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India-US Defence Trade and Technology Initiative: Moving to a Higher Trajectory

by Gurmeet Kanwal



September Summit: Fresh Impetus to Growing Partnership

Contrary to most of the commentary that has appeared in the Indian media, the Barack Obama-Manmohan Singh summit meeting at the White House on September 26, 2013, was unexpectedly successful in setting the Indo-US strategic partnership on the path to a higher trajectory in the long term. The joint statement issued after the meeting and the Joint Declaration on Defence Co-operation endorsed by the two leaders have the potential to perceptibly shape the future contours of the relationship to mutual benefit "in the areas of security co-operation, bilateral trade and investment, energy and environment, higher education, and global architecture."

Every summit meeting cannot be expected to deliver an agreement equivalent to the spectacular strategic impact of the July 2005 Indo-US Civil Nuclear Co-operation Agreement and the equally important Defence Framework Agreement that had preceded it by a few weeks. The September 2013 meeting between the two leaders convincingly dispelled the notion that the relationship had plateaued out or that it had begun to stagnate or drift. There was a meeting of minds on several key bilateral issues. While the US is already India's largest trading partner with bilateral trade close to US\$100 billion annually, the two leaders agreed that "there are no insurmountable impediments to bilateral trade increasing an additional five-fold." They reiterated their commitment to concluding a "high-standard Bilateral Investment Treaty that will foster openness to investment, transparency, and predictability." In the civil nuclear power sector, they expressed their satisfaction at the announcement that NPCIL and US nuclear company Westinghouse have concluded a preliminary contract to build a nuclear power plant in Gujarat in India.

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Recognising the contribution of Indian peace-keepers to the maintenance of peace and stability under the aegis of the United Nations, President Obama said, "The United States looks forward to a reformed UN Security Council with India as a permanent member." The two leaders reaffirmed their desire to remain committed to contribute to peace, stability and development in Afghanistan during the difficult period ahead. Prime Minister Manmohan Singh conveyed to President Obama that Pakistan had become the epicentre of international terrorism. President Obama and Prime Minister Manmohan Singh condemned terrorism in all its forms and stressed their commitment to eliminating terrorist safe havens and infrastructure and disrupting terrorist networks including those of the Al Qaeda and the Lashkar-e-Taiba (LeT).



Prime Minister Manmohan Singh and President Barack Obama at the White House in Washington DC on September 27, 2013. Source: Ministry of External Affairs, Government of India.

However, the most notable achievement of the summit meeting was in the field of defence co-operation and, more particularly, defence trade. President Obama and Prime Minister Manmohan Singh expressed satisfaction with the progress achieved in defence co-operation. They called for "expanding security co-operation between the United States and India to address 21st century challenges." In an unanticipated move, the two leaders endorsed a Joint Declaration on Defence Co-operation "as a means of enhancing their partnership in defence technology transfer, joint research, co-development and co-production." They decided to significantly enhance co-operation to combat terrorism, particularly intelligence sharing and exchanging information on known and suspected terrorists. President Obama appreciated India's decision to participate in the Rim of the Pacific (RIMPAC) naval exercise to be hosted by the US Pacific Command in 2014. This will be the first time that India will participate in this annual multilateral exercise.

Enhancing Ongoing Defence Co-operation

Defence co-operation between India and the US began with baby steps under the Kicklighter Proposals enunciated in 1991. It gathered momentum after the Defence Framework Agreement was signed on June 28, 2005. Under this path-breaking agreement, India and the US had agreed to:

- Conduct joint and combined exercises and exchanges

- Collaborate in multinational operations if it is in common interest
- Strengthen capabilities of militaries to promote security and defeat terrorism
- Promote regional and global peace and stability
- Enhance capabilities to combat the proliferation of weapons of mass destruction
- Increase opportunities for technology transfer, collaboration, co-production, and research and development
- Expand collaboration relating to missile defence
- Strengthen the ability of the armed forces to respond quickly to disasters, including in combined operations
- Conduct successful peacekeeping operations
- Conduct and increase exchanges of intelligence

According to India's Ministry of External Affairs, "Under the Defence Framework Agreement, the institutionalised framework for co-operation was further strengthened with the establishment of the Defence Procurement and Production Group and the Defence Joint Working Group, under the comprehensive bilateral mechanism of the Defence Policy Group." Since then, the two countries have come a long way towards realising the goals that they had set for themselves, some of which had appeared unachievable at that time.



Former U.S. Defence Secretary Leon E. Panetta passes and reviews members of the Indian military during an honour ceremony in New Delhi, June 6, 2012. Photo by Erin A. Kirk-Cuomo. Source: US Department of Defence

Defence co-operation has many dimensions today. It includes the sale, purchase and joint development of military equipment, transfer of military technology, intelligence sharing, co-operation for counter-terrorism and counter-proliferation, jointly providing humanitarian assistance and disaster relief after natural calamities, co-ordination in transnational anti-drug trafficking activities, joint patrolling of sea lanes of communication against piracy and terrorism, and joint military exercises. It also includes working together to maintain regional and international peace and stability under a co-operative security framework. India and the US have participated extensively in all of these activities since mid-2005 when the Defence Framework Agreement was signed.

Recent achievements in defence co-operation have been truly remarkable. Tri-service military exercises have led to a broad understanding of each other's military capabilities and many interoperability challenges have been ironed out. American soldiers have spent time at the Siachen Glacier and have trained at India's Counter-insurgency and Jungle Warfare School (CIJW) at Vairengete. Similarly, troops of the Indian army have trained in the US. The two air forces have participated in several joint exercises and simulations over the skies of Gwalior and Kalaikunda in India and Alaska and Arizona in the US. The Malabar series of naval exercises are being held regularly and participation and intensity levels are being progressively raised. Joint patrolling of the sea lanes (SLOCs) in the Indian Ocean is being quietly undertaken under the garb of maritime co-operation. There has been extensive co-operation in anti-piracy operations off the Horn of Africa in conjunction with other friendly navies. In fact, even before the Framework Agreement had been signed, the two navies had put up an excellent example of co-operation for humanitarian relief operations during the December 2004 Southeast Asian Tsunami.

Defence Trade: Breaking New Ground

For several decades, India's procurement of weapons platforms and other equipment as part of its plans for defence modernisation has remained mired in disadvantageous buyer-seller, patron-client relationships like that with the erstwhile Soviet Union and now Russia. While India has been manufacturing Russian fighter aircraft and tanks under licence for many years, the Russians never actually transferred weapons technology to India. There is now a growing realisation in India that future defence acquisitions must simultaneously lead to a transformative change in the country's defence technology base and manufacturing prowess.

India has diversified its acquisition sources beyond Russia to Western countries and Israel. From the US, India has purchased weapons platforms and other items of defence equipment worth around US\$10 billion over the last five years. Major procurements have included the troop carrier ship INS Jalashva (USS Trenton), six C-130J Super Hercules aircraft for India's Special Forces, ten C-17 Globemaster heavy lift transport aircraft, 12 Boeing P-8I Poseidon long-range maritime reconnaissance aircraft and 12 AN-TPQ37 Weapon Locating Radars. Another six C-130J and seven C-17 aircraft are expected to be purchased over the next few years. Also in the acquisition pipeline are M-777 light artillery howitzers, Apache attack helicopters and Chinook medium lift helicopters.

However, none of the recent deals with the US have included transfer-of-technology (ToT) clauses. It is imperative that future acquisitions must be procured with a ToT clause being built into the contract, even if it means having to pay a higher price. The aim should be to make India a design, development, manufacturing and export hub for defence equipment in two to three decades.

The Joint Declaration on Defence Co-operation concluded during the Indian PM's visit in September 2013 is a major step forward towards greater co-operation in the defence trade and technology relationship. The US and India have agreed to treat each other "at the same level as their closest partners" in respect of defence

technology transfer, trade, research and joint development and joint production, including the most advanced and sophisticated technologies. The two sides agreed to “identify specific opportunities for co-operative and collaborative projects in advanced defence technologies and systems.” They also agreed to improve licensing processes, follow expedited licence approval processes to facilitate co-operation and to protect each other’s sensitive technologies and information. Both sides will “address process-related difficulties in defence trade, technology transfer and collaboration.”



C-130J-30 Super Hercules Tactical Airlift Aircraft at Indian Air Force Airbase at Hindan. Source: Wikimedia Commons

This is indeed a landmark agreement that has codified previously expressed intentions. The major implication of this agreement is that the US will treat India just like it does, for instance, the United Kingdom, which is an alliance partner, without India having to enter into a military alliance with the US. Also, presumably, India will not have to sign the CISMOA, BECA and LSA agreements that have been major stumbling blocks in the past and about which it has differences of perception with the US. India is hungry for cutting edge state-of-the-art defence technology and this agreement will help to a large extent to fulfil India's hi-tech requirement. On its part, the US will secure lucrative defence contracts for its leading defence companies. This will give a fillip to the flagging economy and help to create jobs.

Streamlining Procurement processes

The US decision a few years ago to transform the existing bilateral export control framework for hi-tech exports had put an end to the discriminatory technology denial regimes that India was subjected to. The US administration removed the names of nine organisations, mostly ISRO and DRDO subsidiaries, from the Entities List and opened the doors for the export of high technology to India. The lifting of sanctions on ISRO, DRDO and Bharat Dynamics Limited was a welcome step forward and perhaps the Department of Atomic Energy will also be taken off the Entities List soon. In another even more significant and far reaching decision, India was moved from a country group that required strict monitoring under the US Export Administration Regulations to the group comprising members of the Missile Technology Control Regime (MTCR), in recognition of India's adherence to the regime and its impeccable non-proliferation credentials even though India is not a signatory to the MTCR.

In December 2012, the US Congress had for the second consecutive year approved legislation on bilateral defence trade and asked the Administration to consider possibilities of co-production and co-development of defence items with India. Hi-tech weapons and equipment are now being provided and offered to India. Advanced dual-use technologies will give an edge to India over China, both in the security-related and civilian sectors.

The present state of the defence trade relationship has been reached through years of getting to know each other as reliable strategic partners. During his visit to India shortly before the Washington summit in September 2013, Deputy Secretary of Defence Ashton Carter is reported to have offered India a "Defence Trade and Technology Initiative", under which the US will share sensitive cutting-edge defence technology and permit US companies to enter into joint production and co-development ventures with India. Subsequently, it was reported that Deputy Secretary Carter had offered a list of ten joint production projects to India. According to Carter, "These include a maritime helo, a naval gun, a surface-to-air missile system, and a scatterable anti-tank system." He has also affirmed that "We changed our mind-set around technology transfer to India in the Department of Defence from a culture of presumptive no to one of presumptive yes."



A US soldier launches a FGM-148 Javelin anti-tank missile. Source: Wikimedia Commons

The Javelin anti-tank guided missile (ATGM) is another key candidate for joint production although, so far, the US has been hesitant to offer its seeker technology. India is also looking for high-end counter-IED technologies. In future, the two countries will conduct joint research and development for new weapons systems and the US may offer even nuclear power packs for submarines and aircraft carriers and fighter aircraft engines. Co-operation of such a high order will raise India's technology base exponentially and help the country to move several notches higher in its quest for self-reliance in defence production. Although India's Ministry of Defence did not express its happiness publicly, from India's point of view this is a giant leap forward from the times when India had been subjected to strict technology denial regimes by the US.

Future Co-operation: Joint Military Operations?

Where is defence co-operation between the US and India headed over the next decade or so? There is mutual recognition of the adverse implications of China's increasing assertiveness and the need to work in unison with the international community to uphold the unfettered use of the global commons like sea lanes for trade, space and cyberspace. The US and India also view their strategic partnership as a hedging strategy against two major eventualities: should China behave irresponsibly in Asia and should China implode. In either case, both countries will need reliable partners to bolster stability. While the probability of either occurrence is low, China's recent belligerence in the South China Sea and its assertiveness in dealing with the dispute over the Senkaku (Diaoyu) islands with Japan have undermined international and regional confidence in its desire to resolve disputes peacefully.

India has acquired robust military intervention capabilities and its armed forces are engaged in the process of formulating a doctrine to give effect to these capabilities. The Indian Army has designated one infantry division as a rapid reaction division, with an amphibious brigade, an air assault brigade and an infantry brigade. Air assault capabilities are capital intensive and will take five to ten years to become fully operational. The army also has an independent parachute brigade that can be deployed at short notice. The Indian Navy acquired the INS Jalashva (USS Trenton) that can carry one infantry battalion with full operational loads and is in the process of acquiring additional landing ships. Besides long-range fighter-bomber aircraft with air-to-air refuelling capability like the SU-30MKI, the Indian Air Force has acquired fairly substantive strategic airlift capabilities, including six C-130 Super Hercules aircraft for the Special Forces and C-17 Globemaster heavy lift transport aircraft.



A coalition colour guard marches off the 82nd Airborne Division parade ground to conclude the opening ceremony of Yudh Abhyas, the annual training event between the U.S. and Indian armies, May 3, 2013, at Fort Bragg, N.C. Yudh Abhyas 2013 paired the 82nd Airborne Division's 1st Brigade Combat Team with the Indian army's 99th Mountain Brigade. (U.S. Army photo by Sgt. Michael J. MacLeod). Source: Wikimedia Commons



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In future, India may conduct joint military operations with the US in its area of strategic interest in a contingency in which India's vital national interests are threatened. This may take the form of a Chapter 6 intervention under the UN flag – something that India would prefer – or India may consider joining even a "coalition of the willing". Of course, there will be many caveats to such co-operation as it is not in India's long-term interest to form a military alliance with the US. While India values its strategic autonomy and recognises that each bilateral relationship is important in its own way, the India-US strategic partnership, more than any other, will shape the geo-political contours of the 21st century through co-operative security to enhance peace and stability the world over, particularly in the Indo-Pacific.

According to Shivshankar Menon, India's National Security Advisor, the two countries now have a "Full spectrum relationship... the relationship has all the attributes of a strong and comprehensive strategic partnership." In the years ahead, India and the US are bound to build further on the solid achievements of the last decade. Naturally, there will occasionally be some bumps on the highway, but there is reason to believe that the institutional mechanisms that are already in place will succeed in overcoming the obstacles that come up.

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