

The Technology Initiative between India and the United States: A New Era, Against the Backdrop of China's Growing Power

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The inaugural meeting of the initiative on Critical and Emerging Technology (iCET) between India and the United States was held in January 2023. The initiative represents the desire of the United States to deepen its influence in the Indo-Pacific region and weaken India's ties with China and Russia, notwithstanding the ideological differences between the two countries. This occurs within the framework of the "friendshoring" policy and reliance on the production of critical technological components in friendly countries. The initiative also serves India's drive to expand its influence in the area between western Asia and the Middle East, as well as to cope with the challenges it faces stemming from its rivalry with China.

In January 2023, following a meeting between senior United States and Indian officials – led by US National Security Advisor Jake Sullivan and his Indian counterpart, Ajit Doval – a comprehensive cooperation agreement in various fields of technology was launched by the two countries. As part of the initiative, both countries consented to cooperate in sharing information regarding evolving and critical technologies, and as well as in the joint development of technologies and the lifting of regulatory barriers on technological trade. The initiative covers a wide range of technologies, including the supply chains of chips, the provision of US jet engines to India, and cooperation in the development of important dual-use technologies, including artificial intelligence and quantum technologies.

The initiative focuses on the technological realm and was described by Sullivan as "the next milestone" in the relations between the two countries.

Since the Nuclear Cooperation Agreement signed in 2016, no substantial developments have been recorded in the bilateral ties between the India and the US. This is rooted in India's history of non-alignment, its drive, since the beginning of the Cold War, not to base its diplomatic relations with foreign countries on ideological considerations that necessarily coincide with those of the United States, and its closer ties with China and what was the Soviet Union. However, the new initiative serves as an indication that from the US standpoint, strengthening India would serve US geopolitical and strategic interests in the Indo-Pacific. It also highlights the importance the US ascribes to India as a potential partner for promoting essential interests, including vis-à-vis China's growth in the military-technological and economic realms. For India, the agreement offers latitude that enables it to advance its industries and attractiveness to foreign investments as well as its technological capabilities, especially those that strengthen its military ability to cope with external challenges.

Indeed, the growing closeness between the two countries that led to the initiative is the product of joint geostrategic interests related, inter alia, to China's activities in the international arena in general, and the Indo-Pacific in particular. While the initiative concerns primarily bilateral cooperation, Sullivan [said](#) that the common challenge is reflected in China's military activities, including the militarization of the Indo-Chinese border area, its attempt to gain control over technological supply chains, and its quest for dominance in technology industries in general.

The initiative is especially relevant to several particular issues. First is the strengthening of India's defense and military capabilities in light of China's buildup in the Indo-Pacific region, which threatens India as well, due to the border dispute between the two nations. One of the projects covered by the initiative concerns the development and production of jet engines manufactured and operated in India that power military aircraft. Second is the strengthening of critical supply chains for producing and developing technologies aimed at reducing India's considerable dependence on specific countries and expanding its options to other countries – particularly in light of events such as the COVID-19 pandemic and the war

between Russia and Ukraine, which caused disruptions to supply chains. The initiative indicates an intention to apply standards based on democratic principles to the use of technology, particularly artificial intelligence technologies, in order to prevent the abuse of such technologies by Beijing.

From the US vantage point, the initiative is meant to serve two strategic and security-related interests. The first is increasing its influence in the Indo-Pacific region, particularly by strengthening countries perceived as part of the liberal-democratic bloc. US figures [have](#) described this issue as one of the motives for the agreement, despite the ups and downs in the relations between the United States and India over the years. The main issue in dispute relates to India's desire to maintain its neutrality, which allows it to maintain ties with various countries based on its needs, including Russia, with which it has particularly close ties due to its dependence on Russian oil and weapons (which explains why India has refrained from expressing its view on the war in the Ukraine). Through greater cooperation with India, the United States seeks to discourage India from tightening its relations with China and Russia and reduce its dependence on trade with and weapons from these countries. Therefore, as part of the new dynamic with India, the United States has refrained from demanding that India criticize authoritarian states and in particular, take sides in the Russia-Ukraine war. Given its tensions with China and Russia, the United States seeks to bring India closer to the Western-liberal bloc, in line with its strategic and ideological interests.

The increasing cooperation between the US and India is also a result of the crisis in technology supply chains. The problems that arose during the supply crisis caused by the COVID-19 pandemic, as well as the US and Indian desire to control advanced technologies, have led to the mutual understanding that the development and production of microchips in India and the United States should be enhanced. The initiative reflects this goal, and encourages American companies move their operations to India. As part of the initiative, the United States strives to strengthen the existing strong skills of Indian factories and bridge regulatory gaps. At the same time, the agreement boosts India's interest in displaying its attractiveness

to foreign investors, while for the United States, it conveys a message to the US private business sector, based on the intention to lift regulatory barriers in order to make it easier for the technology sector to strengthen its ties with India. In effect, the initiative is a test of the Biden administration's "friendshoring" policy, which includes the reliance on the production of critical technological components in friendly countries.

India attaches foremost importance to the cooperation with the United States, in part due to its desire to strengthen its geo strategic position, mainly in the technological and economic realm, in response to China's increasing power in these fields. Today, China and India are the fastest growing economies in the world, and their rapid growth sparks strong tension between them. Moreover, China and India are in dispute over their joint border, in the Aksai Chin region of the Himalayas. While the area is under Chinese control, India demands sovereignty over part of the territory. In addition, India claims that China's rapprochement with Pakistan, India's rival, is yet another expression of China's aggressive conduct. This proximity is reflected in the Belt and Road Initiative, used by China to expand its activities in the Euro-Asian sphere; India has refused to join this project. Indeed, notwithstanding the existing relations between India and China and their attempts to resolve the differences between them, China is perceived in India as a rival, challenging advances in its strategic and technological status. Therefore, it regards the initiative with the United States as an opportunity to strengthen its position, as well as its technological and military capabilities.

Innovation is another focal point of the initiative, which includes plans for cooperation on evolving technological fields, including quantum computing and artificial intelligence. These technologies are important due to their dual-use nature, and their joint production and development would benefit both countries. For India, the agreement will promote its position as a technological power, both in the Indo-Pacific and the on global level, while for the United States it constitutes a major step toward the establishment of applicable standards for the use of such technologies, in line with its economic, security, and ideological interests. As stressed by the Biden

administration as part of its National Security Strategy, preventing the use of such technologies against democracies, in part through supervising and monitoring the distribution of false information via the internet, is a major security necessity.

Despite the interests shared by India and the United States, the advancement of their relations faces several potential barriers. The US administration has criticized India's Prime Minister, Narendra Modi, for his country's violation of human rights. Moreover, as part of its National Security Strategy, the administration has stressed the importance of cooperation based on liberal-democratic values, mainly in the face of challenges to the liberal international order posed by China's and Russia's behavior. The section in the agreement concerning the development of these technologies based on democratic values does not necessarily testify to any desire to impose democratic values on India, but rather serves as indication of a shared cause of strengthening values on global level. Nonetheless, in order for India to loosen its ties with Russia and China and reduce its reliance on their oil and military resources, the US seeks to offer it a tangible alternative. Within this framework, the US wants to provide India with weapons, including fighter jets and jet engines, to replace those provided by Russia.

In conclusion, the technological initiative between the United States and India is intended to expand their influence in the Indo-Pacific, while weakening the Chinese influence in that region. This bilateral closeness reaffirms the increasing importance of this region for the United States and provides India with a golden opportunity to expand its own sphere of influence between western Asia and the Middle East. While India and the United States may have ideological differences, the rivalry with China consolidates the ties between the two nations and creates an opportunity for the realization of common geostrategic interests.

Editors of the series: Anat Kurtz, Eldad Shavit and Judith Rosen