

INDIA AND THE USA: A NEW DYNAMICS OF TRUMP AND MODI IN THE 21ST CENTURY

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ABSTRACT

This research paper provides analysis of the dynamic and evolving partnership between India and America that has become a cornerstone of global economic growth, security, and technological innovation. This paper throws light on various aspects of military cooperation, adaptability and evolution of 200 year political system of USA and emerging technologies like artificial intelligence and renewable energy following the democratic achievements in the modern times. The comparative study of these two countries will enable us to understand the system of governance and partnership to form an opinion as to which political system is worth adoption and circumstances which are constructive for the blossoming of a particular political system. In 2024 American election, Donald trump defeated Kamala Harris securing victory. Since his election, President Trump has implemented several significant policy changes like trade policies and various domestic initiatives that gained various reactions domestically and internationally, reflecting strong partisan divide within the country. The paper also tells about the fears of USA led global trade war and slowdown of the Indian economy, with projection of further downfall of the Indian rupee against the US Dollar and way ahead. These developments underscore a dynamic phase in both countries' relationship with significant impacts anticipated in trade, defense, immigration and economic sectors. It also critically analyzes the roles played by Trump and Modi in shaping the current dynamics, and offers insights into the future trajectory of the India-US partnership.

INTRODUCTION

The two great leaders of the great nations once said:

“The relationship between the world's oldest and largest democracies should not only be for the benefit of the two countries, but should emerge as a powerful force of good for peace, stability and prosperity in thaw world.” - Narendra Modi

“The relationship between the United states and India will be one of the defining partnerships of the 21st century.” - Barack Obama

These lines suggest that both India and the USA look upon their relationship as integral and strategic. These statements reflect upon the strong collaborative efforts of the two largest democracies, boosting global security, economic growth and prosperity. India and the United States have seen a remarkable evolution in their bilateral relations, especially in the 21st century. During the Cold War, the two countries were often at odds, with India adopting a non-aligned stance and the United States aligning with Pakistan in the region. However, with the end of the Cold War and the emergence of new global dynamics, both countries began to reassess their foreign policies, leading to improved relations.

A major turning point came with the signing of the U.S.-India Civil Nuclear Agreement in 2008, which marked a significant shift in the strategic relationship. Since then, cooperation between

India and the United States has deepened across multiple sectors, including trade, defense, technology, and education. The election of Donald Trump as President of the United States in 2016 and the rise of the BJP government in India under Narendra Modi in 2014 have played pivotal roles in redefining the nature of this partnership. With a win in the presidential elections of 2024, Trump cleared the 270 electoral votes needed to clinch the presidency. There are several reasons for the Modi government to be delighted with Mr. Trump's victory. The President-elect has made it clear that he intends to build on his previous history with India, which will include building trade ties, opening up more technology for Indian companies, and making more U.S. military hardware available for Indian defense forces.

HISTORICAL BACKGROUND OF INDIA-US RELATIONS

1. Cold War and Early Estrangement: The relationship between India and the United States during the Cold War was complex and often characterized by divergence in their geopolitical strategies. In 1955, the United States made Pakistan a Central Treaty Organization (CENTO) ally. As a result, India cultivated strategic and military relations with the Soviet Union to counter Pakistan–United States relations (Ali Ishfaq, Fiaz Anwar Muhammad. 2023). In 1961, India, under the leadership of Jawaharlal Nehru, pursued a policy of non-alignment, refusing to align itself with either the United States or the Soviet Union. Initially, the newly emerged state India could not afford any particular inclination to join either block and followed the policy of Non-Alignment: a policy of peaceful co-existence (Raghavan, 2022). As Nehru put it, “India wants world peace rather than to join any bloc”. By adopting the non-alignment policy, India managed to ward off both power blocs and withheld itself from any major decisions in the global arena. The U.S., on the other hand, was committed to containing the spread of communism, which often led to support for Pakistan, India's regional rival, in military and economic matters. During John F. Kennedy's presidency from 1961 to 1963, India was considered a strategic partner and counterweight to the rise of Communist China. The 1970s saw tensions escalate, particularly after India's first nuclear test in 1974, “*Smiling Buddha*”, which led to strained relations with the United States (The Economic Times. 2017). The U.S. imposed sanctions on India, and the relationship remained distant for much of the Cold War era.

2. Post-Cold War Era: The collapse of the Soviet Union in 1991 marked a turning point in global geopolitics, providing both India and the United States with an opportunity to recalibrate their foreign policies. India, now emerging as a global player in its own right, sought to strengthen ties with the (Rodi, 2019). The U.S., recognizing India's growing economic potential and strategic importance in Asia, began to move towards a more constructive relationship.

One of the key milestones in this transformation was when A.B Vajpayee became the Prime Minister of India. He authorized nuclear weapon testing at Pokhran, in 1998. While initially met with U.S. sanctions, the tests ultimately paved the way for deeper cooperation. Over the next decade, both countries gradually began to improve their relations through dialogue and increased engagement on issues such as counterterrorism, trade, and regional stability. President Bill Clinton imposed economic sanctions on India, including cutting off all military and economic aid, freezing loans by American banks to state-owned Indian companies, prohibiting loans to the Indian government for all except, food purchases, prohibiting American aerospace technology and uranium exports to India, and requiring the US to oppose all loan requests by India to international lending agencies.

3. The 2000s: A New Era of Strategic Partnership: A defining moment in India-US relations came in 2008 with the signing of the U.S.-India Civil Nuclear Agreement. This landmark deal, which ended India's nuclear isolation, demonstrated a profound shift in U.S. policy (Ministry of External Affairs, India). The agreement recognized India as a responsible nuclear power and allowed

for the export of civilian nuclear technology to India, despite its non-signatory status to the Nuclear Non-Proliferation Treaty (NPT). The agreement was hailed as a major success, symbolizing the growing strategic alignment between the two nations. In addition to nuclear cooperation, the 2000s saw rapid growth in trade, defense ties, and diplomatic relations. The U.S. became one of India's largest trading partners, and defense cooperation expanded significantly, with joint military exercises and collaboration on counterterrorism efforts. By the time Barack Obama took office in 2009, the India-US partnership had become one of the most important bilateral relationships in the world.

THE TRUMP-MODI ERA: CHALLENGES AND OPPORTUNITIES

1. Trump's Foreign Policy: The election of Donald Trump in 2016 marked a significant shift in U.S. foreign policy, particularly with respect to its relationships with key partners like India. Main points to be considered are as follows:

- **Trade Disputes and Tariffs:** Trump's "America First" rhetoric and emphasis on bilateral trade imbalances, protectionism, and skepticism of multilateral institutions led to concerns about the future of the India-US partnership.

During the Trump era, trade tensions emerged between India and the U.S. due to issues like tariffs, market access, and intellectual property rights. However, despite these disputes, both countries worked to find common ground. The U.S. also removed India from the Generalized System of Preferences (GSP) in 2019, which affected India's preferential trade access to the U.S. market (The Economic Times, (2024)). However, both sides continued negotiations and maintained dialogue to manage trade issues.

- **H-1B Visa rules:** During his first term, Trump tightened H-1B Visa rules, impacting Indian IT professionals, return to strict immigration policies posed a challenge for India's workforce. Despite these tensions, Trump maintained a generally positive relationship with Prime Minister Modi, with both leaders frequently highlighting their personal camaraderie.

- Trump's aggressive stance on China aligning with India's concerns, has lead to stronger Indo-US collaboration in countering the Chinese influence in the Indo-Pacific.

- **Energy Cooperation:** India became a significant buyer of U.S. energy resources, including liquefied natural gas (LNG). The Trump administration encouraged greater U.S. energy exports to India, contributing to enhanced energy cooperation. In 2019, both countries signed an agreement to collaborate on energy and renewables, which included nuclear energy cooperation as well as clean energy technologies.

2. Strategic Cooperation: A Key Pillar of both leaders' partnership: Trump's administration also recognized the growing strategic importance of India, particularly in the context of the rising power of China. The U.S. increasingly viewed India as a counterbalance to China in the Indo-Pacific region, leading to deeper defense cooperation. For example:

- The signing of the Communications Compatibility and Security Agreement (COMCASA) in 2018 gave many advantages to India (Peri. 2018), like:

1. **Access to Advanced Technology:** COMCASA allows India to access advanced American defense technologies, particularly in communications systems. This includes secure and encrypted communication systems used by the U.S. military, which enhances India's defense capabilities.

2. **Enhanced Military Interoperability:** The agreement ensures that Indian forces can operate seamlessly with U.S. military units in joint operations. This is crucial for improving

coordination during multilateral military exercises, peacekeeping operations, or any collaborative action in the region.

3. Improved Defense Modernization: India benefits from the modernization of its military equipment through the adoption of state-of-the-art American technology, particularly in communication and data-sharing systems, which are critical for modern warfare.

- **LEMOA (Logistics Exchange Memorandum of Agreement) 2016** (signed during Obama administration) but implementation continued under Trump): LEMOA allowed the Indian and U.S. armed forces to access each other's military facilities for logistics support, refueling, and repair during joint missions. While the agreement was signed in the Obama era, its implementation and deeper engagement continued during the Modi-Trump years, leading to closer defense ties (Khurshid, 2023).

- **The Basic Exchange and Cooperation Agreement for Geo-Spatial Cooperation (BECA):** Signed in 2020 furthered military and intelligence cooperation between the two countries. BECA was signed in October 2020, allowing India to access sensitive geospatial data and satellite imagery from the United States. The agreement further strengthened military interoperability by providing India with real-time, high-quality geospatial intelligence, critical for defense and military operations (Mukhtar, 2020).

- **The Quad (Quadrilateral Security Dialogue):** The Quad became a major pillar of the U.S.-India partnership during the Trump era. The Quad is a strategic forum that also includes Japan and Australia, aiming to promote a free and open Indo-Pacific region. Under Trump and Modi, both countries emphasized strengthening the Quad to counter China's growing influence in the Indo-Pacific, aligning their interests in regional security and stability.

- In addition to security cooperation, India and the U.S. found common ground on counterterrorism, regional stability, and economic growth. However, Trump's "America First" policies sometimes overshadowed these areas of cooperation, with the U.S. focusing more on trade deals and less on promoting a rules-based international order, which sometimes conflicted with India's interests.

3. Modi's Leadership Impact on India-US Relations: Narendra Modi's rise to power in 2014 marked a new phase in India's foreign policy, characterized by greater engagement with the United States and the broader world. Modi, a strong proponent of economic reforms and India's integration into the global economy, sought to deepen ties with Washington in areas such as trade, technology, and defense. Some major developments in this regard are discussed below:

- **Indian-American Diaspora:** The Indian-American community continued to play a vital role in strengthening bilateral ties during the Modi-Trump years. Prime Minister Modi and President Trump both engaged actively with the Indian-American diaspora, which numbers over 4 million people. Trump invited Modi to several key events, including his Houston rally in 2019, where Modi was the guest of honor, and the Howdy Modi event, which showcased the growing political and cultural ties between the two nations (PMO, India. 2019).

- **Article (370) Kashmir Issue:** Modi and Trump shared a personal rapport, which helped ease some of the tensions on this issue. However, Modi's approach to governance, including his handling of religious and social issues, sometimes complicated relations with the U.S. The U.S. raised concerns about human rights issues in India, particularly related to the treatment of Muslims and the revocation of Article 370 in Kashmir.

- **COVID-19 Cooperation:** While the COVID-19 pandemic began in late 2019 and became a global crisis in 2020, the U.S. and India cooperated on pandemic-related issues. The U.S. provided India with medical supplies and equipment during the early phases of the crisis. India became a critical player in the global supply of vaccines, with Serum Institute of India and other manufacturers playing a key role in producing and distributing COVID-19 vaccines worldwide, including to the U.S.

- **Awards to PM Modi:** In 2020, Donald Trump bestowed Modi with the Legion of Merit for elevating INDIA-US relations. The U.S. remained a key partner in India's economic and technological ambitions, with American companies playing a significant role in India's digital and infrastructure sectors.

THE WAY AHEAD: PROSPECTS FOR THE INDIA-US PARTNERSHIP

- **Strategic and Security Cooperation:**

The strategic partnership between India and the United States is likely to continue to deepen in the coming years. With both countries facing common challenges from China, there is significant potential for collaboration in areas such as defense, intelligence-sharing, and regional security. India's participation in the Quad, a strategic dialogue between the U.S., Japan, Australia, and India, will likely play a crucial role in shaping future dynamics in the Indo-Pacific region. This collaboration may lead to increased joint military exercises, like Vajra Prahar, Yudh Abhyas, Tiger Triumph, Tarkash, and Malabar, arms sales, and technology transfers, bolstering India's defense capabilities amid regional tensions.

- **Economic and Trade Ties:**

While trade relations between India and the U.S. have grown significantly, there is still much room for improvement. The U.S. remains one of India's largest trading partners, but trade imbalances, tariffs, and regulatory hurdles continue to be sources of friction. With Trump's urge for threatening and levying tariffs on trading partners, tensions with India can be eased with proper balancing the partnership in trade tariffs and barriers to reduce the pressure on trade.

- **Sustainable Growth Practices:**

The U.S. Government is continuously supporting clean energy in India through its key initiatives like, the Partnership to Advance Clean Energy (PACE) announced in November 2009 focuses on spurring inclusive, low carbon development of clean energy through PACE-R (research) and PACE-D (development) initiatives. Both USA and INDIA should intend to elevate and expand bilateral technical, financial, and policy support to expand complementary US and India manufacturing capacity for clean energy technologies and lay groundwork for enhanced cooperation in third-world countries. Agencies from both the U.S. and Indian governments has showcased several achievements across the five key areas of cooperation: 1) Power & Energy Efficiency, 2) Renewable Energy, 3) Responsible Oil & Gas, 4) Sustainable Growth, and 5) Emerging Fuels and Technologies, to further more sustainable growth (PIB, 2023).

- **Technological and Educational Collaboration:**

The growing emphasis on innovation and technology in both India and the U.S. provides opportunities for deeper collaboration. India's rapidly expanding digital economy and its young, tech-savvy population offer significant opportunities for American technology companies. Similarly, educational and cultural exchanges between the two countries are likely to increase, with India continuing to be a major destination for U.S. students and vice-versa. The partnership between the

Anusandhan National Research Foundation (ANRF) and the US National Science Foundation (NSF) is expected to boost research in emerging technologies, and hoist India as a leader in the global arena to facilitate joint research in key areas such as semiconductors, machine learning next-generation telecommunication, and advanced bio-manufacturing ([Indo-Asian News Service](#), 2025).

CONCLUSION

The relationship between India and the United States in the 21st century has evolved from one of estrangement to a robust strategic partnership. The election of Donald Trump and the rise of the BJP government in India have had a significant impact on the trajectory of their relationship. While challenges remain, particularly in the areas of trade and human rights, the strategic and economic ties between the two countries are stronger than ever under the two leaders. The 21st century has witnessed India and The United States emerge as two of the world's most influential nations, forging a partnership that is not only strategic but also transformative. This evolving relationship is driven by shared democratic values, economic development, technological innovation and commitment to global security. From trade and defense cooperation to advancements in artificial intelligence, clean energy and space exploration, the collaboration between India and the US has the potential to redefine global power structures and economic landscapes. Both nations navigate the complexities of an increasingly multipolar world, Geopolitical shifts, trade negotiations, and regional security concerns will continue to test resilience of this partnership. Yet the growing trust and shared vision for a stable, prosperous, and innovation-driven future suggest that India and the US are on the path of long-term strategic cooperation. As both nations face common challenges in an increasingly multicolored world, their collaboration will be key to shaping the future of global geopolitics and the international order. The fact that India and the US leverage their dynamic partnership to not only strengthen bilateral ties but also lead the world in addressing global challenges such as climate change, cyber security, and economic inequality will truly determine the impact of this alliance in shaping the 21st century. Overall, while there are challenges, the partnership between India and the U.S. under Modi and Trump has brought one of the most strategic and multifaceted relationships in the world.

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