Building an Enduring U.S.-India Partnership to Secure a Free, Open, and Prosperous Indo-Pacific Region

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The United States has a national interest in a free, open, and prosperous Indo-Pacific region, where international laws, rules, and norms are respected, state sovereignty is secure, and nations pursue economic growth in an environment of fair competition. A free and open Indo-Pacific underpins the security of the American homeland and U.S. allies, continued U.S. economic growth, and preservation of the rules-based international order. China poses the greatest threat to this interest by using its growing economic and military power to deprive the United States of intellectual property and military secrets, to limit economic and security choices for countries in the region, and to attempt to rewrite the rules governing the Indo-Pacific. By partnering with India, the United States can achieve the political aim of
a free, open, and prosperous Indo-Pacific region where a robust U.S.-India economic and security partnership counters China’s aggressive behavior, disregard for international law and norms, and efforts to recast international institutions.²

To achieve this aim, the United States should create an enduring U.S.-India economic partnership that drives India’s growth, increases bilateral trade and investment, and offers alternative public goods to countries in the Indo-Pacific region; support India in becoming a net exporter of security in the region; and leverage India, as the world’s largest democracy and supporter of the existing rules-based order, to strengthen regional institutions and set norms and standards. In addition to countering China’s coercive behavior, achieving these objectives takes advantage of opportunities presented by India’s growing market and expanding middle class to drive U.S. prosperity.

To succeed, the United States must account for India’s fierce independence and its domestic political and economic challenges, while committing the necessary human and financial resources to aggressively advocate for and support reform in and cooperation with India. This strategy takes advantage of China’s missteps in the region, is closely aligned with the Indo-Pacific Strategy of the United States, draws on multiple existing U.S. Government lines of effort, and builds on two decades of U.S. interest in deepening cooperation with India. This strategy also gratefully acknowledges and borrows from many excellent ideas already put forward by government agencies, think tanks, and scholars, and recognizes that U.S. interests in India go far beyond simply countering China’s coercive behavior. In taking a narrow approach, it attempts to highlight those key lines of effort—especially opening and growing India’s economy—that are most likely to achieve success in securing a free, open, and prosperous Indo-Pacific, and to do so in a manner that relies not on new initiatives or significant budgetary increases, but on intense, focused, strategic engagement.
China, India, and the U.S. Domestic Context

China’s behavior and choices are driven by the Chinese Communist Party, which seeks to ensure regime survival by delivering economic growth that outpaces demands for political rights, maintaining social stability, recovering what it claims to be China’s historic territory, and restoring China to the top of the regional order and among the Great Powers.3 China’s remarkable economic growth since the 1980s (aided by rampant theft of intellectual property) has lifted hundreds of millions into its middle class and secured vast sums of foreign exchange. This has fueled China’s military modernization and rise toward Great Power status. Under the leadership of Chairman Xi Jinping, this rise has been accompanied by neo-Leninist reforms to tighten domestic control and by increased threats to prevent Taiwan from declaring independence.4 China’s militarization of the South China Sea and creation of a blue-water navy are intended to assert control over essential shipping lines and natural resources and to complicate the U.S. defense of Taiwan. China has weaponized trade and tourism, exacting punishment for perceived slights. Beijing’s creation of new regional bodies and financial institutions, its efforts to internationalize the renminbi, and its push for international shipping lines and natural resources to turn toward the United States for assurances of regional security.8

Like China, India believes its population, history, and economy warrant a larger global role. Traditional leader of the postcolonial nonaligned movement and geographically isolated, India was long preoccupied by nuclear-armed rival Pakistan, which received support from both the United States and China. The shift in U.S.-Pakistan relations during the war on terror prompted Delhi to look more favorably on Washington.9 India maintained long-simmering tensions with China over land borders and India’s decision to host the Dalai Lama and Tibetan refugees. A series of tense confrontations, including a 2020 clash in the Galwan River Valley that left 20 Indian soldiers dead, forced a shift in India’s calculus.10 Beijing’s decision to provoke Delhi in the midst of the COVID-19 pandemic, as well as China’s BRI and pursuit of dual-use ports situated in India’s neighbors, has furthered mistrust of China’s intentions.11 To balance China’s ambitions, India has increased engagement with Southeast Asia and embraced the Quad with Australia, Japan, and the United States.12 At the same time, India’s large trade imbalance and deep links to China’s economy, China’s control of transboundary water flows, and India’s need to maintain rapid economic growth check Delhi’s willingness to push Beijing.13

China is mindful of India’s rise but sees India as below it in the regional order and expects India to respect its superiority.14 Economically, India’s rapid growth is driven by an enormous and expanding population that is young, diverse, English-speaking, and well educated. Yet India also faces headwinds, continuing to lag far behind China because of failure to enact needed economic reforms, tensions between ambitious climate targets and the need to vastly expand energy access, widespread corruption, and a cautious approach to trade.15 This translates to a smaller middle class, a less attractive market for global goods, and fewer foreign reserves to fund influential overseas investments. India’s federalist democracy with strong state governments, its diverse population, and its active civil society make political consensus difficult. The rise of Hindu nationalism under Prime Minister Narendra Modi and the ruling Bharatiya Janata Party (BJP), and the BJP’s tolerance for anti-Muslim violence, has dampened the vibrancy of India’s pluralistic system.

The shift in the U.S. strategy toward China from cooperation to competition has led to a broad U.S. consensus on India’s potential as an alternative market and partner in countering China’s aggression.16 The United States should not assume, however, that India will be completely compliant. India’s geopolitical constraints, complex politics, need for continued rapid economic growth, and legacy of nonalignment and nonintervention mean that it will continue to take a cautious approach.17 As the U.S. Mission to India’s own public-facing strategy notes, the relationship remains “hampered by suspicion, hesitation, and a surprising lack of cooperation” that undermine common interests.18 The broad scope of the relationship, ranging from defense to economics to shared values, as well as the large Indian diaspora community, means India has a diverse set of U.S. constituencies that could be in tension with one another. Congressional disagreement over U.S. immigration policy, especially as it relates to visas for Indian students and highly skilled workers, is already an irritant. Polarization of U.S. domestic politics and weakening of democratic institutions could erode India’s perception of the United States as a role model.19 U.S. inflationary pressures and uncontrolled deficit spending could derail strategic focus or prevent necessary investments in the relationship. On the flip side, failure by India to take climate targets seriously, the BJP’s turning a blind eye to Hindu extremism, or continued Indian recalcitrance toward economic reforms and trade talks could dampen U.S. enthusiasm. Of particular concern are India’s purchase of U.S.-sanctioned weapons systems from Russia and its refusal to criticize Russia for its invasion of Ukraine.20 Washington’s view that allies and partners should be in lockstep with U.S. policies across the spectrum could create unrealistic expectations for independent-minded India.21
Economics Drives Security: A Theory for Achieving Success

Economics drives security, especially in Great Power competition, and a stable rules-based order undergirds and reinforces prosperity and security.22 China’s coercive economic policies deprive the United States of valuable intellectual property and military secrets, while limiting economic and security choices for countries in the region. The United States must support India’s reform efforts because only a richer India can be an effective counterweight in the region. Increasing the openness of India’s market will encourage U.S. businesses to diversify supply chains, decreasing China’s control of critical industries and emerging technologies while directly supporting American prosperity. Partnering with India to create choices and drive standards for the region will reduce countries’ dependence on China and limit its ability to coerce behavior. Partnering with India to increase security in the Indo-Pacific will further decrease China’s ability to intimidate its neighbors and threaten key maritime shipping routes, thus increasing stability and security. By leveraging India, as the world’s largest democracy and supporter of international norms, the United States can shore up the rules-based order regionally and globally, limiting China’s ability to rewrite rules and standards.

U.S. efforts to accomplish these objectives should run in parallel with support for India’s economic opening and growth, enhancing the chances of success for supporting India’s evolution into a net exporter of regional security and provider of alternative public goods as well as its role in bolstering the regional rules-based order. Supporting India’s long-term growth is an ongoing task, while other tasks should be focused on a 5- to 10-year horizon given the urgency to counter China’s aggression, though some increased military engagement will take longer than 10 years. Given Indian sensitivities, this strategy does not emphasize information campaigns to publicize U.S.-India cooperation to counter China, instead encouraging the United States to lead through tangible actions. This strategy assumes that such actions, once accomplished, would be amplified through existing information and public diplomacy channels.

This strategy makes several key assumptions:

- there will be no major war in the Indo-Pacific in the next 10 years
- China’s economic growth will slow but will continue to outpace India’s
- the race for maritime dominance of the Indian Ocean will intensify in the next decade
- low-level China-India border tensions will persist
- India will maintain strong adherence to the United Nations (UN) system, will avoid formal alliances and coalitions of the willing, and will not choose to isolate Russia
- BJP will remain in power through at least 2029 and will continue to take halting steps toward economic reform and liberalization
- U.S. support for India will remain strong while U.S. views of China will grow increasingly negative
- Quad evolution will continue but be limited by India’s unique worldview.

Creating an Enduring U.S.-India Economic Partnership

The first and primary objective of this strategy is for the United States to help India grow while opening its market to increased U.S. trade and investment, while also working together to offer higher quality alternatives to the region in infrastructure, health security, and climate resilience, among other areas. UN Sustainable Development Goal indicators can track India’s overall growth, while progress on domestic and trade- and investment-related reforms can be tracked by the many steps needed to reach a free trade agreement and bilateral investment treaty. The United States should aim to see significant progress on trade, investment, and energy-related reforms over the next 5 to 10 years, a critical period in shoring up the Indo-Pacific and blunting China’s influence.23 Joint initiatives and successes should be publicized in a positive, pro-India tone rather than a counter-China tone.

First, the United States should support India’s domestic economic reforms to drive sustainable growth. India’s ability to counter China’s aggression and serve as an alternative market and manufacturing source for supply chains depends on its continued economic growth, and a richer India will be better placed to provide security and public goods to the region. While the United States cannot fix India’s many problems, it can provide targeted advocacy and assistance to India’s own efforts, building goodwill and accelerating reform. Working through the U.S. Agency for International Development (USAID), the United States should support India-led efforts to improve underlying basic conditions, including access to quality health care, potable water, and education, which will foster growth by improving public health and extending lifespans.24 At the same time, led by the Office of the U.S. Trade Representative (USTR) with support from other agencies, the United States should discuss, advocate for, and provide technical assistance on a broad range of non-trade-related economic reforms to policies identified by the BJP, the U.S. Government, and others as impediments to growth.25 This includes reforms in debt, commercial dispute resolution, land acquisition, price controls, privatization, and taxation. USTR should also support financial regulatory reforms, with advocacy from the Departments of State and Commerce and technical support from USAID.26 Led by the Department of the Treasury, the United States should support ongoing banking- and insurance-sector reform, including development of capital markets.27

The United States should support India-led improvements to infrastructure under the U.S.-India Economic and Financial Partnership, given infrastructure’s essential role in facilitating growth. Building on the U.S. International Development Finance Corporation (DFC)/’s equity investment in India’s National Infrastructure and Investment Fund, Treasury can provide technical
support for the issuance of municipal bonds for urban infrastructure projects, while USAID can support implementation of international-standard environmental, social, and corporate governance policies for infrastructure development.28

Second, the United States must support India’s energy transition. India needs to vastly expand energy access to support economic growth and bring electricity to hundreds of millions while meeting ambitious climate targets. U.S. support for India’s planned reforms and changes to its energy mix, including renewables, clean gas, and nuclear, will complement and drive U.S. efforts to support India’s economic reforms, provide opportunities for U.S. energy and technology exports, and support India’s climate agenda while improving air quality and public health.29 These efforts should be aligned with the U.S.-India Climate and Clean Energy Agenda 2030 Partnership, including the Climate Action and Finance Mobilization Dialogue and the U.S.-India Strategic Clean Energy Partnership.30

Working through DFC, the Department of Energy, and USAID, the United States should mobilize financing by supporting Indian reforms to allow for green bonds and to decrease real and perceived investment risks. This effort would complement DFC’s own debt financing and would benefit from other efforts to improve the overall investment climate.31 In addition, the United States should support India’s shift in subsidies away from fossil fuels toward renewables and/or cleaner sources and encourage India to follow Indonesia in opting for G20 self-reports and peer reviews of its fuel subsidies to provide leverage for convincing domestic policymakers to support the transition.32 To assist better integration of India’s “all of the above” approach to energy, the United States should provide technology for battery storage and grid management.33 It should encourage the central government to build a coalition of willing BJP-led state governments to increase energy trading between state utilities, leading eventually toward nationwide changes.34

Because renewables alone are unlikely to meet India’s energy demand, the United States should support responsible development of oil, gas, and nuclear power through provision of expertise and technology for reducing use of high-pollution fuels, carbon and methane abatement, strategic management of petroleum reserves, and advanced civil nuclear technology.35

Third, the United States should work to increase the openness of India’s market and decrease barriers to U.S. trade and investment. Opening India’s market and decreasing barriers on both sides to trade and investment will enhance American prosperity and support supply chain diversification away from China. Led by
USTR, the United States should support reforms outlined by the U.S.-India Trade Policy Forum, including Indian reforms in such sectors important to U.S. exports and foreign direct investment as agriculture, goods, services, insurance, investment, and intellectual property.\(^\text{36}\) The Department of State and Department of Homeland Security should dialogue with Indian counterparts on visa issues to facilitate the two-way movement of students, professionals, skilled workers, experts, and scientific personnel—an issue important to India.\(^\text{37}\)

In parallel with this, USTR and Congress should decrease U.S. barriers to bilateral trade and investment, restoring India’s beneficiary status under the U.S. Generalized System of Preferences and reducing tariffs in such key industries as steel and aluminum.\(^\text{38}\) USTR and the State Department should resume bilateral investment treaty negotiations, paused in 2017, to increase U.S. investor confidence.\(^\text{39}\) USTR and the State Department should commit to bilateral dialogue in future areas of agreement, including labor and environmental issues, to build momentum toward a free-trade agreement as a long-term goal to motivate India to make reforms.

To entice U.S. companies in critical industries to shift supply chains to India, the United States and India should provide joint incentives, which could include tax incentives from India to entice companies to move, coupled with preferential tax and tariff incentives from the United States for critical technology products made in India. Given that India’s decision to make economic reforms is often tied to major business deals, U.S. Government investments could nudge India to make broader economic reforms.\(^\text{40}\) This effort should be supported by the Department of Commerce’s U.S.-India CEO Forum and U.S.-India Commercial Dialogue.

The fourth component of achieving an enduring U.S.-India economic partnership is to work with India to expand economic choices for countries in the region to reduce dependence on China. While the United States and India should not appear defensive by competing directly with China’s BRI, they should play to
their strengths by using government tools to support private-sector financing of high-quality, transparent, and sustainable projects in Indo-Pacific countries. If countries rely less on the BRI, they can avoid debt traps and lessen China’s influence.

To provide a framework for this effort, in the wake of the release of the U.S. Indo-Pacific Economic Framework for Prosperity, the State Department and USTR should create a similar framework built around U.S.-India economic cooperation in the region to include trade facilitation, standards for the digital economy and technology, supply chain resiliency, clean energy, and infrastructure.44

To support India’s efforts to provide alternative public goods for the region, USAID and DFC can support efforts to strengthen the nascent National Bank for Financing and Development (NaBFID) as India’s own development finance institution.45 With the NaBFID online, India could join the Blue Dot Network—an effort by the United States, Australia, and Japan—to support transparent private-sector investment in high-quality, sustainable infrastructure that complies with international laws and standards.46 The National Security Council staff and the State Department should then harmonize Quad members’ infrastructure programs for the region under the Quad Infrastructure Coordination Group, emphasizing that these programs follow the Build Back Better World principles of being financially, environmentally, and socially sustainable; guided by high standards and principles of good governance; and climate friendly.47

The United States can further partner with India to support Quad initiatives in health security and climate resilience, including vaccine provision, green shipping, and hydrogen technology, demonstrating how the region’s democracies can provide higher quality public goods than those offered by China.

**Supporting India in Becoming a Regional Net Security Exporter**

By helping India address not only its own security needs but also those of the region, the United States can decrease China’s ability to threaten its neighbors and violate security norms. Given China’s rapid military modernization and naval expansion, U.S. efforts need to bear fruit as quickly as possible. Increases in bilateral communication and building habits of cooperation should be achieved in the next 5 to 10 years; building naval interoperability through foreign military sales and targeted training will take longer. This objective should build on existing bilateral defense agreements and incorporate an assessment, monitoring, and evaluation framework for security assistance to measure progress toward enhanced security cooperation, using such metrics as number of new military sales, increased exercise participation, and frequency of U.S. access to Indian bases.48 Progress should be publicized in a way that avoids a counterproductive message of “containing” China.

First, the United States should support India’s growth in maritime security. Given the Indian navy’s interest in partnering with the U.S. Navy, the United States can expand and deepen navy-to-navy (N2N) cooperation to assist India in addressing China’s maritime threat while nudging the Indian army and air force toward further cooperation. These efforts would be led by the Department of Defense (DOD) with support from the State Department.49 They should be aligned with India’s own Security and Growth for All in the Region initiative and the Indo-Pacific Oceans Initiative.50

The United States can expand frameworks for N2N engagement by making exchanges more routine, expanding reciprocal access to bases, and deepening India’s participation in combined exercises such as Malabar, Rim of the Pacific, and Cobra Gold.51 To support N2N engagement, the United States can link international military education and training and foreign military sales to a coordinated joint U.S.-India strategy for regional contingencies, ensuring that training and weapons sold are employed in complex exercises and combined missions. This will help ensure interoperability and build habits of cooperation.52 This DOD effort would be supported by the State Department.

In collaboration with Japan and Australia, the United States can help India increase its undersea maritime domain awareness (MDA), an area where India has requested U.S. assistance, by establishing a sound surveillance sensor chain supported by long-range maritime patrol aircraft, modeled on an existing strategic U.S.-Japan anti-submarine warfare program in the Pacific.53 This can bolster broader U.S. efforts to enhance India’s MDA to promote regional maritime security and reduce China’s ability to limit access to the global commons. To push back on China’s gray zone activities, the United States can enhance civil maritime cooperation through increased bilateral coast guard activities, such as joint law enforcement and rescue exercises.54

To broadly support the preceding efforts, the two countries should establish a Joint U.S.-India Intelligence Assessment Center at U.S. Indo-Pacific Command. This would build habits of cooperation among intelligence professionals, provide a platform for bilateral tabletop exercises, and allow for joint production of regional intelligence estimates.55

Second, the United States should work to expand U.S.-India defense technology cooperation. India’s designation as a major defense partner in 2016 provides a legal framework for expanding cooperation in research, development, and production of defense technology, leading to increased interoperability and potential joint military sales to third parties.56 Progress in this area needs senior-level engagement. The United States should reinvigorate the U.S.-India Defense Technology and Trade Initiative (DTTI) and launch a parallel public-private partnership involving the two governments and respective defense industry companies to cooperate on defense technology, with a preference for non-state-owned Indian companies.57 The four Service-led joint working groups—in land systems, naval systems, air systems, and aircraft carrier technology cooperation—should be given specific targets and be supported by industry partners. The United States can also leverage existing DOD incubator and accelerator programs, such as the Defense Innovation Unit and the Naval Research Laboratory, to support...
U.S., Indian, Korean, and German special operations forces conduct visit, board, search, and seizure training during Rim of the Pacific 2022, Pearl Harbor, July 1, 2022 (Courtesy Royal Canadian Armed Forces/Djalma Vuong-De Ramos)
and build a similar defense innovation ecosystem in India.²³ Increased defense innovation in India would accelerate cooperation under the DTI.

Third, the United States should continue to build habits of military cooperation among Quad members, while carefully avoiding the appearance of a military alliance.²⁴ The Quad remains an informal political organization, with India making clear it does not want the body to become a military alliance and China decrying the concept as an “Asian North Atlantic Treaty Organization.” As part of its push to offer alternative public goods for the region, the Quad can offer enhanced regional security without taking steps toward an alliance. Quad member countries should expand exercises in ways that allow their military operators to gain experience working alongside one another. Habits of cooperation and experience, supported by enhanced interoperability gained through other lines of effort in this strategy, will better position the Quad as a provider of security goods to the region. Quad members can also mirror the bilateral U.S.-India expansion of operationally targeted military sales and increased defense technology cooperation. An expansion of the DTI to encompass the Quad could create a powerful alternative defense industrial community in the Indo-Pacific backed by the region’s largest democracies. The United States can lead in expanding Quad information and intelligence sharing among the four partner countries, especially for MDA. Regularizing information/intelligence sharing would facilitate strong communication channels, further trust, and foster positive habits of cooperation. This would build on the posting of liaison officers by the United States in 2019 and Australia and Japan in 2021 to the Information Fusion Centre–Indian Ocean Region maritime information hub.²⁵

The fourth component of supporting India in becoming a regional net security exporter is to demonstrate U.S.-India security cooperation by providing humanitarian assistance and disaster relief (HADR). To underscore the values-based approach that defines how democracies engage their neighbors as opposed to the approach taken by self-interested authoritarian regimes, the United States and India can be regional leaders in HADR. The United States and India should create a U.S.-India HADR Center for the Indo-Pacific to plan, prepare for, and engage in activities, demonstrating benign assistance in an area where China cannot currently compete.²⁶ The center could be in India’s Andaman Islands, indicating a geographic centrality for the Indo-Pacific region.

Leveraging India for Democracy and the Regional Rules-Based Order

China’s efforts to recast global norms and institutions to its advantage begin in the Indo-Pacific region. Its most conspicuous moves include attempts to split the consensus-based Association of Southeast Asian Nations (ASEAN), create parallel Beijing-led institutions such as the Shanghai Cooperation Organisation and Asian Infrastructure Investment Bank, and gain advantage over rival territorial claimants through gray zone tactics in the East and South China seas. As the region’s two largest democracies, the United States and India can strengthen regional institutions, take the lead in setting norms and standards, and demonstrate the value of democracy over authoritarianism. These efforts should be focused over the next 5 years, given threats to ASEAN’s relevance and the short time horizon for emerging domains and technologies. Success can be measured through the willingness of ASEAN bodies to speak out on norms and behavior and by the degree to which China adheres to existing norms. Public messaging on this objective should center on U.S.-India support for a rules-based regional order anchored by “ASEAN centrality.”²⁷

First, the United States should work with India to strengthen ASEAN and ASEAN-centered institutions. With a population of over half a billion people and a combined economy of over $3 trillion, ASEAN can be a powerful force in the Indo-Pacific. The ASEAN-centered regional institutions, including the 18-member East Asia Summit (EAS) and 27-member ASEAN Regional Forum (ARF), remain the region’s most significant multilateral bodies and provide venues for highlighting China’s norm-breaking.⁶⁰ This effort mutually reinforces efforts to provide economic alternatives, which can dampen China’s ability to use economic inducements to split ASEAN unity.

As part of this effort, the United States should encourage more aggressive Indian involvement with ASEAN, including in the EAS and ARF, to emphasize large country support for the sovereignty and independence of smaller countries and to encourage a rules-based approach to solving regional problems. At the leaders’ level, the U.S. President should commit to joining Prime Minister Modi at the EAS every year and schedule a high-profile U.S.-India bilateral meeting and joint statement highlighting the countries’ support for the ASEAN-centered regional architecture. At the working level, the United States should encourage India to more actively participate in like-minded meetings to align positions and ensure strong public statements.

The weakest links in consensus-driven ASEAN are the Mekong River Basin nations of Burma, Cambodia, and Laos. The United States and India can shore up those countries’ independence and resilience by better aligning the U.S. Lower Mekong Initiative and India’s Mekong-Ganga Cooperation.⁶¹ A formal U.S.-India partnership between these programs, which involve half the ASEAN countries but operate outside of ASEAN’s formal purview, could serve as an anchor for aligning with other Mekong-focused efforts by Japan, the Republic of Korea, Australia, and the European Union, and could effectively counter China’s efforts to dominate the subregion. Building on this, the United States and India, supported by Australia and Japan, could create maritime-focused initiatives parallel to the Mekong-focused programs. Bringing together the ASEAN maritime countries of Brunei, Indonesia, Malaysia, the Philippines, and Singapore, such
initiatives could provide venues for U.S.-India or Quad-led engagement on MDA, HADR, coast guard cooperation, and enforcement of international maritime law. In addition, the United States can encourage India and other Quad members to follow the U.S. lead in expanding bilateral cooperation across the ASEAN region to strengthen health security, address maritime challenges, increase connectivity, and deepen people-to-people ties. Given ASEAN sensitivities about the Quad, these activities should be done by individual Quad nations acting in alignment rather than formally as the Quad.

Second, the United States and India should work together to set and defend norms and standards in maritime and emerging domains. The United States and India can demonstrate leadership and provide diplomatic space for smaller countries by reinforcing accepted norms and setting standards in the maritime space and in emerging domains and technologies, ensuring that the United States and its allies, rather than China, write the rules governing the Indo-Pacific.

For example, the United States can encourage India to stand up for maritime norms by making strong statements about international maritime law and freedom of navigation at the EAS, ARF, and other regional meetings, during bilateral visits with Indo-Pacific countries and in its own public statements. The United States should encourage India to join in freedom of navigation operations in the South China Sea. India’s standing up for maritime norms in the East and South China seas would lay down a marker for China in the Indian Ocean region. While China and other critics may attempt to undercut U.S. legitimacy on this issue by citing the U.S. Senate’s longstanding refusal to ratify the UN Convention on the Law of the Sea (UNCLOS), U.S. interlocutors can remind those critics that the United States follows UNCLOS as a matter of policy and is the global leader in defending freedom of navigation.

The United States and India can also work together to establish rules, norms, and standards that will govern emerging domains and technologies, including civil space, cyber, 5G telecommunications, biotechnology, and artificial intelligence. Such rules underpin the way domains and technologies are used in international trade and investment. This will require collaboration in multilateral technical bodies, where China seeks to reshape definitions to suit its interests. Initial positive steps include a new U.S.-India Space Situational Awareness Arrangement and an agreement to launch a Defense Artificial Intelligence Dialogue. Efforts can be amplified by Quad cooperation on the same issues.
A third component of leveraging India’s role as the world’s largest democracy is to work together to build democratic resilience in the Indo-Pacific. Democracy is under threat globally, and China’s increasing confidence in the superiority of its system is furthering this trend. As the world’s two largest democracies, the United States and India can meaningfully partner to shore up democratic resilience in the region. Doing so in close consultation will be more effective than if the United States acted alone. Building on the December 2021 Summit for Democracy, for example, the two countries can revive the U.S.-India Global Democracy Initiative to drive a new bilateral public-private partnership to strengthen electoral systems, provide legal and technical assistance and training, and support civil society in Indo-Pacific democracies. These efforts should be aligned with those of the UN Democracy Fund. The United States and India should also work more closely together in the intergovernmental Community of Democracies by co-chairing the Working Group on Education for Democracy to produce training content and educational materials related to best practices in democracy.

Costs, Risks, and Tests of Strategy
This strategy relies heavily on diplomatic engagement, meaning significant person-hours to advocate for and track reforms and to prepare for and participate in meetings and dialogues. This could require additional dedicated staff, especially at USTR, the U.S. Mission to India, and the U.S. Mission to ASEAN. It also requires high-level commitment and participation in regional meetings by senior U.S. officials, up to and including the President’s annual participation in the EAS—something not always prioritized. In terms of budgetary outlays, primary costs include USAID support for basic development assistance and DFC support for private-sector financing, both of which are already accounted for in U.S. foreign affairs budgets and do not require significant expansions. Similarly, military engagements involve activities that are already budgeted, such as exercises and intelligence sharing, but additional staffing resources might be required for dedicated engagement with India.
The United States may face some opportunity and trust-related costs by focusing so heavily on India and the Quad versus devoting resources directly to ASEAN countries, as the latter would prefer, though India and the Quad remain the right choice given ASEAN’s current susceptibility to China’s influence. Increased focus on and partnership with India will lead to increased yet manageable friction in the U.S.-China relationship. The greatest cost would be not acting at all, which would allow China to grow more influential in the region.

The greatest risk to this strategy lies with India’s political will to reform and open its economy, moves that underpin further successes. Pushing India too far too fast, pressuring for a military alliance, or suggesting that India’s value lies solely as a counter to China could all risk undermining the strategy’s broader goals, given India’s fierce independence. Domestically, unhappiness in Congress over India’s military purchases from Russia and its weak response to the invasion of Ukraine could endanger a sanctions waiver under the Countering America’s Adversaries Through Sanctions Act and derail military ties. To mitigate these risks, the United States will need to expend political capital at the highest level and be willing to compromise to goad Modi into continuing reforms. It will also need to encourage India to distance itself from Russia and advocate with Congress regarding India’s strategic importance.

The main risk from this strategy is inadvertently driving China to double down on economic self-sufficiency and military expansion by overemphasizing India and the Quad as “counters” to China, a risk that can be mitigated through careful messaging. U.S. opponents of free trade could argue this strategy will cost American jobs by supporting outsourcing to India, which can be countered factually. Others could argue that supporting defense cooperation with India will accelerate the loss of intellectual property and military secrets; while intellectual property theft remains an issue in India, the country has made progress in recent years, and serious bilateral engagement under the U.S.-India Trade Policy Forum’s Working Group on Intellectual Property restarted in June 2021.73

This strategy passes the standard tests of suitability, feasibility, desirability, acceptability, and sustainability.74 In terms of suitability, it directly advances U.S. interests in the Indo-Pacific by offsetting China’s coercive behavior, intentionally builds on the principles in the Indo-Pacific Strategy of the United States, and draws directly from multiple ongoing lines of effort by U.S. agencies with India, the Quad, and ASEAN. In terms of feasibility, while achieving an enduring economic partnership relies on India’s political will to make difficult decisions to reform and open its economy, particularly under Modi, India has expressed a clear desire to work with the U.S. military and to shore up ASEAN and the regional rules-based order. In terms of desirability, this strategy aims to achieve high gains at relatively low cost. To choose not to pursue this strategy’s political aim would entail caving to China’s demands for regional hegemony and crafting its own rules-based order, at great cost to U.S. prosperity and security—ceding the Indo-Pacific region to China would be the first step in ceding global leadership. In terms of acceptability, this strategy builds on the newly emerged bipartisan agreement on a more competitive approach to China as well as on an enthusiasm for working with India, which has been held by five successive administrations. It is directly in line with long-held U.S. and allied values and views toward the Indo-Pacific, including the important role of democracies, low barriers to trade, and the existing rules-based order, and follows the current U.S. President’s policy approach as outlined in the Indo-Pacific Strategy of the United States. Finally, in terms of sustainability, while this strategy depends on India’s commitment to staying the course of economic reform and opening as well as on U.S. budget support and strategic engagement over at least 10 years, India’s concerns with China and U.S. support for India are both likely to continue as key drivers.

Alternative Approaches?
Possible counterarguments to this strategy’s recommended approach involve the choice of partner, the chosen approach to that partner, and the possibility of unintended consequences. One could argue that U.S. efforts to counter China would be better focused on an existing ally such as Japan or on shoring up ASEAN, given India’s relations with Russia, its independent viewpoint, and its internal challenges. Japan, while also threatened and motivated by China’s behavior, lacks the economic and military heft to counter China and is already unable to stop its aggression in the East China Sea. ASEAN is unlikely to alter its consensus approach, is already divided, and is composed of generally militarily weak states—without the ability to act as one, each of them would be ineffective in countering China.

In terms of working with India, one could argue that this approach relies on India to make economic reforms, about which it will be recalcitrant, whereas an alternate approach might be to focus purely on military cooperation. But India is clear it does not seek an alliance, and its history suggests the United States will be a partner of convenience. Working to grow and open India’s economy, though difficult, will pay long-term dividends by creating goodwill based on reciprocal access to the U.S. market and will fund long-term increases to India’s ability to project power.

Finally, one could argue that supporting India’s rise will only create “another China” down the road. Because India is a democracy that adheres to the rule of law and the rules-based order, this seems unlikely. Moreover, the United States must deal with the threat it faces now rather than over-worry about threats it might face in the future.

Given China’s rapid rise and relative power differential in relation to its neighbors, and the concomitant threats to a free, open, and prosperous Indo-Pacific region, no simple solution exists to ensure that international laws, rules, and norms are respected, state sovereignty is secure, and nations pursue economic growth in an environment of fair competition. The United States must follow multiple lines of effort to counter China’s coercive behavior, including shoring up the U.S. lead.
in innovation and as an economic partner of choice, deepening and expanding alliances and partnerships that have undergirded the region’s stability for over 75 years, and preserving a rules-based order that prioritizes justice and equal treatment for states of all sizes over a return to balance-of-power politics. Partnering with India to build an enduring economic relationship that drives growth and supports India’s emergence as a net security provider and a key pillar of a democracy-led rules-based order is an essential component to the U.S. approach.

Notes


5 Wright, All Measures Short of War, 67–98.


16 Tanvi Madan, Democracy and the U.S.-India Relationship (Washington, DC:


21 Ayres, Our Time Has Come, 208.


23 Economic reform engagement would involve multiple agencies, including the Office of the Trade Representative, the Department of the Treasury, Department of Commerce, State Department’s Bureau of Economic and Business Affairs and Bureau of South and Central Asia Affairs, and the Departments of Agriculture and Energy, supported by the U.S. Mission to India. Development assistance and finance would involve the U.S. Agency for International Development and the International Development Finance Corporation.


33 “India: Energy and Environment.”

34 Kay, Tangled Wires, 12.

35 See “Secretary Granholm and Minister Puri Relaunch the U.S.-India Strategic Clean Energy Partnership.” Avenues for cooperation include the revamped industry-led U.S.-India Low Emissions Gas Task Force and the U.S.-India Civil Nuclear Energy Working Group.


37 The Department of State’s Bureau of Consular Affairs and the Department of Homeland Security’s U.S. Citizenship and Immigration Services.

38 Linscott, “Here’s How to Get U.S.-India Trade on the Right Track.”


40 NWC, India Practicum speaker, March 3, 2022.


51 NWC, India Practicum speaker, March 16, 2022.


56 The United States and India.


58 Engagement on India-ASEAN would be led by the State Department’s Bureau of East Asia and Central Asian Affairs, with support from the U.S. Mission to India and the U.S. Mission to ASEAN.


60 Indo-Pacific Strategy of the United States (Washington, DC: Center for Strategic and International Studies, February 2022). This effort would be led by the State Department’s Bureau of South and Central Asian Affairs and Bureau of Democracy, Human Rights, and Labor.


62 The United States and India.

