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# Indo-US Relations Under Modi: From Convergence of Interests to Embrace



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## Abstract

*This paper aims to highlight a promising change in the relationship between the US and India under the leadership of Prime Minister Modi. He appears to be a harbinger of change for Indian foreign policy which was restrained and hesitant in the past. India and the US came closer due to a variety of factors. The mutual economic benefits are playing an important role in keeping the coalition. However, reasons like China's growing regional influence and the unending war in Afghanistan have compelled the US to have a strong strategic partner in the region. The study dwells upon the careful, well thought, and sustained progress in Indo-US relations during the Obama administration. It also highlights the highs and lows of Indo-US relations under the Trump administration.*

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## مودی حکومت کے دور میں بھارت امریکہ تعلقات: مفادات میں ہم آہنگی سے باہم ہونے تک مریم مستور

### خلاصہ

یہ مقالہ وزیراعظم مودی کی قیادت میں امریکہ اور بھارت کے درمیان تعلقات میں اُمید افزا تبدیلی پر روشنی ڈالتا ہے۔ مودی اُس بھارتی خارجہ پالیسی کے لئے تبدیلی کے پیشوا ثابت ہو رہے ہیں جو ماضی میں ہچکچاہٹ کا شکار رہی۔ بھارت اور امریکہ مختلف وجوہات کی بنا پر ایک دوسرے کے قریب آئے۔ باہمی معاشی فوائد بھارت اور امریکہ کو ساتھ رکھنے میں ایک اہم کردار ادا کر رہے ہیں۔ تاہم خطے میں چین کے بڑھتے ہوئے اثر و رسوخ اور افغانستان میں ایک نہ ختم ہونیوالی جنگ نے بھی امریکہ کو ایک مضبوط تزدیاتی اتحادی بنانے پر مجبور کیا ہے۔ یہ مقالہ اوہامہ انتظامیہ کے دور میں بھارت امریکہ تعلقات میں ہونے والی محتاط، سوچتی سمجھتی اور مسلسل ترقی کا احاطہ کرتا ہے۔ مقالہ ٹرمپ دور کے بھارت امریکہ اتار چڑھاؤ پر بھی روشنی ڈالتا ہے۔

*The promise and potential of this relationship had never been in doubt. This is a natural global partnership and has become even more relevant in the digital age. It is needed even more in our world for far-reaching changes and widespread turmoil. The success of this partnership is important for our progress and for advancing peace, stability and prosperity around the world. From the turn of the century, we had begun transforming our relationship, but we have to convert a good start into lasting progress. This requires translating our vision into sustained actions and concrete achievements.*

Modi-<sup>1</sup>

India had always been important for the US. During the Cold War era of non-alignment, India was the second country after Israel to receive economic and military assistance from the US. In 2008, India and the US signed a civil nuclear deal. It laid the foundation of the strategic partnership between India and the US. However, there were still some hesitations on the part of India, in the Congress era. The reason for this could be the weak coalition government of the Congress. The new government of the Bharatiya Janata Party (BJP), under the leadership of Prime Minister Narendra Modi, reinvigorated the ties between India and the US.

The economic boom in China is also instrumental in bringing India and the US closer. As the 'Pivot to Asia' is becoming more assertive in world politics, the US is becoming keener to have a partner to check the growing power of China in the region. Therefore, despite having a history of a visa ban by the US on the then chief minister of Gujarat, Narendra Modi owing to his alleged involvement in the massacre of Muslims in 2002 and a fierce Indo-US diplomatic row of 2013,<sup>2</sup> India and the US have started a new journey of strategic partnership based on 'mutual interests'.

This paper aims to highlight the emerging partnership of India and the US under Prime Minister Modi. It is divided into three sections, the first section portrays the historical estrangement of the US and India and then the 'convergence' of Indo-US interests after 9/11. The

second section discusses the theoretical explanation of the change that is seen today: an 'inward' looking India, is establishing enduring partnerships with not only the US but also Japan, Australia and even Israel. The third section highlights the Indo-US relations during the four years of Modi's government. It deliberates upon the four visits of Prime Minister Modi (during the Obama and Trump administrations) to the US and President Obama's historic visit to India. The discussion broaches various aspects of these visits.

Before unfolding the new chapter of Indo-US relations, it is imperative to understand the dynamics of Indo-US relations through history.

### **Indo-US Estrangement of the Past**

In the past, India and US did not share a cordial relationship. During the Cold War, the Indian Prime Minister Jawaharlal Nehru started the Non-Aligned Movement which aimed at taking no side in the bipolar international system. To the contrary, Pakistan sided with the US. Interestingly, India, despite being a champion of the Non-Aligned Movement received considerable assistance from the communist Soviet Union.

The events of 9/11 gave an impetus to pragmatic changes in world politics. In South Asia, a close alliance between the US and Pakistan was formed. However, at the same time, the US and India also developed closer ties. The Indo-US nuclear deal of 2008 is a formidable development in the relationship of both countries. President Barrack Obama irrevocably supported India's inclusion as a permanent member of the Security Council during his visit to India in November 2010.

During the 1950s and early 1960s, the US dominated the course of the US-Pakistan relations in the form of Pakistan joining the military engagements, such as Southeast Asian Treaty Organisation (SEATO) and Central Treaty Organisation (CENTO). During the 1980s, the US was actively engaged with Pakistan in the fight against the

occupation of Afghanistan by the Soviet Union. On the other hand, in 1983 India vehemently criticised Reagan’s Strategic Defence Initiative (SDI).

Regardless of the Soviet Union’s influence on India and its eager involvement in the Non Aligned Movement, its criticism of US policies and its three wars with Pakistan, India was never neglected by the US. According to Stephen Cohen, although India declined to join the US-sponsored alliances, yet it received more than Pakistan in economic and military grants and purchased about \$55 million in military equipment from the US<sup>3</sup> According to recent statistics released by the USAID, India tops the list in receiving US economic assistance since 1947 (Table 1).

**Table 1**  
**Top 10 Countries Receiving US Economic Assistance from 1946-2012**

1.	India: \$65.1bn	6.	Vietnam: \$41bn
2.	Israel: \$65bn	7.	Iraq: \$39.7bn
3.	United Kingdom: \$63.6bn	8.	South Korea: \$36.5bn
4.	Egypt: \$59.6bn	9.	Germany: \$33.3bn
5.	Pakistan: \$44.4bn	10.	France: \$31bn

**Source:** India biggest recipient of US economic assistance over a 66-year period: USAID, *Dawn*, 14 July 2015.

It may be noted that the list indicates only economic assistance. Military assistance is not included. Table 2 below shows a comparison of US economic assistance to both India and Pakistan since 1949. Table 2 clearly indicates that India has always been given more economic assistance by the US when compared with Pakistan.

**Table 2**  
**US Economic Assistance to India in comparison**  
**with Pakistan since 1949**

<b>Year</b>	<b>India US \$ (Million)</b>	<b><u>Pakistan</u> <u>US \$ (Million)</u></b>
1962-2008	12776.2	11342.3
1953-61	2407.5	1418.7
1949-52	248.7	11.1

**Source:** Saeeda Sultana et al. "The U.S. Economics Assistance to India & Pakistan: A Comparative Study," *Pakistan Journal of Social Sciences (PJSS)* Vol.33, No.1 (2013), pp.25-35. The figures mentioned in the graph are in million US dollars. The figures have been rounded for clarity

Interestingly, during the Sino-India crisis of 1957, India received a considerable amount of aid from the US.<sup>4</sup> In addition, after the Indo-China war of 1962, India received 80 million dollars of assistance from the US<sup>5</sup> Walt Rostow was of the view that India was the reason behind the US intervention in Vietnam. On the basis of the domino theory, he believed that the US feared that, if communism succeeded in Vietnam, India, the most important of all dominoes, would become a communist state.<sup>6</sup>

In the early 1990s, Clinton's administration was not so friendly towards India. India wanted to pursue its missile defence system but the Clinton administration insisted that India should sign the Comprehensive Test Ban Treaty (CTBT). India refused to do so, declaring that it would "never sign this unequal treaty, not now, not ever."<sup>7</sup> For Pakistan, the post-Cold War period of the 1990s was the period of complete disengagement with the US. The Pressler Amendment was imposed in 1990 with a view to discontinuing economic and military assistance to Pakistan and pressurising it to roll back its Nuclear Programme.<sup>8</sup> During the Cold War and even after that, India never expressed complete trust in US policies. In contrast, Pakistan always played the role of an ally even when its Islamic identity was at stake during the Suez Canal Crisis of 1956. Despite the history of

Indian distrust of the US, in contemporary world politics, India has emerged as an "indispensable partner and a trusted friend"<sup>9</sup> for the US

In the late 1990s, the US explicitly began to show a tilt towards India. Washington and New Delhi turned from "estranged democracies" of the Cold War to "engaged democracies" of the post-Cold War era.<sup>10</sup> Indo-US two-way trade doubled to some \$14 billion annually between 1992 and 1998. The US became India's largest investor, providing \$2.3 billion of India's \$12.6 billion foreign direct investment (FDI) between 1991 and 1999. In 1999, India shipped more exports, especially software and other high-tech goods, to the US than to any other country and the total Indian exports to the US crossed the \$9 billion mark.<sup>11</sup>

In 1998, both India and Pakistan tested their nuclear weapons and acclaimed their inclusion in the handful of nuclear-armed states. The US consequently had to impose sanctions on both countries. But ignoring the imposition of sanctions, the US and India indulged in strategic and security talks. The former US Deputy Secretary of State, Strobe Talbott and the then Indian External Affairs Minister Jaswant Singh assured to form a "framework of India's nuclear security interests and the US-led nuclear non-proliferation regime."<sup>12</sup>

Later, in 2000, President Clinton's visit to South Asia clearly demonstrated the interest of the US in India. In India, President Clinton stayed for five days. To the contrary, nothing was offered to Pakistan. Regarding Kashmir, President Clinton expressed concerns and reiterated the offer on the part of the US to assist if both India and Pakistan so desired, but he did not suggest any possibility of a forced mediation.

The China factor also played a vital role in bringing the US and India closer to each other. China's economic boom made the US form a neo-containment policy in South Asia. India being unfriendly to China, best suited the agenda. China's strategic alliance with Pakistan and the

China Pakistan Economic Corridor (CPEC) project also brought India and the US closer.

A picture below, best describes the reality of China, Pakistan and India-US relations.



**Source:** Bruce Riedel, "One year of Modi Government: Us versus Them," *Indian Express*, 25 May 2015.

In the Fiscal Year 2000, India became the largest recipient of US development and food aid in South Asia. With the start of the 21<sup>st</sup> century, India also changed its stance on nuclear proliferation in favour of US policies. In 2001, India lauded President Bush's new framework for seeking "to transform the strategic parameters on which the Cold War security architecture was built."<sup>13</sup> India also supported the dumping of the Anti-Ballistic Missile (ABM) treaty and the initiation of the Missile Defence Program by the Bush administration. It was a clear indication that India was getting ready to accept its new role as a regional power, sponsored and urged on by the US.

However, Pakistan again appeared as a "geo-strategic compulsion" for the US after the events of 9/11. Had it not been for 9/11, Pakistan would have remained low on the policy agenda of the US, but it has to secure its 'security interests' especially vis-a-vis India's involvement in Afghanistan.<sup>14</sup>



The events of 9/11 have increased India's importance for the US. Its approaching exit from Afghanistan has also provided another vector for Indo-US cooperation. Unlike Pakistan, India has all the power to manoeuvre its own strategic interests in the region. India had gifted four MI-25 attack helicopters to Afghanistan in August 2016.<sup>15</sup>

In 2005, to increase US involvement in South Asian politics, India suggested that the US should be given observer status in the South Asian Association of Regional Cooperation (SAARC). Many see it as a counterbalancing act by India, as Pakistan requested the same, for China. In the new great game in South Asia, players like India and Pakistan are likely to work as 'client states'.<sup>16</sup>

However, the announcement of the nuclear deal by President Bush and Manmohan Singh in 2005 raised political problems within India. It appeared that India will no longer honour its commitment regarding nuclear cooperation with the US. Amid suspicions, in 2007, Under Secretary of State, R. Nicholas Burns said that India had no sense of clear identity, with one foot still in the non-aligned camp. He also said that Pakistan was number one partner for the US against 'Al Qaeda'.<sup>17</sup> Eventually, sensing the benefits India could get through this deal, Prime Minister Manmohan Singh and President Bush signed the 123 Agreement on civil nuclear energy in October 2008.

Interestingly, despite the existence of strong relations between the US and India, India backed the UN resolution on the Richard Goldstone Commission's report, which heavily criticised Israel for its December 2008 military offensive against Gaza. It was not appreciated by the US, as it was taken as India's attempt to maintain a status-quo in the 'Non-Aligned Block'. According to George Perkovich, there should be realistic parameters of relations between India and the US. The US should move towards India only if its interests lead to that direction. He disapproved of the special treatment the US was giving to with India.<sup>18</sup>

The Indo-US Strategic Dialogue initiated by President Bush was being enthusiastically carried out by the Obama Administration. Other than that, President Obama's visit to India alone in South Asia demonstrates that the US interests strictly lie with India. In September 2014, Modi, the new Prime Minister of India, whose entry was banned in the US was invited by President Obama.<sup>19</sup> And in January 2015, President Obama visited India.

Initially, the Trump administration showed enthusiasm towards India. During the elections campaign, Trump used the same tagline as of Modi, "ab ki bar Trump Sarkar." Modi was among the first five world leaders with whom Trump had a telephonic conversation after assuming office. However, Indo US relations are again experiencing some 'hesitations', this time on part of the US owing to Trump's 'America First' policy. The details are discussed in a later section.

Nonetheless, India, being a market of more than one billion people, was never less important for a capitalist country like the US. It is said that India is the second country after Israel, to which the US has relentlessly offered and demanded little in return.

### **Why this Shift?**

As mentioned earlier, the US has always been keen to establish relations with India, however, this time India is also eager to give life to this 'natural alliance'. The most obvious reason for this glaring shift might be a changed world order in the aftermath of the war on terror. The Taliban with their resilient presence have compelled the US to look for some strategic partner in South Asia. Pakistan, the non-NATO ally of the US is not fully trusted by the US, owing to its alleged links with the Haqqani Network. India, which accuses Pakistan of exporting terrorism to its soil, is the most suitable 'natural ally' available for the US strategic partnership in South Asia. Since 2002, India has conducted more joint military exercises with the US than any other country.<sup>20</sup>

Other than that, China's rise has become a cornerstone of the Indo-US strategic partnership. The Gross Domestic Product (GDP) growth (in purchasing power parity) of China is \$17.63 trillion and that of the US is \$17.43 trillion.<sup>21</sup> The race for becoming an economic hegemon is shaping the contemporary world order. Since the end of the Cold War, capitalism is the new consistent world order. Francis Fukuyama rightly calls the end of the Cold War as the 'end of history'. In the contemporary world order, economic necessities encourage alliances and thwart war.

It would be interesting to note even the body language of Modi (pictures below), which clearly demonstrates a cordial 'engagement' with the US, and 'conengagement'<sup>22</sup> with China.



**PM Narendra Modi and President Xi Jinping in Beijing (May 2015)**

**Source:** Prime Minister Narendra Modi (right) and Chinese premier Li Keqiang review an honor guard during a welcome ceremony outside the Great Hall of the People in Beijing, China. Photo: Reuters available on [livemint.com](http://livemint.com)

An overwhelming gesture by Prime Minister Modi for President Obama, President Obama seem a bit startled yet corresponded with an embrace (January 2015)<sup>23</sup>



**Source:** "Obama arrives in India to a warm welcome from Modi," *The National*, 25 January 2015.

However, the story seems different in the following picture, in which Modi enthusiastically extended his hand towards President Trump. He, however, preferred to maintain a distance. The same is evident from his policies.

### Trump and Modi



**Source:** "Trump and Modi meet amid silence over India's persecuted Christians," *Asia News*, 30 June 2017.

India and the US, have based their relations with China on the policy of engagement. They are actively engaged in economic activity with China, and at the same point, they wish to restrain China's strategic influence. For instance, in 2013, US goods trade with China was over \$560 billion, almost nine times than that with India.<sup>24</sup> India's own trade with China is \$70 billion. Here, a question arises, that though the world order has changed since the Cold War, why has India realised this change, very recently? Why is there a sudden shift in India's foreign policy?

Various theorists have suggested certain factors that lead to a change in the foreign policy of a country. Few studies might help in understanding a 'sudden' shift in India's foreign policy. For instance, Kjell Goldmann, talks about three sources of change in the foreign policy of a country; these are "a) changing environmental conditions leading to policy changes in the form of adoption b) policies themselves in the sense that change in the form of learning is a consequence of negative feedback with regard to previous policy and (c) a residual type which is a function of neither adaptation nor learning but of other external factors."<sup>25</sup>

However, Goldman believes that all policies are based on "sets of ideas." Therefore, it's always the idea that brings a change in foreign policy-making. He further categorises the changes in ideas such as, "a) rethinking by an individual within the system b) a change in the composition of the system c) A change in the balance of power between the members of the system."<sup>26</sup> Rethinking of an idea even within a system is performed by an individual, a change in the composition of the system, or a change in the balance of power, is also recognised by any individual or individuals. Communism was also just an idea constructed by Karl Marx.

Another theorist, Charles. F. Hermann posits four different sources for a change or shift in the foreign policy of a country. The primary change agents are characterised as leader-driven, bureaucratic advocacy, domestic restructuring and external shock.

They can “work slightly in tandem or interact with one another in more complex ways as sources of change.” Herman’s basic assumption is that to affect a change in governmental foreign policy, the agents described above must act upon the governmental decision process.<sup>27</sup> And who takes the decision; it’s always an individual in charge of the government. Therefore, both the theoretical frameworks suffice that a leader or an individual is the most important source of change in the foreign policy-making of a country.

The current wave of change in India’s foreign policy depicts that India has adopted an idiosyncratic path in foreign policy-making. It seems that India has dropped the cloak of near-perversity and adopted a pragmatic approach based on realism. Modi’s Prime Minister-ship has made India’s foreign policy more vibrant, rather aggressive and open to interaction with other countries. Indo-US relations that reached a standstill, despite concluding a dynamic nuclear deal in 2008 under the leadership of Manmohan Singh, are again flourishing under the leadership of Narendra Modi.

Despite the fact that the US denied a visa to Modi in response to the Gujarat riots in 2002, President Obama formally invited the new prime minister of India. Here, the external environment of the region, as indicated by Goldmann, which is promising greater economic opportunities, made the US to strengthen cooperation with India. One other factor worth mentioning is BJP’s landslide victory in India. In this scenario, Modi’s government is strong enough to take decisive decisions when compared with the weak coalition government of Congress. Prime Minister Modi’s decision on demonetisation in India can also be seen in this context.

### **Visits and Outcomes**

Hitherto, Indian Prime Minister Narendra Modi has paid four visits to the US in September 2014, in September 2015, June 2016 and June 2017. In the following paragraphs, various developments in Indo-US bilateral relationship along with the initiatives taken during the

Modi-Obama and Modi-Trump meetings over the period of four years shall be discussed.

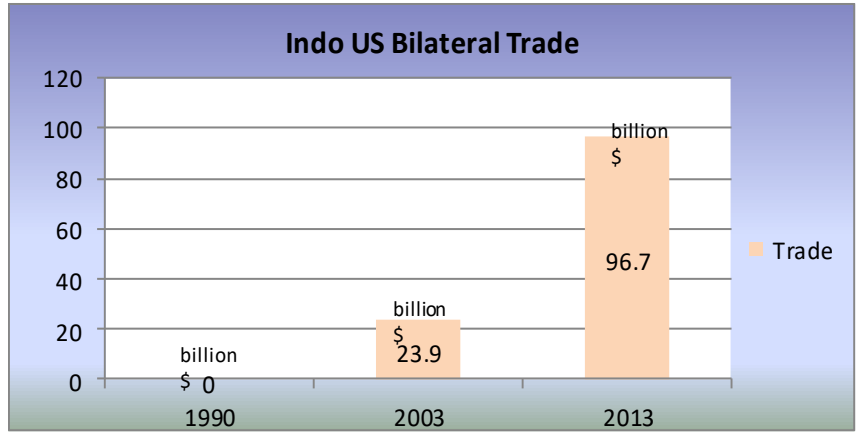
**First Visit of Prime Minister Modi to the US (14 September 2014)**

Prime Minister Modi visited the US for the first time in September 2014. During this visit, various issues ranging from mutual economic interests to installation of nuclear reactors in India were discussed. Before discussing details of the initiatives taken during the visit, it is imperative to have an understanding of Indo-US economic relations in this economy-driven world order.

**Development in Trade and Investment Relationship**

Since the initiation of the Indo-US nuclear deal, Indo-US relations grew at an impressive pace. In 1990 the Indo-US trade was 5.6 billion dollars, in 2013 the total Indo-US trade grew to 96.7 billion dollars which was a 400% increase from 23.9 billion dollars in 2003.<sup>28</sup> Figure 1 below shows a sharp increase in trade in the three decades, since 1990. The numbers shown are in billion dollars.

**Figure 1**  
**Indo-US Bilateral Trade**

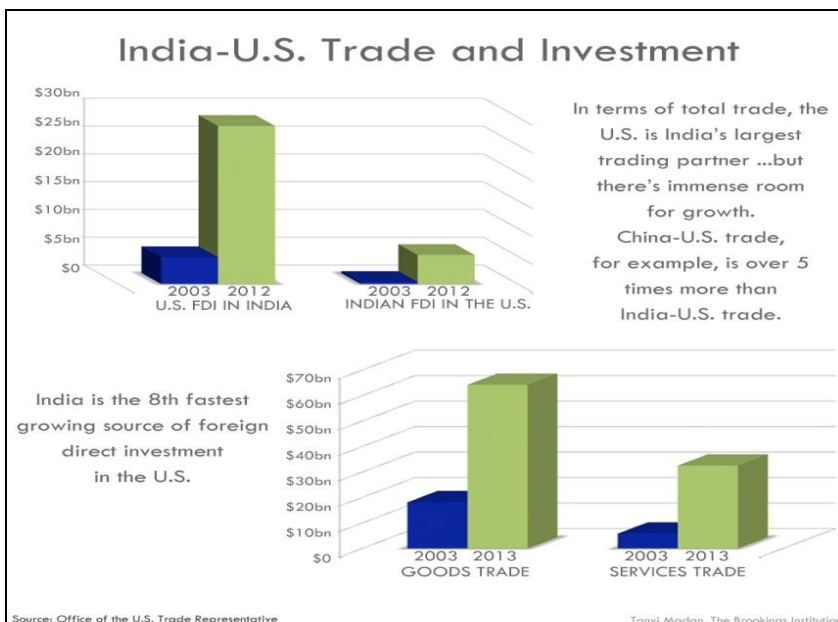


**Source:** Joshua Meltzer, growing the India-US. trade and investment relationship, the Modi-Obama summit: a leadership moment for India and the united states, Brookings, September 2014.

India's GDP is now two trillion-dollars (2015).<sup>29</sup> However, according to critics, India's protectionist policy has subdued its real potential in trade and investment. Joshua Meltzer, a renowned scholar, while commenting on Indo-US relations, says that "India's barrier to trade and investment including lack of intellectual property protection and enforcement continue to undermine the potential of the economic relationship."

Intellectual Property Rights have been among the most contentious economic issues in the bilateral relationship between India and the US. Since long US business interests have been harmed by India's weak and inadequately enforced Intellectual Property Rights. Also, the office of the United States Trade Representative in its special report for 2016, expressed concerns over India's systemic barriers on trade.<sup>30</sup>

**Figure 2**



**Source:** Office of the US Trade Representative and Joshua Meltzer, Growing the India-US. Trade and Investment relationship, The Modi-Obama summit: a leadership moment for India and the united states, Brookings, September 2014.



For instance, from 2003-2012, US trade in goods with China was 5 times more than that with India. As mentioned above, in 2013-14 it rose to 9 times more than that of the US trade with India. South Korea whose GDP is equivalent to just 60% of India’s GDP, had a similar level of goods trade with the US in 2013.<sup>31</sup> Figure 2 shows different patterns of the US trade with India.

In 2016, the bilateral trade between India and the US stood at 109 billion dollars.<sup>32</sup> However, it increased in 2018. Table 3<sup>1</sup> shows the Indo-US trade in goods.

**Table 3**  
**Indo-US trade Goods in 2018**

Month	Exports	Imports	Balance
January 2018	2,219.4	4,427.0	-2,207.6
February 2018	2,279.1	3,956.6	-1,677.5
March 2018	2,905.8	4,348.4	-1,442.5
April 2018	2,443.5	4,826.7	- -2,383.3

**Source:** United States Census Bureau, <https://www.census.gov/foreign-trade/balance/c5330.html>.

Up until now, not much has been done to remove the stringent protectionist policies followed by India.

Another factor that impedes bilateral or multilateral trade with India is its weak infrastructure. According to Lee Kuan Yew, the late premier of Singapore, “India is the thickest of rules and regulations and bureaucracy that you have to find your way through. India probably has three to five years to fix its infrastructure. It risks losing out in the global economic sweepstakes.”<sup>33</sup> He further says, “India must imitate the effective way in which China has built up its extensive communication and transportation infrastructure power plants and

<sup>1</sup> Appendix Table 1 details Indo-US trade.

water resources and implements policies that lead to huge FDIs (in manufacturing, high job creation and high growth) India's spectacular growth has been in IT Services which do not generate high job creation. The moment India has the infrastructure in place, investment will come in and it will catch up very far. What India needs is a liberalised system which allows more international competition to enter then it will be able to play to the level of international companies."<sup>34</sup>

In order to increase investment on infrastructural development, President Obama and Prime Minister Modi had pledged in September 2014, to establish an infrastructure collaboration platform to enhance participation of the US companies in infrastructural development related projects of India. It is also notable that in the fiscal year of 2016, the Indian government at the domestic level had also intended to increase public investments in infrastructure by 22 percent.<sup>35</sup>

Indian infrastructural growth slowed to 4.2 percent in 2018. Analysts believe that higher borrowing costs and delayed bureaucratic procedures have hampered the progress.<sup>36</sup> Earlier, owing to India's hypersensitivity about its 'self-reliant' policy, India was reluctant to ratify the Trade Facilitation Agreement, which included simplification of customs and other procedures that affect goods crossing borders and limiting of agricultural stockpiling for maintaining food security. Notwithstanding, previous reluctance, India ratified the Trade Facilitation Agreement in April 2016.<sup>37</sup>

India and the US have also elucidated commitment to work through the Trade Policy Forum, (TPF)<sup>38</sup> to promote an attractive business environment for companies to invest and manufacture in the US and India.

Despite limitations within India for foreign investment and business, Prime Minister Modi has always encouraged the foreign investors to 'manufacture' in India. A torchbearer of Modi's plan for

India is his 'Make-in-India' policy. During Modi's first visit to the US, he reached out to the American corporate sector that India is open for business with America.<sup>39</sup>

However, India's domestic compulsions deter foreign companies from operating freely in India. This years-old trait of India of being extra cautious of foreign presence in their territory has also affected the epitome of Indo-US relations, the civil nuclear cooperation deal.

### **Indo-US Civil Nuclear Cooperation: The Poster Boy of Bilateral Relations<sup>40</sup>**

'India- US civil nuclear cooperation, starting with the July 2005 nuclear agreement and culminating in the formal 123-agreement bill approved by the US Congress and signed into law in the autumn of 2008 was expected to bring an end to the decade's old mistrust of India and the US for each other'.<sup>41</sup>

The US has reservations about India's Civil Liability for Nuclear Damage (CLND) Act of 2010. According to Indian law, the liability for nuclear accidents is assigned to suppliers rather than operators.<sup>42</sup> This law has discouraged American (as well as French and Russian) reactor manufacturers from finalising sales to India. Other than that there is a huge gap between the US and India on the unit energy costs. If these issues remain unresolved, the full implementation of India- US civil nuclear deal, remains a distant dream.

In September 2014, the two leaders fully assured their commitment to implement the US-India Civil Nuclear Corporation agreement of 2008. Both negotiated to establish a Contact Group on advancing the implementation of civil and nuclear energy cooperation in order to ensure the delivery of electricity from the US built a nuclear power plant to India.<sup>43</sup> The main objective of the Contact group was to set a framework for the US Nuclear Industry to enter commercial talks on building nuclear reactors in India by resolving two major concerns- one about inspections the other, as mentioned above, about liability

for a nuclear accident.<sup>44</sup> However, some substantial steps to implement the nuclear deal were taken after Obama's visit to India in January.

### **Cooperation in Managing Climate Change**

Other than strengthening nuclear energy cooperation both leaders agreed to strengthen and expand the US-India Partnership to Advance Clean Energy (PACE).

Both leaders also vowed to use the institutions and expertise of the Montreal Protocol<sup>2</sup> to reduce production and consumption of hydrofluorocarbons (HFCs). During the visit, Prime Minister Modi had also agreed to sign an agreement on climate change in Paris by the end of 2015.

Other than vowing and signing agreements on cooperation related to climate change, a memorandum of understanding between the US Exim Bank and Indian Renewable Energy Development Agency (IREDA) was also concluded in November, 2014 to provide 1 billion dollars to support the Indian government's efforts to facilitate transition towards a low carbon and climate resilient energy economy.<sup>45</sup>

During the visit, Obama and Modi said they would jointly work to boost manufacturing and expanding of affordable renewable energy. However, Modi still faces a challenge to provide electricity supply to more than 350 million impoverished citizens.<sup>46</sup> However, the Trump administration sabotaged the Indo-US cooperation in the domain of climate change.

### **High Technology, Space, and Health Cooperation**

The Indian and US leadership acknowledged that cooperation in the high technology area is a critical pillar of the strategic partnership. President Obama appreciated India's proposal to

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<sup>2</sup> a protocol to the Vienna Convention for the Protection of the Ozone Layer- is an international treaty designed to protect the ozone layer by phasing out the production of numerous substances that are responsible for ozone depletion

establish a global initiative of academic networks (GAYAN or knowledge) under which India would invite and host up to 1000 American academics to teach each year in centrally recognised Indian universities.

India and the US also launched their Mars Mission in September 2014. Therefore, President Obama and Prime Minister Modi looked forward to a successful conclusion of a new agreement to support the National Aeronautics and Space Administration (NASA) and the Indian Space Research Organisation (ISRO) to induce synthetic aperture radar (Nisar) mission to be launched in 2021.

### **Cooperation in the International Arena**

President Obama showed commitment to endorse India's phased entry into the Nuclear Suppliers Group (NSG), the Missile Technology Control Regime (MTCR), the Wassenaar Arrangement on Export Control of Conventional Arms and Dual-Use Goods and Technologies and the Australia Group (that aims to curb exports that might induce chemical or biological weapon programmes).

During the visit, India's "Act East" policy was much appreciated by the US as it corresponded to US policy of rebalancing the structure of power in Asia. Both the leaders committed to working more closely with other Asia Pacific countries. Especially, they highlighted their trilateral dialogue with Japan, which aims at establishing a trilateral security arrangement on the pattern of the North Atlantic Treaty Organisation (NATO). President Obama stressed upon the need to accelerate regional connectivity by introducing the concept of an economic corridor linking South, South-East and Central Asia.

While brokering Indian interests with the US Prime Minister Modi also reached out to the Jewish community within the US.

The gist of his message as spread by the American Jewish Committee was that India, Israel and the US form a natural alliance.<sup>47</sup>

India is eager to modernise its defence. It is more likely that the Indo-Israel defence cooperation would further expand. Further, Israel

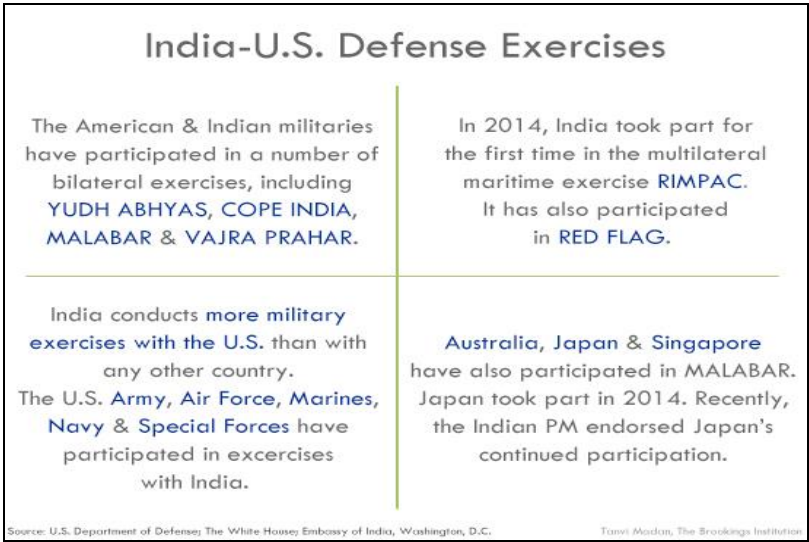
had been second, after Russia, in exporting arms to India from 1999-2008 (Table 1). Nevertheless, India is being generously supported by the US in the area of defence.

**Defence Cooperation**

Defence cooperation has always been pivotal in any strategically important partnership. During the visit, Prime Minister and President Obama revitalised their commitment to bolster Indo-US defence cooperation. It was decided to renew the 2005 framework for the Indo-US defence relationship for 10 more years.

Both leaders vowed to establish a Task Force to expeditiously evaluate and decide on unique projects and technologies which could enhance and transform India’s military capability. The leaders also vowed to share intelligence regarding the persistent threat of terrorism in the region with each other. They also agreed to upgrade their bilateral exercise MALABAR. Figure 3 below shows various Indo-US defence exercises.<sup>48</sup>

**Figure 3**



**Sources:** Tanvi Madan, "India-U.S. Relations in 16 Charts and Graphics," Brookings, 23 January 2015.

President Obama and Prime Minister Modi stressed upon a dire need to dismantle and disrupt all financial and tactical support for militant networks such as Al Qaeda, Lashkar-e-Taiba, Jaish-e-Muhammad, the D-Company, and the Haqqanis. The Mumbai attack in November 2008, which was allegedly launched by Pakistan was also discussed during the meeting. The leaders reiterated their stance on Pakistan to bring the perpetrators of the Mumbai attack to justice.<sup>49</sup>

After just three months of the Modi-Obama meeting in Washington, Prime Minister Modi invited President Obama to celebrate the Republic Day of India. President Obama accepted the invitation. It was Obama’s second visit to India. Below is a chart that shows visits of the US presidents to India. (Figure 4)

Figure 4



**Source:** Tanvi Madan, “India-U.S. Relations in 16 Charts and Graphics,” Brookings, 23 January 2015.

**Obama’s Visit to India**

*“SanijhaPrayaas; Sab KaVikaas”  
(Shared effort; Progress for All)*

Barack Obama along with Michelle Obama visited India from 25 to 27 January 2015. The US president was the chief guest at India's 66<sup>th</sup> Republic day celebrations; the first US president to grace such an occasion. This is also unprecedented for any the US president to visit the same country twice in his tenure.

During the visit of President Obama in 2015, both leaders pledged to translate their commitment of "chalein sath sath"; "Forward Together We Go" of September into the implementation phase through "Sanijha Prayaas; Sab Ka Vikaas" Shared effort; Progress for All. Revising the pattern of the September 2014 meeting, issues ranging from cooperation in economic, defence, health and social sectors to technological development and management of climatic changes were discussed.

### **Economic Cooperation**

Prime Minister Modi and President Obama expressed confidence that continued bilateral economic cooperation will find new avenues for investment, trade, job creation and prosperity for both countries. The leaders committed to continue cooperation on finalising the Post-Bali-Work Programme in the spirit of the Doha mandate.<sup>50</sup> Under the Post Bali Work Programme, the US has demanded from both China and India to cut subsidies on agricultural products to give enhanced market access for five products: beef, pork, poultry products, wheat and corn. It is yet to be seen whether India succumbs to the US demands or not.

During the meeting, both leaders deliberated upon the fifth annual US-India Economic and Financial Partnership Dialogue, which is supposed to deepen bilateral negotiations on macroeconomic policy, financial regulation and development, infrastructure investment, tax policy and efforts to combat money laundering and terrorist financing.<sup>51</sup> The two sides also agreed to discuss the elements required in the US and India to pursue the Totalisation Agreement.<sup>52</sup> Totalisation Agreements are the agreements of the US with several



nations for the purpose of avoiding double taxation of income with respect to social security taxes.

President Obama immensely appreciated Prime Minister's "Jan Dhan" scheme. Its main objective is to prioritise and ensure the inclusion of the poor in the economic progress of the country. Moreover, he also noted India's intent to join the Better Than Cash Alliance.<sup>53</sup>

President Obama and Prime Minister Modi also agreed to collaborate in the implementation of India's ambitious Digital India programme.

As noted in the September 2014 meeting, weak intellectual property rights law was a bone of contention between the US and India. During Obama's visit to India also, the leaders looked forward to enhancing their engagement on improvement and proper implementation of Intellectual Property Rights (IPR). This task was handed to a High-Level Working Group on intellectual property. In December 2014, the United States Trade Representative (USTR) prepared a report on India's Intellectual Property Rights. In that report, India's efforts for having a "meaningful, sustained and effective" dialogue on IPR were lauded.<sup>54</sup>

### **Cooperation in Smart City Projects**

Modi, at the start of his tenure as the Prime Minister, promised to build 100 smart cities in India. These satellite cities are envisioned to become magnets of foreign investment and jobs. The Indian government urged the US industry to be a lead partner in developing smart cities in Ajmer (Rajasthan), Vishakhapatnam (Andhra Pradesh) and Allahabad (Uttar Pradesh). During President Obama's visit to India, three pacts were signed between India and the US for making a significant contribution to building such cities. These pacts were signed with the United States Trade and Development Agency (USTDA). 'USTDA will contribute funds for necessary feasibility studies

and pilots, study tours, workshops or trainings and other projects to be mutually determined'.<sup>55</sup>

### **Technological, Space and Health Cooperation**

The president and the prime minister also committed to enhancing partnership in improving India's communication system by optimising India's civil aviation infrastructure. Therefore, it was affirmed that the US and India will continue consultations between the Federal Aviation Administration (FAA) and the India Directorate General of Civil Aviation (DGCA) to ensure international safety standards set by the International Civil Aviation Organisation (ICAO), with the aim of restoring Category I<sup>3</sup> status at the earliest possible time.<sup>56</sup>

Prime Minister Modi and President Obama reaffirmed their commitment to ensuring partnership in science, technology and innovation as they stand as the central component of Indo-US relations. Hence, the ISRO and NASA Mars Working Group held a meeting from 29 to 31 January 2015 in Bangalore to enhance cooperation in exploring Mars.<sup>57</sup> The idea of launching an Indo-US Climate Fellowship was also discussed during the Modi-Obama meeting. An agreement between the US Department of Energy and the Department of Atomic Energy of India was also concluded to accelerate research and development.<sup>58</sup>

In the health sector, both leaders reaffirmed their commitment to the Global Health Security Agenda (GHSa) and announced specific actions to contain and prevent the spread of infectious diseases.<sup>59</sup> Under the ambit of GHSa, a locally produced vaccine against rotavirus will save the lives of an estimated 80,000 children each year in India.

### **Defence and Homeland Security Cooperation**

The ongoing Defence Technology and Trade Initiative (DTTI)

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<sup>3</sup> A Category 1 rating means the country's civil aviation authority complies with ICAO standards.

between the two countries was lauded during the meeting. The US is pushing hard to induce "transformative defence technologies" for co-development and co-production with India under DTTI. This can become the hallmark of the Modi government's 'Make-in-India' initiative. President Obama also appreciated Prime Minister's initiatives to liberalise the Foreign Direct Investment Policy regime in the defence sector. Figure 5 shows a teething increase in Indo-US defence trade over the years

**Figure 5**



**Source:** Tanvi Madan, "India-U.S. Relations in 16 Charts and Graphics," Brookings, 23 January 2015.

**Cooperation in Maritime Security**

A substantial initiative was taken by defining a Framework for India-US Defence Relationship in 2015. Within this framework, the navies of India and the US would expand their Maritime cooperation. A renowned strategist, Ashley Tellis, is of the view that India is becoming more integrated globally. Hence, the country would be more dependent than before on the ocean.<sup>60</sup>

Recognising the growing importance of the Indian Ocean, India is keen to strengthen its strategic partnership with the US to establish its influence in the area. On the other hand, for unhindered connectivity in an increasingly interdependent world, the US also wants India to become a “net security provider” for the region.<sup>61</sup> How and when it will happen, is yet to be seen.

However, if such a development takes place, it would be highly devastating for the region. It is presumed that Pakistan still stands as a bone of contention in the strengthening of Indo-US relations. The US needs Pakistan in Afghanistan; therefore, it cannot simply relinquish strategic interests of its non-allied ally.

### **Civil Nuclear Deal**

As discussed earlier a Contact Group was established after the September 2014 meeting whose mandate was to realise and analyse the need to deliver electricity from the US built nuclear reactors to India. The Contact Group had met twice before the January 2015 meeting, to negotiate and clear the hurdles in the building of the US nuclear power plants in India.<sup>62</sup>

Interestingly, in the joint statement of the two leaders, it is mentioned that understanding has been reached on the issues of civil nuclear liability and administrative arrangement for civil-nuclear cooperation and the US is eagerly looking forward to building nuclear reactors contributing to India’s nuclear energy at the earliest.<sup>63</sup> However, the details of this agreement remain hidden. When Prime Minister Modi was asked to share details of the agreement, he retorted by quoting a Hindi song “parde mein rehne do parda na uthao” (let it be behind the curtain)<sup>64</sup>.

The Communist Party of India has long criticised the Indo-US nuclear deal. They are still reluctant to give any leverage to nuclear suppliers of the US. They want the implementation of strict laws to hold the US companies accountable for any nuclear accident in India. Jogendra Sharma, who is a senior member of the Communist Party of

India, clearly said, “we want strict laws as to will hold US companies accountable to pay compensation to the victims in the event of a nuclear accident.”<sup>65</sup>

The need for supplier’s liability emerged in the backdrop of the Fukushima nuclear plant disaster in Japan. It raised a question that who would bear the liability for the possible damage of a nuclear reactor. However, the US manufacturers and even Indian suppliers raised concerns over India’s Civil Liability for Nuclear Damages Act (CLND) law saying that ‘it would be unviable for them to conduct nuclear business in India with the risk of that kind of liability being “channelled” to the suppliers’.

However, India has overcome its domestic compulsions and the Trump administration has given a go-ahead to Westinghouse to finish its nuclear plants in India. <sup>66</sup> Energy has always been a top priority for India. Therefore, special attention was given on seeking cooperation in the energy sector.

### **Clean Energy Goal and Cooperation**

Since 2005, India and the US have been engaged in a high-level dialogue to increase bilateral trade and investment in the energy sector. India intends to increase its electricity production through solar energy up to 100 gigawatts by 2022. The US is willing to support India’s goal of becoming an energy sufficient country. Therefore, India and the US have taken the following initiatives:

- i. Expanding Partnership to Advance Clean Energy Research (PACE-R): a renewed commitment to PACE-R, including extending funding for three existing research tracks of solar energy, building energy efficiency, and biofuels for an additional five years
- ii. Expanding Partnership to Advance Clean Energy Deployment (PACE-D): Both the countries intend to expand current Partnership to Advance Clean Energy Deployment (PACE-D) through increased bilateral engagements and further joint initiatives to expand

cooperation in support of India's ambitious targets in renewable energy.

- iii. Accelerating Clean Energy Finance: Prime Minister Modi emphasised India's ongoing efforts to create a market environment that will promote trade and investment in this sector.
- iv. Launching of an Air Quality Cooperation: this programme is intended to focus on disseminating information to help the urban dwellers to reduce their exposure to harmful levels of air pollution, and enable urban policy planners to implement corrective strategies for improving Ambient Air Quality in the cities keeping in view health issues and climatic changes
- vi. Demonstrating Clean Energy and Climate Initiatives on the Ground: Additional pilot programs and other collaborative projects will be initiated in the areas of space cooling, super-efficient appliances, renewable energy storage, and smart grids.
- vii. Concluding MOU on Energy Security, Clean Energy and Climate Change: Both countries concluded negotiations on a five year MOU to carry this work forward, to be signed as early as possible at a mutually agreed upon date.<sup>67</sup>

There is also an Indo-US dialogue going on to ease imports of Liquefied Natural Gas (LNG) from the US.<sup>68</sup>

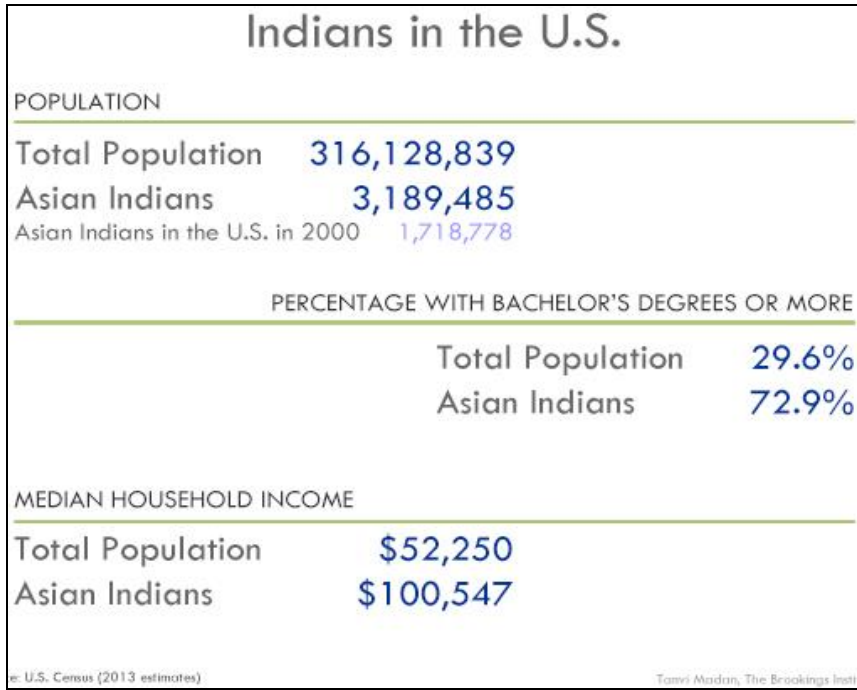
The development of shale gas has been transformative for not only the US but for the entire world. India also wishes to augment its energy resources by exploiting the US expertise in utilising shale gas as an alternate energy resource. However, there is little or no progress in this domain.

### **Utilising Diaspora Diplomacy**

During Modi's meeting with President Obama in January, the latter announced 'a new public-private partnership – The Indian diaspora Investment Initiative' – aimed at helping Indian Americans to invest in India. Ram Madhav, general secretary of the ruling Bharatiya Janata Party (BJP) while commenting on the initiative said,

“We are changing the contours of diplomacy and looking at new ways of strengthening India’s interests abroad,” “They can be India’s voice even while being loyal citizens in those countries. That is the long-term goal behind the diaspora diplomacy. It is like the way the Jewish community looks out for Israel’s interests in the United States.”<sup>69</sup> Figure 6 shows the number of Indians living in the US.

Figure 6



**Source:** Tanvi Madan, “India-U.S. Relations in 16 Charts and Graphics,” *Brookings*, 23 January 2015.

**People-to-People Contact**

India has allowed visitors from 43 countries, including the United States, Australia and Fiji, to receive visas upon arrival, replacing the previous process, which took weeks. Figure 7 depicts the diverse range of travellers in India, with US citizens making up 16 percent of the total.

**Figure 7**

**Source:** Tanvi Madan, "India-U.S. Relations in 16 Charts and Graphics," Brookings, 23 January 2015.

Today, India has become a tourist hub. President Obama appreciated India's new attitude towards foreigners during his visit.

### **Modi's Second visit to the US to boost Startups, Technology, and Innovation in India**

In September 2015, Prime Minister Modi again visited the US to address a UN General Assembly session and the Indian- American community at Silicon Valley. This time, various critics pilloried the Prime Minister for 'another' extravagant visit. This time also, the Prime Minister used his 'hug diplomacy'; however, the new captive was the technology guru, Mark Zuckerberg. He told the audience of some 18000 Indian expats that India is a 'heaven for investors and he wishes to make India a 20 trillion-dollar economy.'<sup>70</sup>

#### **Indian Premier's Display of 'Hug' Diplomacy**





**Source:** Srinivisen Ramani, "Modi, Zuckerberg on the same page," *The Hindu*, 28 September 2015.

It is worthy to note that Mark Zuckerberg in response to Prime Minister's Modi gestures visited New Dehli in October 2015. He enthusiastically launched a campaign of 'Free Basics', free internet for all' in India. However, under this offer, there was a caveat; access to some sites was restricted for the user. Hence, Indian authorities rejected the offer on the principled stance that internet should be provided on the foundation of 'net neutrality'.<sup>71</sup>

Some people in India believed that this initiative would breach the right of free choice of Indian citizens to visit any site on the internet. Contrary to what was envisaged by the Facebook leadership, Facebook faced sheer disappointment in India. During the visit, Modi also met Tim Cook, head of Apple and Indian born heads of Google, Adobe and Microsoft.

### **Modi's Third visit to the US in June 2016**

In recognition of increasing Indo-US ties, Speaker of the House of Congress, Paul Ryan invited the Indian Premier to address the joint

session of Congress on 8<sup>th</sup> June 2016. Since 1989 every full prime minister of India has addressed the joint session of Congress. However, considering the fact that Modi was alleged to be complicit in the massacre of Muslims in 2005 and was barred by the US from entering the US, this invitation endorsed the theory of realism, morals have no place in international relations.

During this visit, Prime Minister Modi also met President Obama. In the meeting, it was decided that India would become a 'Major Defence Partner' of the US. The joint statement issued by both leaders revealed that this status is 'unique' for India exclusively. To materialise the intentions expressed in June by both leaders, the Indo – US relationship has now been institutionalised by the US. In December 2016, the US Senate cleared a bill which characterised India as a Major Defence Partner of the US.<sup>72</sup>

Pakistan had enjoyed the status of 'non-NATO ally of the US, however, in contemporary times when China is asserting its 'soft' power and intends to invest heavily in Pakistan, Pakistan is ready to become a 'client' of China. Consequently, the US is eager to give patronage to India's regional and global ambitions.

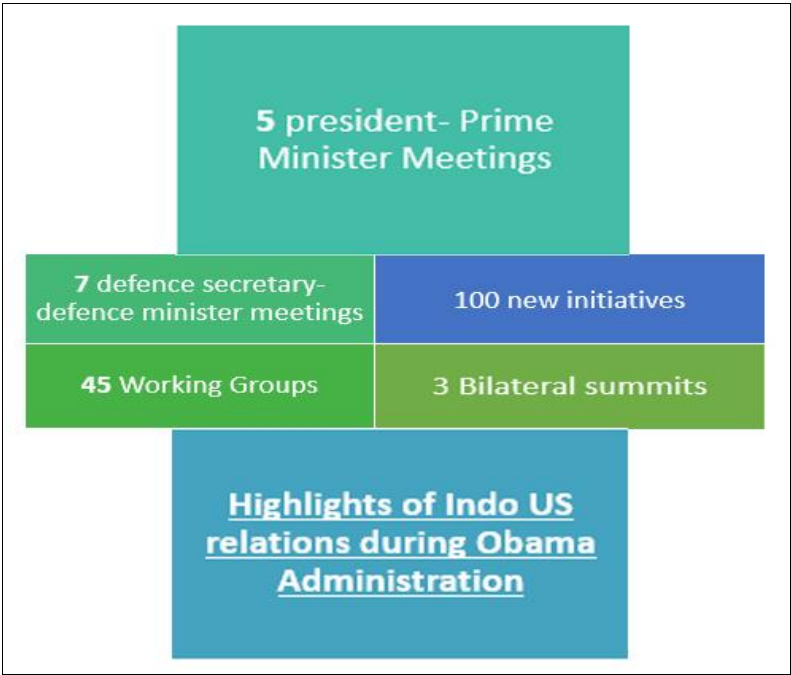
This visit was significant as it further expanded Indo-US military cooperation. In August 2016, India and the US had signed the 'Logistics Exchange Memorandum of Agreement. This pact will make India and the US 'logistical partners' against China, 'which is currently making a bold power grab in the South China Sea.'<sup>73</sup> This agreement would allow India and the US, to use each other's military facilities. (services, spare parts and refuelling).

It implies that the US would use military bases of India and India would be able to operate from the US bases around the globe. Two other agreements- the Communication Interoperability and Security Memorandum of Agreement (CISMOA) and Basic Exchange and Cooperation Agreement for Geo-spatial Cooperation (BECA)

aiming at further strengthening of Indo-US military ties, are still under consideration.

Prime Minister Modi’s ‘Make in India’ initiative kicked off when the Indian government offered to buy more than 200 fighter jets from foreign countries if they are ‘made in India’.<sup>74</sup> Eventually, two major companies Lockheed Martin and Boeing were ready to offer their services within India, as India wishes to upgrade its ageing fleet of fighter jets. Lockheed Martin has offered to move its entire ‘assembly line from Texas to India, making India the sole producer of the single-engine combat aircraft (F-16).<sup>75</sup> Figure 8 shows highlights of Indo US relations during Obama Administration.

Figure 8



Source: Author’s own.

However, the new administration of President Donald Trump has shown concerns over loss of jobs in the US The company Lockheed Martin maintains that production of the antiquated F-16 has already

stopped in the US as it is now manufacturing the more advanced fighter jets, F-35 and its variants in the US.

### **Ab ki bar Trump Sarkar**

President Trump won the elections on a 'far right' agenda, the same goes for Prime Minister Modi. He explicitly said during his election campaign that he is a friend of Hindus and Indians. It would have been more appropriate if he used the word 'Indians' alone. It seems as if politics of the far right is gaining prominence in the US it's like a new parallel in Indo-US relations. However, the travel restrictions imposed by President Trump would likely affect Indians as well. The H1-B Visa<sup>4</sup> restrictions increasingly affect the IT industry of India in the US.

Trump has not yet visited India, however, his daughter Ivanka Trump, who is also a senior advisor to the Trump administration visited India in November 2017. She led the American delegation to the eighth Global Entrepreneurship Summit (GES) in Hyderabad, more than 1500 business owners, investors educators and government officials participated. Her visit is of little significance as no groundbreaking development took place between India and the US afterwards.

In June 2017, Trump invited Prime Minister Modi to visit the US. It was Modi's fourth visit to the US.

### **Modi's Fourth Visit to the US in June 2017**

During this visit, President Trump reiterated US support for India, but, at the same time, expressed 'concerns' about the interests of the US. It is more likely that Trump would question the protectionist policies of India and push for favourable tariffs for export of the US goods to India. However, the following are some important takeaways

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<sup>4</sup> The US H-1B visa is a non-immigrant visa that allows US companies to employ graduate level/or highly educated workers in specialty occupations that require theoretical or technical expertise in specialized fields such as in IT, finance, accounting, architecture, engineering, mathematics, science, medicine, etc.

of Modi's visit to the US:

- The US cleared the sale of 22 unmanned drones to India
- LNG shall start flowing from the US to India in the next year
- The US shall pull out from the landmark Paris accord on climate change
- Bashing Pakistan <sup>76</sup>

This time Prime Minister Modi was successful in influencing Trump to speak the Indian mind regarding Pakistan. Trump who also shares P.M Modi's vision of far-right politics, stressed upon Pakistan to 'ensure that its territory is not used to launch attacks on other countries'. India is a sceptic of Pak-China cooperation in defence and economic sphere, therefore, its diplomatic machinery was working hard to influence the US for pressurising Pakistan. Trump, being an impulsive person, was carried away by Indian propaganda and went on to criticise Pakistan, which had been a victim of terrorism and suffered the most in the war against terrorism.

India used the terrorism card against Pakistan to present the international community from investing in Pakistan. President Obama was careful in balancing US relations with both India and Pakistan. President Trump, however, damaged US relations with Pakistan.

It is also worthy to note, that peace in Afghanistan is questionable if Pakistan's assistance is not sought. The US may want India to step into Afghanistan not only logistically, but also militarily. They may also want the presence of Indian troops in Afghanistan. However, it would be a distant dream, as elections in India are approaching in 2019, and the Modi government would not want a battle, that could not be justified to the 'junta' at this crucial time. Given the internal situation in India, where Kashmir is a bleeding wound, India would refrain from jumping into the Afghanistan quagmire. This persistent, most likely reluctance of India to save itself from aligning with the US interest in the region, might also impact Indo-US relations.

## Conclusion

Since 2005, Indo-US relations had been enthusiastic but sporadic. However, under the leadership of the new Indian Prime Minister Narendra Modi, a consistency is seen in the bilateral relationship. In the first year of Modi's term as Prime Minister, he met President Obama twice. This development is indeed unprecedented in the history of Indo-US relations. The above discussion has portrayed that India and the US have a considerable array of mutual interests. Various significant steps have been taken on the part of the US to help India become a formidable strategic partner of the US in the region. In order to reach its true potential, India may fearlessly embrace the new economic world order which accepts competition, appreciates innovation, and focuses on growth.

Earlier, Indo-US relations had a chequered history. In the Cold War era, India grew closer to the then Soviet Union and disengaged with the US and the rest of the West. There was an ideological stagnation prevalent in India based on a bias against the West. Colonialism has had a great impact on India's foreign policy. However, inward-looking India had never been promising for its masses. Eventually, India opened up to the world to embrace immense opportunities offered by the new globalised world.

The previous government of Congress under the leadership of Manmohan Singh failed to capitalise upon the extraordinary opportunities created by the Bush government for India. However, Modi's accession to power is indeed a harbinger of change in India. His leadership might end India's ambivalence towards the US. However, still, the clouds of bureaucratic hurdles, rampant corruption, and petty political gains can be seen in the future for the Indo-US bilateral relationship.

It is also evident that Indo-US relations were thriving under the Obama administration. Yet they became slightly unstable during the Trump era. President Trump's actions like restrictions on visas and the

promotion of the 'America First' policy have negatively impacted upon Indo US relations. Nonetheless, Indo-US bilateral relations in terms of trade, infrastructure and technological development, poverty reduction, health, and defence are promising. However, factors like Trump's impulsive personality, India's relations with Iran and Russia, Pakistan's relations with China and Russia, and the Afghanistan quagmire, in tandem, are likely to shape Indo-US relations in future.

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**Appendix**

**Table 4**  
**Indo US trade in goods since 1985**

Year	Exports	Imports
	US \$ million	US\$ million
2015 (July)	12,921.4	27,090.8
2014	21,607.5	45,244.0
2013	21,811.4	41,808.5
2012	22,105.7	40,512.6
2011	21,542.2	36,154.5
2010	19,248.9	29,532.9
2009	16,441.4	21,166.0
2008	17,682.1	25,704.4
2007	14,968.8	24,073.3
2006	9,673.6	21,830.8
2005	7,918.6	18,804.2
2004	6,109.4	15,572.0
2003	4,979.7	13,055.3
2002	4,101.0	11,818.4
2001	3,757.0	9,737.3
2000	3,667.3	10,686.6
1999	3,687.8	9,070.8
1998	3,564.5	8,237.2
1997	3,607.5	7,322.5
1996	3,328.2	6,169.5
1995	3,295.8	5,726.3
1994	2,293.8	5,309.6
1993	2,777.9	4,553.6
1992	1,917.1	3,779.7
1991	1,999.4	3,192.4
1990	2,486.2	3,196.8
1989	2,457.5	3,314.4
1988	2,500.1	2,939.5
1987	1,463.6	2,528.4
1986	1,536.2	2,283.2
1985	1,641.9	2,294.7

**Sources:** <https://www.census.gov/foreign-trade/balance/c5330.html> and US Census Bureau, Foreign Trade. All figures are in millions of US dollars on a nominal basis, not seasonally adjusted unless otherwise specified. Details may not equal totals due to rounding.