

# Recent developed Challenges to Indo –US relations.

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## Abstract

The India-US relations is a seemingly interesting one given the fact that it has evolved over time from cold and hostile to a friendly, strong and strategic one. Due to the convergence of interests there appears to be a significantly deeper development of ties. The Indo –US relations is however facing many challenges the most challenging having emerged recently in the past few years. These challenges include the US hostility towards Iran, the US President's decision to withdraw half of the US troops from Afghanistan raising concerns threatening the peace process in Afghanistan and the terrorist threat in the Indo- Pak border and the Bilateral trade that needs to be addressed. The Challenge for India is to balance its relations with the US without jeopardizing its relations with other major powers. It is therefore important that India utilizes its diplomatic prowess and influence to address and resolve these issues whilst also serving its own best interests.

**Keywords:** Iran, Russia, withdrawal from Afghanistan, bilateral trade.

## Introduction

India – US relations has evolved over time to take its present shape. The years leading to India's Independence coincided with the start of the Cold war period. It is this period that is regarded as the starting point of Indo- US relations. The initial years was marked by a rather frosty "Love – Hate" relationship wherein limited cooperation was seen in bilateral relations. Over the years it has developed to take its present form today as one being strong, cordial and friendly. There is a markedly different scenario today than the early years where we are witnessing strong bilateral relations between the two characterized by unprecedented levels of growth in cooperation especially the fields of Economy, Diplomacy, Strategy and Security. Frequent Head of State visits, meetings on the sidelines of important summits and shared concerns and interests in Geo politics and terrorism have brought India and the US closer. The recent development of the times include the US labeling India as "Major defense partner", holding of the 2+2 dialogue, the active joint engagement in the military exercises such as Malabar Exercise, Red Flag, YudhAbhiyas to the US renaming the Asia Pacific region as the Indo Pacific region highlight the progress and development of the relations between the two. However, despite these developments and progress that has strengthened the relations there are some challenges that are seen to have taken place. These Challenges are a cause for concern and if not resolved soon can act as impediments and a stumbling block to the bilateral relations between India and the US. The most prominent ones include the Iran Issue, the India- US trade relations, the US withdrawal from Afghanistan and the CAATSA sanctions imposed on Russia by the US and its impact on India.

## **The Iran Issue**

Iran serves as India's third largest supplier of Oil and is an important country with regard to India's energy needs. Besides energy, Iran also serves an important country in the Middle East crucial to India's economic, political and strategic interests. The issue with Iran is that the US has withdrawn from the Joint Comprehensive Plan of Action (popularly referred to as the Iran deal or the JCOP) signed between Iran and the Permanent 5 countries of the UN and the European Union. The US has also imposed fresh sanctions on Iran nullifying the 2015 JCOP agreement. These sanctions have a far reaching impact on India and Iran relations especially due the fact that India has been involved in many projects in Iran such as the Chahbahar Port Development, Farzad B gas field project, the Zaranj- Delaram road project, TAPI gas pipeline etc. Moreover, Iran serves as a gateway to Central Asia for India and India can bypass Pakistan through the Chahbahar port for sending goods to Central Asia. Iran is also important to India because it serves as an alternative destination for India to import its oil thereby lessening India's over dependence of the Arab countries for oil. India has received a waiver from the US sanctions but this waiver has not been extended further after its expiry thereby India has reduced its oil import from Iran and as of May 2019 India has ended its all imports of oil from Iran thereby complying with the US sanctions. It remains to be seen, how long these sanctions would apply to Iran. It will definitely make oil prices costlier widening India's current account deficit and in turn hampering the Indian economy. The Iran issue remains a big challenge to Indo – US relations.

## **Trade and Tariff issue**

It is argued that unless measures are taken to address the concerning trade issues between the US and India, bilateral relations look to heading towards a downward spiral. The President of the United States of America ,Donald Trump has been strongly advocating that New Delhi remove the tariffs on American goods entering India as it is unacceptable. India and the US have been at opposing ends at the World Trade Organization level on issues such as India's food procurement of food grains at cheap prices, the local content sourcing of solar panels and the hiking of Aluminum and Steel tariffs by the US. India has retaliated by announcing tariffs on 29 US products worth \$235 million. Furthermore the increased protectionism policy of the US is likely to impact India's interests in the long run. The Strong Anti-immigration rhetoric of the US President has tightened the H1- B Visa rules and this is likely to affect the IT sector in India. The US- China Trade war that has started in 2018 is also seen as a cause of concern in the long run if it continues to persist for it may impact the manufacturing sector thereby cause a slowdown in the Indian economy. The US has also withdrawn the Generalized System of Preferences (GSP) benefit provided to India. This system is a kind of arrangement that allows zero tariffs or concessional rates to developing countries into the US. This is likely to have a major effect on India's exports as India exports nearly 50 out of 94 products on the GSP system. It is important for the two countries to have a relook into the trade issue for it is likely to impact bilateral relations in the longer run and hamper whatever progress has been achieved over a period of time.

## **The Afghanistan Challenge**

Another issue is the US President Donald Trump's decision on the withdrawal of half of the US troops in Afghanistan. This brings with it major security concerns for India as it could spill over into India via the Kashmir border that India shares with Pakistan. India is apprehensive of this as it threatens the geopolitical stability and peace of the South Asian region. India does not have much faith in Pakistan's attempt to deter terrorist activities in its region and has often accused Pakistan of harboring havens for terrorist activities across the border. Withdrawal of half the US troops would leave a weaker American presence in Afghanistan and is perceived to strengthen the local militant groups particularly Taliban which has been a threat to peace and stability in the region from 1996 to 2001. The Taliban's growing strength due to this withdrawal could spread to neighboring Pakistan and thereafter Kashmir complicating and further aggravating the situation in the already tensed Kashmir valley. This could further translate into cross border terrorism, religious and extremist violence and Anti-India secessionist movements. A destabilized Afghanistan would lead to a spike in Jihadist terrorism and it becomes a concern as it undermines the good work that India has been doing in Afghanistan and India's political, economic, diplomatic and strategic interests. India is committed to the Principle of an Afghan led and Afghan owned peace process but it remains to be seen as now the Quadrilateral Coordination Group (QCG) consisting of Afghanistan, China, Pakistan and the United States of America have initiated reconciliation process between the Civilian government in Afghanistan and the Taliban for achieving the purpose of peace and stability in Afghanistan. The complete withdrawal of US troops from Afghanistan is not in any country's interest especially India given that Afghanistan is still in a precarious position and collateral damage due to US departure would be far more than the peace and stability that can come about from Afghanistan's own political regime.

## **US sanctions on Russia and its implications**

The US enacted the Countering American Adversaries through Sanctions Act (CAATSA) on August 2, 2017. This act is targeted at Russia by sanctioning persons who are engaged with the Russian defence sector in business transactions. This has a major impact on India as it has been procuring and importing defense equipment from Russia for a long period of time. India has been dependent on Russia for the latest defense technology and armaments for its military and defense purposes. This act aims at curbing such transfer of technology and equipment and also threatens to impact Indo-Russian bilateral relations. India and Russia have many defense deals relating to fighter aircrafts, multi role helicopters, missiles, submarine as well as technology transfers and expertise. The US has warned India in progressing with its deal to buy the S400 triumph missile system from Russia even though for India it is regarded as a major deal from the view of its security interests in the South Asian region. Moreover India has vehemently stated that no weapons bought would be used against the US and that for its active involvement in the Indo-Pacific region these weaponry systems are much required failing which it would impact India's military abilities. Moreover India has stuck to its policy of 'No first Use' policy be it in any form of military retaliation and it has stressed on its clean track record of being a country that upholds the principle of stability and peace in the region. Therefore, it

would be unfair on the part of the US to impose penalties and sanctions on India for buying defense equipment and acquiring technology and expertise from Russia given the tense geo political situation in the region (Pakistan and China) and the fact that India has drastically reduced its defense military hardware from Russia while increasing defense purchases from the US. The issue needs a relook given that India and the US have similar interest and concerns in the Indo Pacific region and in the global politics as well.

India and the US have shared interests in many fields be it political, economic, social or geo political. There is a convergence of similar thinking on many lines and it is this convergence that has built a strong relationship between the world's most powerful nation and the world's largest democracy. The relations will continue in the upward trajectory under President Trump as he is a firm believer in a strong Indo-US partnership. The changing dynamics of relations between China and Russia with the US has brought India into the forefront and this benefitted India in the long run. The US has been more accommodating of India's concern particularly the cross terrorism issue across the border. The US has condemned Pakistan for not doing enough to tackle the menace of terrorism emanating for its land and has tremendously reduced its financial aid to Pakistan from \$1 billion to \$150 million. The landmark developments in Indo- US relations include the signing of the Logistics Exchange Memorandum of Agreement (LEMOA) and the Communication Compatibility and Security Agreement (COMCASA), holding of the 2+2 dialogue and the US Congress labeling India as a Major Defense Partner.

### ***Conclusion***

There are still many fields that need a relook, there is the cause of worry attributed to the growing ties with US that may antagonize Russia and create a situation in the South Asian region whereby India is pitted with the US against Russia and China. India needs to use its diplomatic prowess and skills to balance relations with the major powers and prevent any such tense situation from arising in the region. India must continue to highlight the need and importance for the major powers to come together and solve the major issues and problems of the world such as the issue of terrorism, climate change, poverty, global burden of disease, fair and free trade etc which India has been advocating continuously on many international forums and summits. India has been pursuing its foreign relations with the major powers as per the requirement of its national and strategic interests and this will continue forward in the years to come.

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