officials believed that an India entering a period of rapid economic growth could help on a variety of security issues, including the turmoil in Afghanistan and the growing threat of piracy in both east African and southeast Asian waters, the belief that India could help contain Chinese power was always lurking. Some scholars and opinion leaders, especially conservative types, were adamant about using India that

way. Heritage Foundation scholars Lisa Curtis and Dean Cheng <u>stated</u> candidly: "The U.S. and India share a broad strategic interest in setting limits on China's geopolitical horizons. They can work together to support mutually reinforcing goals."

After some slight hesitation, primarily because of lingering nuclear proliferation concerns, the Obama administration resumed the courtship of Delhi. But Indian leaders did relatively little to sustain U.S. hopes. Delhi never showed much enthusiasm for a crude, anti-China partnership with the United States. Indian policy makers were pleased at the improved relations with Washington, and they remained uneasy about Beijing's territorial claims along their border, as well as China's growing influence in both Central Asia and Southeast Asia. But they had no desire to become Washington's geopolitical cat's paw. Indeed, Indian leaders sought to ameliorate some of the long-standing tensions with China and improve the overall bilateral relationship.

Moreover, even as India seemed on the verge of entering the ranks of elite global powers following more than a decade of solid economic growth and a modest, but impressive, military modernization and buildup, economic headwinds now threaten to delay or scuttle that development. During 2013, India's economic growth rate slowed and the rupee plunged in value on world currency exchanges (at one point by more than 20 percent). Part of the steep decline was the result of the widespread perception that the U.S. Federal Reserve was about to taper its easy monetary policy, a step that would adversely impact the currencies of India and other developing economies. Fed Chairman Ben Bernanke's announcement in late September that tapering would not take place in the near future eased concerns about the value of the rupee, but it remains to be seen if that is more than a brief reprieve. Moreover, India's economic and financial woes go beyond worries about an adverse change in Federal Reserve policy. The downturn also is a consequence of profligate spending and the lack of budgetary discipline by the Indian government.

India's new financial troubles have important diplomatic and strategic as well as economic implications. At a minimum, political leaders in Delhi may have to restrain ambitious efforts to build a more modern, powerful military with power-projection capabilities beyond India's immediate neighborhood. In recent years, Indian forces have undertaken more wide-ranging missions, including combating piracy in Southeast Asian waters. That trend may now have to slow as Delhi must give higher priority to restoring healthy domestic economic conditions.

It does not seem coincidental that the recent summit between President Obama and Indian Prime Minister Manmohan Singh focused heavily on economic ties, especially expanded trade relations. Discussions about security cooperation were secondary, and they dealt largely with matters in South Asia or more general threats, such as terrorism. There was little indication of a mutual goal to contain China's power. The only partial exception was Obama's expression of pleasure at Delhi's decision to participate in the Rim of the Pacific naval exercises that the U.S. Pacific Command will host in 2014. Beijing views such military maneuvers on its doorstep with more than a little uneasiness.

If India is not yet about to join the ranks of the world's great military powers, Washington needs to dial-back its hopes about that country becoming a security counterweight to China. A de facto

U.S.-India alliance against China was never a realistic expectation, given Delhi's caution. Yet a more subtle version of that objective could still emerge and yield results, albeit probably over a longer time period. Delhi's current financial problems are more likely a speed bump than a permanent setback. After a pause, India's economic rise and the resulting military modernization will likely resume.

That prospect, combined with the country's history of border disputes and other frictions with China, suggests that Delhi's enhanced status will generally benefit U.S. strategic interests and at least complicate Beijing's own calculations. India's rise to the ranks of the great powers may be delayed, but the reality of a China-India-U.S. strategic triangle in that part of the world will be a major feature of international affairs in the coming decades.

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