

Steering the U.S.-India Defense Partnership A Guide for the Next Administration

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The U.S.-India relationship, while grounded in strategic collaboration and deepening economic ties across both U.S. Democratic and Republican administrations, is at an inflection point. As both nations recalibrate their policies in response to internal and external pressures—India under Prime Minister Modi and the U.S. under President-elect Donald Trump—the relationship may see adjustments in scope and emphasis. While high-profile incidents, like Canadian allegations that the Indian government sponsored the assassination of Sikh leader Hardeep Singh Nijjar on Canadian soil, present challenges, they may not fundamentally alter the core partnership.¹ Instead, the future likely rests on shared security interests, particularly in countering China and terrorism, and economic cooperation, especially in the face of evolving U.S. trade policies.

Let us consider the nuanced United States-India relationship in the framework of the greater geopolitical context. We are navigating a world still recovering from the economic disruption of a global pandemic. Geopolitical instability is our new normal. Russia invaded Ukraine in 2022, sending shockwaves to energy markets and intensifying poverty and environmental degradation in low- to low-middle-income countries.² The Taliban have regained control over Afghanistan, creating a new set of challenges for the United States but also in India's own neighborhood. Making an already bleak global outlook worse, on October 7, 2023, Hamas attacked Israel, killing over 1,400 people and taking over 200 hostages.³ In response, Israel has unleashed a strong response against Hamas that has also devoured thousands of innocent Gazan civilians. And we cannot forget the chief reason the trajectory of the United States and India has found such success—China. India and the United States share similar concerns over China's increasingly assertive military action in the Indo-Pacific region. However, this concern manifests itself differently for each partner. One reason India may not embrace Washington's Indo-Pacific agenda is because the United States is an ocean away and does not share a border with China.

What happens next in this partnership hinges on whether it can sustain momentum in areas like defense and technological collaboration or if it will encounter limitations due to either partner's inflexibility to address defense technology sharing, dissimilar views on Russia, different approaches to China's assertiveness, and so on.

Congressional Forces Shaping U.S.-India Relations

There is broad bipartisan agreement on the strategic importance of this relationship, despite differing priorities between Republicans and Democrats. Both parties recognize India as a pivotal ally in countering China's influence in the Indo-Pacific, which is reflected in proposed legislation, such as the Countering America's Adversaries Through Sanctions Act (CAATSA).⁴ When India purchased the S-400 missile defense system from Russia, concerns about potential U.S. sanctions ballooned. That India was not immediately sanctioned because of its purchase suggests an aversion to punishing India and reflects the United States' soft accommodation in order to maintain broader bilateral strategic interests.

For Republicans, India is largely seen as a cornerstone of U.S. strategy to counterbalance China's influence in the Indo-Pacific. Representatives like Michael McCaul (R-TX) highlighted this during a bipartisan delegation trip to India, saying, "I told Prime Minister Modi it is in the strategic interest of both the United States and India to partner. . . . [T]ogether we can send a powerful message of deterrence to the Chinese Communist Party."⁵

Democrats also recognize the strategic importance of India but, in contrast, often reframe the relationship in a context that includes human rights and democratic values. This perspective was particularly evident during PM Modi's address to Congress in June 2023, his second such address, making him one of the few world leaders to receive this honor twice. While many lawmakers celebrated this historic occasion, a group of Democratic lawmakers chose to boycott the speech in protest. Despite this public dissent, many Democrats support the broader strategic relationship with India. Ongoing debates over democratic values and human rights will continue to shape the U.S.-India relationship.

What happens next is purely speculative—the U.S.-India relationship is a story of the strength of democratic partnerships. We see many possibilities for the partnership to flourish in the future, but today, we'll lay out three scenarios: a period of stasis in the relationship, moderate progress, and a growth scenario. The most unlikely scenario, a sort of stasis of the ties that bind Washington and New Delhi, is where we'll start first.

Three Futures: Stasis, Moderate Progress, or Growth

Scenario 1: Stasis

History shows that the United States-India relationship has yielded significant progress. However, forward momentum can stall, resulting in a period of stasis. How might this occur?

A shift in shared values might be one factor. Both countries value democracy, but different approaches to freedoms, press rights, or political dissent can introduce friction. Then there is trade. Tariffs or U.S. policy shifts might add economic tension, bringing stress to an otherwise growing trade relationship. And India's ties with Russia, which remain strong, could complicate things.

The most significant potential disruptor, however, is China—and especially the possibility of conflict over Taiwan. The U.S. will seek firm commitments from its allies in the Indo-Pacific, and India has traditionally maintained a careful, deliberate stance to avoid this subject. This kind of divergence might cause delays in military collaborations, fewer high-level visits, and a slower pace in advancing shared goals.

Scenario 2: Moderate Progress. Goldilocks Approach

A moderate progress scenario is demarcated by the U.S. and India enhancing their relationship by focusing on shared priorities while working through fragile chokepoints such as balancing internal interests and third-country actors.

Defense and security cooperation with India is a core strength of the relationship and one that will continue to incrementally grow.⁶ Through an enhanced partnership, India may be more inclined to procure arms through the United States and expand military-to-military cooperation.⁷ Additionally, India could procure interoperable and quality capabilities from other U.S. allies and partners depending on needs and cost. This would also help reinforce that India can reduce its reliance on Russian equipment and can meet its modernization goals by partnering with the U.S. or other like-minded allies and partners.⁸

A key variable for this scenario is continued progress based on the 2023 U.S.-India Defense Industrial Cooperation Roadmap. The roadmap provides guiding principles on how both countries can advance defense industry cooperation.⁹ This would include finding ways to co-develop emerging technologies, co-produce critical munitions

and systems, and work on increasing supply chain resilience. This roadmap preceded a “historic” bilateral deal to co-produce F-414 jet engines and an agreement to supply India with MQ-9B advanced drones.¹⁰ As significant as this deal was in demonstrating U.S. intent to transfer “crown jewel technology” and a Missile Technology Control Regime Category-1 Unmanned Aerial System to India, some argue that the U.S.-India defense industrial collaboration has not yet yielded any tangible results due to reluctance among American elites, regulatory issues, and remaining strategic divergences.¹¹ The U.S. can accelerate progress by publicly announcing new aims at relaxing regulatory controls for India while maintaining technology security considerations. In addition, both countries should explore low-threat and high-reward projects for cooperation such as co-sustainment; these build trust between the two countries and signal progress.

Another potential defense avenue is to continue working through the India-U.S. Defense Acceleration Ecosystem.¹² Also launched in June 2023, the U.S. Department of Defense (DoD) and Indian Ministry of Defense (MoD) created INDUS-X to accelerate defense technology innovation. To further this cooperation, U.S. and India decision-makers should send a demand signal to industry to ensure it understands this is a priority.

As aforementioned, both countries must delicately navigate fragile chokepoints in the bilateral relationship. It will be difficult for the U.S. to encourage India to reduce its ties with Russia due to India’s self-interests and energy needs.¹³ In the midst of Russia’s illegal war in Ukraine, India has benefitted from Russian oil sales, which has helped India meet its fast-growing needs.¹⁴ India continues to buy barrels of oil at a discounted rate in contravention of U.S.-led sanctions. Given India’s ambition to be a global manufacturing market, it could expand traditional exports to Russia to include automotives, electronics, and renewable energies.¹⁵ Increasing economic ties with India is imperative to continued progress. One way to enhance the economic relationship is by continuing to encourage India to diversify its imports and exports, as well as enhance trade with like-minded countries.

In summary, moderate progress of the U.S.-India relationship will be a story of sustaining highs and mitigating fragile lows. The U.S. and India will be able to continue progress in defense cooperation, trade, technology cooperation, and shared values. However, how the two countries interact with third parties like Russia and China could immensely challenge this progress. Additionally, if the two countries’ “shared values” seem misaligned, this will be an irritant that cannot be ignored. It will take clear-eyed focus on reducing bilateral hindrances to create room for growth.

Scenario 3: Growth. “Think BIG”

In this third scenario, minor improvements will not buy the type of progress Washington and New Delhi seek, and a common competitor in China will drive strategic growth in the relationship—growth that can only happen with expanded trust, common goals, and agreements that are mutually beneficial to both parties. Each party will need to “Think BIG” to address a changing geopolitical landscape.

The most significant hurdle to a substantial expansion of U.S.-India ties is India’s commitment to non-alignment, realized through economic, defense, and security ties to states opposed to Washington’s worldview. Modi’s embrace of Putin and India’s investment in the BRICS architecture are examples of how this dynamic played out in the last year. To change this dynamic, Washington would have to offer New Delhi a realistic vision of how it can play an outsized role in geopolitics while maintaining its non-alignment policy. From the U.S. perspective, Washington could leverage India as the mediator it seeks to be while showing that the world is shifting toward a bipolar world order and supporting India’s growth as a regional and eventual global military and economic power.

The U.S. and India have taken steps to address the longer-term aspects of growing its defense relationship through existing initiatives like INDUS-X, iCET, and 2023 Roadmap for U.S.-India Defense Industrial Cooperation.^{16, 17} Whether or not this investment results in long-term relationship growth relies on flourishing industry-to-industry ties that would be primarily driven by emphasized government demand for the product of this collaboration.^{18, 19, 20} Demonstrating demand and finding quick wins in this collaboration would lay the groundwork for which aspects of the existing strategy should be scaled and which should be curtailed. For Washington, this effort would need to be viewed as a solution to challenges it faces in its own defense industrial base and as a way to alleviate some of the burden of the “arsenal of democracy.” For New Delhi, this would provide a solution to the challenges it faces as a rising regional military power, providing the critical technology and manufacturing capabilities required to realize its rising power goals.

While the longer-term defense investments may yield growth in the strategic relationship, the U.S. focus on building near-term deterrence for a Pacific contingency and Indian focus on developing a credible warfighting capability could enable expanded cooperation in the near-term aspects of the defense relationship.²¹ Expanded bilateral and multilateral military interoperability to enable our militaries to “fight tonight” together would accomplish both near-term goals.

Growth in the partnership would also be economically driven. The incoming administration’s particular focus on trade will likely highlight trade imbalances between the U.S., China, India, and Southeast Asian nations, providing ample opportunity for collaboration between the U.S. and India. U.S. desire for balanced trade, its desire to contain China’s regional economic dominance and growth, and India’s desire to improve its regional economic standing could be accomplished by the US supporting India’s growth as Southeast Asia’s preferred trading partner. This aspect of a growth partnership could be the incentive New Delhi would need to see to expand the relationship.

An expanded U.S.-India relationship faces many hurdles that are broadly driven by New Delhi’s commitment to non-alignment. An expanded relationship would be a story of a realigned world order and a strategic shift in the arc of history. While this level of progress wouldn’t be without challenges, shared national interests and potential rewards for an expanded relationship could be enough to incentivize each side to “Think BIG” to achieve its goals.

Recommendations for the Next U.S. Administration

The incoming Trump administration will face significant foreign policy challenges through January 19, 2029. Will the United States still be the undisputed superpower in the world? Many factors are at play, but the U.S.-India relationship will be a significant factor in that outcome; therefore, growth in the U.S.-India relationship must be a central tenet of the next administration’s Indo-Pacific policy. The following opportunities could enable growth in this strategic relationship:

- **Encourage India to Address the Growing U.S.-India Relationship in a National Security Strategy (NSS)**—The United States named India in its last two NSS and recognized areas for growth in those strategies. Encouraging India to document and publish a growth strategy in its NSS would be a signal to the world that geopolitics are changing, align Indian government institutions in a more cohesive direction, and be a sign of goodwill by India in this expanded relationship. The United States should continue to name India in its next NSS and document the growth in the relationship to accomplish the same goals.
- **Elevate the U.S.-India Relationship in a New Indo-Pacific Strategy**—A new Indo-Pacific Strategy must document an elevated U.S.-India partnership and serve as a guide to U.S. efforts in Indo-Pacific fora like

AUKUS. India must have a seat at the table at the beginning of major U.S. Indo-Pacific policy efforts, reflecting its critical position in the region as opposed to an afterthought when bringing in additional allies and partners.

- **Explore Defense Trade Regulation Reciprocity and Diversify Defense Procurements**—The Trump administration should work with India to pass legislation cementing respectful intellectual property rights and export controls that would enable this increased technology sharing, alleviating critical U.S. concerns that have hindered this cooperation. Reciprocally, the U.S. could explore ways to streamline defense trade regulations with India or support other high priority technology transfers given that would benefit U.S. defense industry the most. India should also increase efforts to transition away from Russian equipment and technologies to demonstrate its shift to expanding technology sharing and safeguarding further.
- **Follow a Transactional Growth Model**—Growing the U.S.-India partnership is broadly limited by New Delhi's non-alignment strategy. Washington surely finds an able partner in New Delhi, but is it willing? Influencing India's willingness will be key to growing the relationship, and highlighting the benefits each gets from the partnership will encourage cooperation. Therefore, using a transactional growth model would ensure that Washington is not on this path alone and help temper the extent of cooperation.

The Trump administration's coming term is within the "Davidson Window," or the earliest period the People's Liberation Army (PLA) is to be prepared for a forceful unification with Taiwan.^{22, 23} The next administration needs to make political decisions about what price it is willing to pay to defend freedom and democracy, maintain the U.S. hegemony, and maintain a world order based on Western values. The administration can reduce this cost by enhancing integrated deterrence and making investments into critical partnerships, like with India, to ensure the world will never have to pay the full price. Fostering continued growth in the U.S.-India relationship will have major challenges, but the cost of maintaining the status quo is too great. The U.S.-India relationship must be in focus on January 20, 2025, to ensure our Great Experiment continues to thrive.

The views expressed in this paper are those of the authors and do not reflect the official policy or position of the Department of State, the U.S. government, or any other affiliated organization or employer.

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