

India-U.S. Relations

July 19, 2021

Congressional Research Service

<https://crsreports.congress.gov>

R46845



India-U.S. Relations

India is expected to become the world's most populous country, home to about one of every six people. Many factors combine to infuse India's government and people with "great power" aspirations: its rich civilization and history; expanding strategic horizons; energetic global and international engagement; critical geography (with more than 9,000 miles of land borders, many of them disputed) astride vital sea and energy lanes; major economy (at times the world's fastest growing) with a rising middle class and an attendant boost in defense and power projection capabilities (replete with a nuclear weapons arsenal and triad of delivery systems); and vigorous science and technology sectors, among others.

In recognition of India's increasingly central role and ability to influence world affairs—and with a widely held assumption that a stronger and more prosperous democratic India is good for the United States—the U.S. Congress and three successive U.S. Administrations have acted both to broaden and deepen America's engagement with New Delhi. Such engagement follows decades of Cold War-era estrangement. Washington and New Delhi launched a "strategic partnership" in 2005, along with a framework for long-term defense cooperation that now includes large-scale joint military exercises and significant defense trade. In concert with Japan and Australia, the United States and India in 2020 reinvigorated a Quadrilateral Security Dialogue ("Quad") as a flagship initiative in the U.S. Indo-Pacific Strategy. The Biden Administration has strongly embraced the Quad mechanism. In 2021, mutual efforts to address the coronavirus disease 2019 (COVID-19) pandemic have been at the forefront of bilateral engagement. Bilateral trade and investment have increased, while a relatively wealthy Indian-American community is exercising newfound domestic political influence, and Indian nationals account for a large proportion of foreign students on American college campuses and foreign workers in the information technology sector.

Yet more engagement has meant more areas of friction in the partnership, many of which attract congressional attention. India's economy, while slowly reforming, continues to be a relatively closed one, with barriers to trade and investment deterring foreign business interests. The recent global health pandemic was damaging to India's economic progress. Washington also has issues with New Delhi's cooperative engagements with Russia and Iran, countries where India has longstanding equities. Differences over U.S. immigration law, especially in the area of nonimmigrant work visas, remain unresolved; New Delhi views these as trade disputes. India's intellectual property protection regime comes under regular criticism from U.S. officials and firms. Other stumbling blocks—on localization barriers and civil nuclear commerce, among others—sometimes cause tensions. Meanwhile, cooperation in the fields of defense trade, intelligence, and counterterrorism, although progressing rapidly and improved relative to that of only a decade ago, runs up against institutional and political obstacles. Moreover, the U.S. Administration and some Members of Congress take notice of human rights issues in India, perhaps especially those related to religious freedom, and most recently regarding changes in the status of India's Jammu and Kashmir region and to India's citizenship laws.

Despite these many areas of sometimes serious discord, the U.S. Congress has remained broadly positive in its posture toward the U.S.-India strategic and commercial partnership. The Biden Administration has indicated that it intends to maintain the expansion and deepening of U.S.-India ties. Congressional legislation and oversight has and can continue to affect the course of U.S.-India relations, including in areas such as resourcing for a U.S. Indo-Pacific strategy, trade and investment (including bilateral defense trade) relations, immigration policy, nuclear proliferation, human rights, and cooperative efforts to address COVID-19 and climate change, among many others.

R46845

July 19, 2021

K. Alan Kronstadt,
Coordinator

Specialist in South Asian
Affairs

Shayerah I. Akhtar

Specialist in International
Trade and Finance

William A. Kandel

Analyst in Immigration
Policy

Liana W. Rosen

Specialist in International
Crime and Narcotics

Sara M. Tharakan

Analyst in Global Health
and International
Development

Jill H. Wilson

Analyst in Immigration
Policy

Contents

Overview	1
Selected Current Developments	1
The Biden Administration and India	1
The COVID-19 Pandemic	4
Farmer Protests.....	4
U.S.-India Strategic and Security Relations	6
Indo-Pacific Strategy and the Quadrilateral Security Dialogue	6
Bilateral Security Relations.....	9
Selected Security Topics	10
India and Fentanyl.....	14
U.S.-India Trade and Investment Relations.....	15
Selected Trade Issues	16
U.S.-India Engagement on Trade Issues	18
India's Foreign Relations and U.S. Interests	19
India-China Relations.....	19
India-Pakistan Relations.....	22
India-Russia Relations and CAATSA Legislation	25
Other Selected Indian Foreign Relations	27
U.S.-India Health Cooperation and COVID-19	30
Health Programs.....	30
COVID-19.....	31
U.S. Immigration Policy.....	33
Energy and Climate Issues	35
Space Issues and Cooperation	38
Human Rights Concerns in India	38
U.S. Foreign Assistance to India	42
Outlook and Issues for Congress.....	42

Figures

Figure 1. Key Indo-Pacific Energy and Trade Routes.....	7
Figure 2. U.S.-India Trade and Investment	16
Figure 3. Western Sector of the India-China Frontier	21
Figure 4. Conflict Map of Pre-August 2019 Jammu and Kashmir.....	23
Figure 5. Map of Indian States	44

Contacts

Author Information.....	45
-------------------------	----

Overview

India—South Asia’s dominant actor with more than 1.3 billion citizens and the world’s third-largest economy by purchasing power parity¹—is characterized by U.S. officials as an emerging great power and strategic partner of the United States and a key potential counterweight to China’s growing international clout.² Since 2005, Washington and New Delhi have pursued a “strategic partnership,” and bilateral security cooperation has expanded, including through defense trade and combined military exercises. Bilateral trade and investment have grown. The Administrations of George W. Bush, Barack Obama, and Donald Trump sought to strengthen the U.S.-India partnership, and the Trump Administration notably identified India as a key player in the U.S. efforts to secure the vision of a “free and open Indo-Pacific.”³ In 2021, mutual efforts to address the coronavirus 2019 disease (COVID-19) pandemic have been at the forefront of bilateral engagement. Leaders in both capitals have issued strongly positive remarks on the state of the partnership, as most recently demonstrated following the March 2021 summit-level meeting of the Quadrilateral Security Dialogue, or “Quad.”⁴ Nevertheless, lingering bilateral frictions in the areas of trade and immigration, and growing concerns about human rights in India, may hinder progress in the broader partnership. U.S. policies toward countries such as Russia and Iran—with which India has longstanding cooperative ties—may also present obstacles.

This report reviews the major facets of current U.S.-India relations, particularly in the context of congressional interest. It discusses areas in which perceived U.S. and Indian national interests converge and areas in which they diverge; other leading Indian foreign relations that impact U.S. interests; the outlines of bilateral engagement in defense, trade, and investment relations, as well as important issues involving health, immigration, energy, climate change; and human rights concerns.

Selected Current Developments

The Biden Administration and India

President Joseph Biden was a strong and consistent advocate of positive U.S.-India relations and U.S. support for India during his 36-year Senate career. As a presidential candidate, he remarked, “I’ll continue to believe and continue what I’ve long called for including—standing with India and confronting the threats it faces in its own region along its borders.”⁵ Under the Trump Administration, U.S.-India relations were marked primarily by deepening security cooperation, sharpened trade disputes, and a personal connection between President Trump and Indian Prime Minister Narendra Modi.⁶

¹ Purchasing power parities (PPP) measure the amount of goods and services that a country’s currency can buy in another country; GDP in PPP terms allows for comparison of the economic output across countries, controlling for differences in price levels.

² For example, just before leaving office, the Trump Administration declassified its “Strategic Framework for the Indo-Pacific,” and the document gives a prominent role to India therein, stating that, “A strong India, in cooperation with like-minded countries, would act as a counterbalance to China” (see the January 15, 2021, document at <https://news.usni.org/2021/01/15/u-s-strategic-framework-for-the-indo-pacific>).

³ See the Pentagon’s June 1, 2019, *Indo-Pacific Strategy Report* at <https://go.usa.gov/xyAWJ>.

⁴ See the March 12, 2021, Quad Joint Statement at <https://go.usa.gov/xH6Rb>.

⁵ Quoted in “Will Back India Against Threats on Border, Says Biden,” *Indian Express* (Delhi), August 17, 2020.

⁶ “President Trump Lauds Prime Minister Modi as ‘Great Leader, Loyal Friend’ on His 70th Birthday,” Press Trust

Prime Minister Modi tweeted a November 7, 2020, message of congratulations to Biden on a “spectacular victory.” Days later, the two leaders spoke by phone and “agreed to work closely to further advance the India-U.S. Comprehensive Global Strategic Partnership, built on shared values and common interests.”⁷ Secretary of State Anthony Blinken in late January spoke by phone with his Indian counterpart, External Affairs Minister S. Jaishankar, and the two officials signaled substantive continuity by reaffirming the bilateral partnership.⁸ President Biden’s inaugural communication with Prime Minister Modi came in early February, with the leaders

committing that the United States and India will work closely together to win the fight against the COVID-19 pandemic, renew their partnership on climate change, rebuild the global economy in a way that benefits the people of both countries, and stand together against the scourge of global terrorism. The leaders agreed to continuing close cooperation to promote a free and open Indo-Pacific, including support for freedom of navigation, territorial integrity, and a stronger regional architecture through the Quad. The President underscored his desire to defend democratic institutions and norms around the world and noted that a shared commitment to democratic values is the bedrock for the U.S.-India relationship.... The leaders agreed to stay in close touch on a range of global challenges and look forward to what the United States and India will achieve together for their people and for their nations.⁹

Independent observers widely expected the Biden Administration to continue expansion of the bilateral partnership, and most saw concern about China’s growing economic and military power as the driving force of the relationship. Many speculate that the Administration would pay more attention to India’s domestic developments, including on human rights, but considered broad policies unlikely to change due to the perceived overarching need to counterbalance China.¹⁰ Many analysts laud an expected U.S. return to multilateralism—especially given India’s recently warmer sentiments toward the Quad initiative (see below)—and were eager to see the extent to which the Administration would commit resources prioritizing the Indo-Pacific region in its foreign policy.¹¹

New Delhi’s policy community appeared mostly welcoming of the Biden victory, even with uncertainties about how his Administration would address relations with China and Pakistan, ongoing U.S.-India trade disputes, and policies on immigration and climate change, among others.¹² The 2017 U.S. withdrawal from the Paris Agreement on climate change dismayed many in India, and New Delhi has welcomed the United States rejoining that effort in 2021.¹³ While the Indian government has in recent years moved away from a Cold War-era legacy of anti-

India, September 18, 2020.

⁷ See Modi’s November 7, 2020, tweet at <https://twitter.com/narendramodi/status/1325145433828593664>, and the Indian External Affairs Ministry’s November 17, 2020, readout at <https://tinyurl.com/yscp9a7h>.

⁸ See the State Department’s January 29, 2021, readout at <https://go.usa.gov/x6y5b>.

⁹ See the White House’s February 8, 2021, readout at <https://go.usa.gov/x6yNr>.

¹⁰ “Biden Expected to Expand U.S.-India Relations While Stressing Human Rights,” *New York Times*, December 24, 2020. See also Aparna Pande, “India Should Be Relieved Biden Won,” *The Print* (Delhi), November 10, 2020; Michael Kugelman, “What a President Biden Will Mean for India and World,” *India Today* (Delhi), November 7, 2020.

¹¹ Ashley Tellis, “Pivoting to Biden: The Future of U.S.-India Relations,” Carnegie Endowment for International Peace, November 9, 2020; Walter Ladwig, “What Does Biden’s Victory Mean for the Indo-Pacific?,” Royal United Services Institute (London), November 30, 2020.

¹² See, for example, “Biden, Modi, and Comfort in the Old Normal” (op-ed), *Hindu* (Chennai), November 7, 2020; C. Raja Mohan, “Biden Moment Offers Delhi an Opportunity to Elevate Defense Cooperation to a Higher Level” (Op-ed), *Indian Express* (Delhi), January 19, 2021.

¹³ See the Indian External Affairs Ministry’s February 8, 2021, readout at <https://tinyurl.com/nnd7xhkh>.

Americanism that persisted into the 21st century, India tends to be, in the words of one analyst, “Politically fractious and preternaturally suspicious of self-interested foreigners; India does not want to be part of anyone’s strategic calculations.”¹⁴ In this sense, there may yet exist an “ingrained ideological bias in [New Delhi’s] dominant foreign policy elite” that fuels ongoing doubts about American intentions and reliability on the world stage.¹⁵

With the Biden Administration’s early focus on the centrality of democratic processes (notably via the Quad initiative—at times referred to as a “diamond of democracies”¹⁶), analysts are closely watching how it will address signs of democratic backsliding or authoritarianism in India (see the “Human Rights Concerns in India” section below). Early speculation foresaw U.S. partners being unlikely to “get a pass” on this issue in the same way they did over the previous four years; one commentator has argued that, “Indians would be foolish to expect the free pass on human rights and democracy issued by the Trump administration to remain valid.”¹⁷ Several months into the new Administration, there are few indications that it has confronted Indian leaders on the topic, disappointing some observers.¹⁸ Some analysts expect pressure to come through private rather than public channels, with at least one contending that such messaging will be “predictable, but inconsequential.”¹⁹

The Biden Administration has made limited statements regarding U.S.-India relations, but the current Secretary of State previously indicated certain views. Secretary Tony Blinken, in the year before joining the Biden Administration, publicly stated “real concerns” about India’s human rights record.²⁰ As part of his Senate confirmation process in January 2021, Blinken was asked in writing how he would address “the current prevalent violence towards minority communities in India and the growing intolerance of dissenting voices by the Indian government and its supporters.” His reply: “The U.S.-India relationship is based on shared values. The Biden-Harris administration’s intention is to again make human rights and religious freedom core pillars of U.S. foreign policy and we will work with other democracies, such as India, to strengthen these values.”²¹

¹⁴ “Joe Biden’s Passage to India,” *Economist* (London), March 20, 2021.

¹⁵ C. Raja Mohan, “Why Does the Deepening Indo-US Friendship Puzzle So Many?” (op-ed), *Indian Express* (Delhi), March 9, 2021.

¹⁶ See, for example, “China Building Offensive, Aggressive Military, Top US Pacific Commander Says,” CNN.com, March 21, 2021.

¹⁷ Quotes from Walter Ladwig, “What Does Biden’s Victory Mean for the Indo-Pacific?,” Royal United Services Institute (London), November 30, 2020, and Sadanand Dhume, “Will Biden Say Howdy Modi?” (op-ed), *Wall Street Journal*, November 12, 2020. See also S. Raghotham, “If Modi Changes Course, Biden May Be India’s Best Chance” (op-ed), *Deccan Herald* (Bengaluru), January 16, 2021.

¹⁸ See, for example, Nitish Pahwa, “Biden Is Already Embracing an Authoritarian Regime,” *Slate*, March 29, 2021.

¹⁹ “Will a Biden-Harris Administration Confront Modi on Human Rights?” *Al Jazeera* (Doha), November 12, 2020; K.P. Nayar, “India Low on Biden Watch List” (op-ed), *Tribune* (Chandigarh), December 7, 2020.

²⁰ In mid-2020, Blinken stated that, for a prospective Biden presidency, “strengthening and deepening the relationship with India is going to be a very high priority.” He went on to mention “challenges” and “real concerns” related to New Delhi’s human rights record, “particularly in cracking down on freedom of movement and freedom of speech in Kashmir, [and] some of the laws on citizenship,” while opining that, with partners like India, “you can speak frankly and directly about areas where you have differences even as you’re working to build greater cooperation and strengthen the relationship going forward” (“Dialogues on American Foreign Policy and World Affairs: A Conversation with Former Deputy Secretary of State Antony Blinken” (transcript), Hudson Institute, July 9, 2020).

²¹ “Responses to Questions for the Record Submitted to Honorable Anthony J Blinken,” Senate Foreign Relations Committee, January 21, 2021.

U.S. officials and independent observers have been particularly concerned about freedom of religion in India, especially as regards the country's large Muslim minority.²² Many analysts have urged the Biden Administration to prioritize the issue in foreign policy.²³ In 2020, a campaign website entitled "Joe Biden's Agenda for Muslim-American Communities" included discussion of India, which read in part, "[T]he Indian government should take all necessary steps to restore rights for all the people of Kashmir." It argued that "restrictions on dissent, such as preventing peaceful protests or shutting or slowing down the Internet, weaken democracy," and expressed Biden's "disappointment" with "the measures that the government of India has taken" to change certain citizenship laws, calling them "inconsistent with the country's long tradition of secularism and with sustaining a multi-ethnic and multi-religious democracy."²⁴ As a U.S. Senator, Vice President Kamala Harris, herself of Indian ancestry, was in 2019 openly critical of India's foreign minister for refusing to meet with a Muslim-American House Member, and some commentary foresees her public engagement with issues of interest to India over the course of her career, including on H1-B visas, as having the potential to impact U.S.-India relations.²⁵

The COVID-19 Pandemic

The United States has long supported India's health sector with assistance and cooperation on infectious diseases, maternal and child health care, and HIV/AIDS, among others areas. In 2020, cooperation was expanded to address the COVID-19 pandemic in India, where infection rates in April-May 2021 increased. The March 2021 Quad summit highlighted a new multilateral initiative to accelerate the manufacture and distribution of vaccines, with the United States committing at least \$100 million to the effort. In April, with India's health crisis worsening, President Biden committed to further provide India with a range of emergency assistance.²⁶ In May, the Administration announced its support for a waiver of intellectual property rights (IPR) obligations under the World Trade Organization (WTO) for COVID-19 vaccines, a move that could benefit India, among other countries (see "Health Cooperation and COVID-19" section below). Many analysts contend that the scope and effectiveness of U.S. COVID-19-related assistance to India could significantly affect the course of the broader strategic partnership going forward.²⁷

Farmer Protests

In September 2020, India's Parliament passed three pieces of legislation intended to make major changes to the workings of the country's agricultural markets, specifically by removing existing

²² "US Has Privately Raised Issues with India, Says Ambassador for Religious Freedom Sam Brownback," *Hindustan Times* (Delhi), December 9, 2020; "India: Government Policies, Actions Target Minorities," Human Rights Watch, February 19, 2021.

²³ See, for example, Farahnaz Ispahani, "President Biden Must Prioritize International Relations Freedom" (op-ed), *The Hill*, January 26, 2021.

²⁴ See the undated website at <https://joe Biden.com/muslimamerica>.

²⁵ "Kamala Harris Decries Jaishankar's Decision of Not Meeting Jayapal," *News Nation* (Noida), December 21, 2019; Salvatore Babones, "Biden and Harris Could Be Bad News for India's Modi," *Foreign Policy*, November 6, 2020; "Kamala Harris Promises to Lift Existing Per Country Caps for Employment-Based Green Cards," *Business Line* (Chennai), November 13, 2019.

²⁶ See the White House's March 12, 2021, fact sheet at <https://go.usa.gov/xH6Re>; its April 26, 2021, readout at <https://go.usa.gov/xHzxE>; and its April 28, 2021, fact sheet at <https://go.usa.gov/xHzxV>.

²⁷ See, for example, Daniel Markey, "The Strategic Consequences of India's COVID-19 Crisis," Council on Foreign Relations, April 28, 2021.

restrictions on the marketing of farm products so as to allow farmers to negotiate directly with private buyers. Government officials and pro-reform analysts in India and elsewhere contend that the changes are long overdue and would serve to increase both national agricultural production and farmer incomes while benefitting consumers.²⁸ Within months, however, mass opposition to the new laws arose, with farmer groups in the fertile, Sikh-majority state of Punjab, the neighboring Haryana state, and elsewhere in the country arguing that any rapid withdrawal of the government's role in the country's agricultural markets would lead to exploitation of farmers by private firms. Opponents also criticized the new laws as having come without sufficient consultation and consensus-building.²⁹

India's Domestic Political Setting

India, the world's most populous democracy, is, according to its Constitution, a "sovereign, socialist, secular, democratic republic" where the bulk of executive power rests with the prime minister and his/her Council of Ministers. Since its 1947 independence, most of India's 14 prime ministers have come from the country's Hindi-speaking northern regions, and all but 3 have been upper-caste Hindus. The 543-seat Lok Sabha (House of the People) is the locus of national power, with directly elected representatives from each of the country's 28 states and 8 union territories (see **Figure 5**). The most recent national elections were held in spring 2019, when the Hindu nationalist Bharatiya Janata Party (BJP) was reelected with an outright majority of Lok Sabha seats (303). After decades of coalition governments, the BJP had in 2014 won the first parliamentary majority in India since 1984. The Indian National Congress Party, which dominated national politics from 1947 to 1977, saw its status further decline in the 2019 elections, winning 52 seats.

The BJP and Congress are, in practice, India's only national parties. In previous recent national elections they together won roughly half of all votes cast, but in 2019 the BJP boosted its share to nearly 38% of the estimated 600 million votes cast (to Congress's 20%; turnout was a record 67%). The influence of regional and caste-based (and often "family-run") parties—although blunted by two consecutive BJP majority victories—remains a crucial variable in Indian politics. Such parties now hold nearly one-third of Lok Sabha seats. Almost half of Indians live in five states—Uttar Pradesh, Maharashtra, Bihar, West Bengal, and Madhya Pradesh. At present, four of these have BJP or BJP-allied chief ministers, including Uttar Pradesh, with nearly 200 million citizens. In April 2021, the BJP's regional rival Trinamool Congress Party narrowly defeated an historic BJP surge in West Bengal elections.

The Indian Constitution divides legislative powers into a Union List, a State List, and a Concurrent List. Although India's union government is granted more powers than in most other federal systems (including that of the United States), the State List provides state assemblies and their chief ministers with exclusive powers over 66 "items," including public order, law enforcement, health care, and power, communication, and transportation networks.³⁰

Mass, generally peaceful, farmer-led protests began in late November 2020 and have continued to date (albeit on a smaller scale in 2021), mainly in and near the Indian capital of New Delhi.³¹ In January, the Indian Supreme Court issued a hold on the new laws, and soon after the Indian government announced a suspension of the laws' implementation pending ongoing negotiations with farmer groups. The protests became violent on January 26, a national holiday in India, attracting global attention. Indian authorities' responses to these and previous major protests elicit criticism on human rights grounds. Indian officials have arrested numerous journalists and activists, requested broad internet shutdowns, and brought pressure on social media companies, including threats to arrest their employees in India. By some accounts, the crackdown on dissent

²⁸ See, for example, the Indian Agriculture Ministry's September 17, 2020, release at <https://tinyurl.com/3nbyt8r4>; Amy Kazim, "India's Farm Reforms Fail to Tackle Growers' Sluggish Incomes" (op-ed), *Financial Times* (London), February 17, 2021.

²⁹ "Why Indian Farmers Are Protesting Against New Farm Bills," *Al Jazeera* (Doha, online), September 25, 2020; Shekhar Gupta, "Modi Govt Has Lost Farms Laws Battle" (op-ed), *The Print* (Delhi, online), February 6, 2021.

³⁰ See also CRS In Focus IF10298, *India's Domestic Political Setting*, by K. Alan Kronstadt.

³¹ "Indian Farmers Vow to Carry on Months-Long Protest Despite Concerns Over Coronavirus," *Reuters*, April 15, 2021.

has been excessive and reflective of a broader trend toward authoritarianism in India.³² The Biden Administration and some Members of Congress have taken note of the developments, with some among the latter group expressing support for the protesters' cause. Perceived backsliding in India's democracy and human rights record may present a challenge for the Biden Administration in formulating its policies toward India and the Indo-Pacific.³³

U.S.-India Strategic and Security Relations

Indo-Pacific Strategy and the Quadrilateral Security Dialogue³⁴

After decades of foreign policy discussions about the "Asia-Pacific," the U.S. government has in recent years fully incorporated the Indian Ocean into its strategic outlook and now employs terminology about the "Indo-Pacific" region, providing India with higher visibility in America's strategic calculations.³⁵ The region is replete with key energy and trade routes (see **Figure 1**) and includes several of the world's largest democracies. While the Biden Administration has not issued a formal Indo-Pacific strategy, it moved quickly to engage with the reinvigorated Quadrilateral Security Dialogue, or "Quad," a mechanism first conceived in 2007 and revived as "Quad 2.0" in 2017. In 2019 and 2020, the four member countries—the United States, India, Japan, and Australia—held ministerial-level sessions.³⁶ The 2020 iteration came in the wake of India-China border conflict and Delhi's decision to allow Australia to rejoin the major annual Malabar joint naval exercises in the Indian Ocean Region (IOR), which in November 2020 brought all four Quad navies together for the first time since 2007. At the 2020 Ministerial meeting, the four countries "reviewed recent strategic developments across the Indo-Pacific and discussed ways to enhance Quad cooperation on maritime security, cybersecurity and data flows, quality infrastructure, counterterrorism and other areas." They further "pledged to continue regular consultations to advance the vision of a peaceful, secure, and prosperous Indo-Pacific."³⁷

³² Pratap Bhanu Mehta, "The Real Darkness on Horizon Is the Turn Indian Democracy Is Taking" (op-ed), *Indian Express* (Delhi), January 30, 2021; Ashutosh Varshney, "India's Democratic Exceptionalism in Now Withering Away" (op-ed), *Indian Express* (Delhi), February 23, 2021.

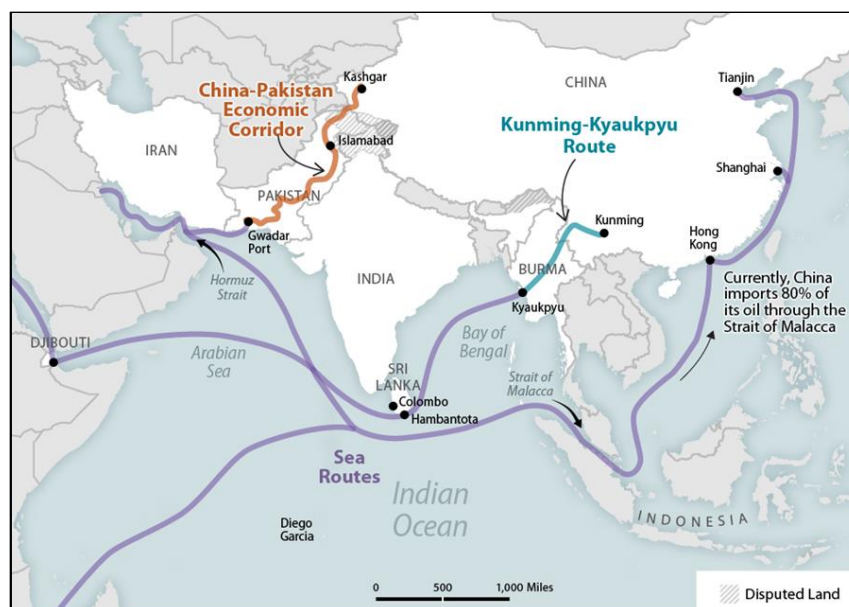
³³ See CRS Report R46713, *Farmer Protests in India*, by K. Alan Kronstadt.

³⁴ See also CRS In Focus IF11678, *The "Quad": Security Cooperation Among the United States, Japan, India, and Australia*, coordinated by Emma Chanlett-Avery.

³⁵ In 2018, the U.S. Department of Defense formalized the new conception by redubbing its Pacific Command (PACOM) as the Indo-Pacific Command (INDOPACOM). Its area of responsibility, accounting for about half of the Earth's surface, stretches as far west as the Indian Ocean south of India's westernmost Arabian Sea coast (see <https://www.pacom.mil/About-USINDOPACOM/USPACOM-Area-of-Responsibility>).

³⁶ The "Quad 2.0" revival came in late 2017 with a working-level meeting in Manila. This was followed by four similar sessions, leading to ministerials in September 2019 and October 2020, both of which resulted in separate readouts. These statements showed significant areas of overlap, while also illuminating differences in emphases among the countries (see Tanvi Madan, "What You Need to Know About the 'Quad,' in Charts," Brookings Institution, October 5, 2020).

³⁷ See the State Department's October 6, 2020, release at <https://go.usa.gov/xHFZq>.<https://go.usa.gov/xHFZq>.

Figure 1. Key Indo-Pacific Energy and Trade Routes

Source: Graphic created by CRS. Map and information generated by Hannah Fischer using data from the *South China Morning Post* (2017); the Department of State (2015); Esri (2016); and DeLorme (2016).

President Biden embraced the Quad initiative by joining its first-ever summit-level meeting in March 2021, a session also notable for producing the Quad’s first-ever Joint Statement, which read in part,

We strive for a region that is free, open, inclusive, healthy, anchored by democratic values, and unconstrained by coercion. ... Together, we commit to promoting a free, open rules-based order, rooted in international law to advance security and prosperity and counter threats to both in the Indo-Pacific and beyond. We support the rule of law, freedom of navigation and overflight, peaceful resolution of disputes, democratic values, and territorial integrity.³⁸

An accompanying fact sheet outlined three new Quad initiatives: (1) the Quad Vaccine Partnership (to expand “manufacturing of safe and effective COVID-19 vaccines”); (2) the Quad Climate Working Group; and (3) the Quad Critical and Emerging Technology Working Group. The four national leaders also co-wrote an opinion article declaring, “We are striving to ensure that the Indo-Pacific is accessible and dynamic, governed by international law and bedrock principles such as freedom of navigation and peaceful resolution of disputes, and that all countries are able to make their own political choices, free from coercion.” The piece placed special emphasis on climate change and the Paris Accord, and health issues, particularly COVID-19.³⁹

Delhi’s traditional pursuit of “nonalignment” in foreign affairs—more recently articulated as an approach that seeks “strategic autonomy”—has led to a deep aversion to international alliances and a wariness toward formalized multilateral engagements beyond the purview of the United

³⁸ See the March 12, 2021, Joint Statement at <https://go.usa.gov/xH6Rb>.

³⁹ See the March 12, 2021, fact sheet at <https://go.usa.gov/xH6Re>; Joe Biden, Narendra Modi, Scott Morrison, and Yoshihide Suga, “Our Four Nations Are Committed to a Free, Open, Secure and Prosperous Indo-Pacific Region” (op-ed), *Washington Post*, March 13, 2021.

Nations (U.N.).⁴⁰ The only Quad member to share a land border with China and the only to operate outside of the U.S.-led security alliance system, India's views on the Indo-Pacific region typically emphasize "inclusiveness" and have not targeted China. Until 2020, India had taken a cautious approach to Quad engagement, wary of aggravating China and uncertain about U.S. strategic intent in the region.⁴¹ Prime Minister Modi's 2018 efforts to "reset" relations with China after a militarized mid-2017 territorial dispute and his rejection of Australian participation in the 2018 Malabar exercises, suggested that the Quad's prospects had dimmed. Subsequent developments in India-China relations appear to have driven India to strengthen ties with external forces to balance against Chinese assertiveness. While India's government takes steps toward more engagement with the Quad, there remains confusion among many in New Delhi about what the Quad is and how it will fit into India's regional strategy.⁴²

There appear to be limits to the extent to which Indian leaders will concretize bilateral security relations with the United States. Despite Delhi's engagement with the Quad, in July 2020, India's external affairs minister insisted that India will "never" be part of an alliance system.⁴³ A summer 2020 survey of figures from New Delhi's policy community found them predicting that India will move closer to the United States, but that a security alliance is unlikely and India should not expect the United States to get involved in a ground war in the Himalayas.⁴⁴

India is expanding its defense relations with other Indo-Pacific states. In late 2019, India inked a defense cooperation agreement with the Indian Ocean island nation of Comoros and, along with France, has vowed to help with economic development there, as well as in three other Vanilla Island states (Madagascar, Seychelles, and Mauritius).⁴⁵ New Delhi is moving to expand defense relations with Indonesia—including with "coordinated patrols" by naval forces—as well as undertaking new outreach to the IOR island nations of Maldives and Mauritius. In March 2021, India notably signed a deal to sell its *Brahmos* cruise missiles to the Philippines.⁴⁶

European Union nations, along with other Indo-Pacific states, increasingly are cooperating with and supporting the Quad, leading some analysts to encourage development of a "Quad Plus": A "minilateral engagement in the Indo-Pacific that expands the core Quad 2.0 to include other crucial emerging economies." South Korea, Vietnam, and New Zealand are listed among the prime candidates for such an effort. India already has developed defense relations with many.⁴⁷ In early 2021, the French, British, and German navies have increased their presence in the IOR amid mounting suspicions of China. In April, French naval forces joined with those of the Quad for drills in the Bay of Bengal. This "Le Prouse" exercise was the first to include the Indian navy,

⁴⁰ See Jeff Smith, "Strategic Autonomy and U.S.-India Relations," *War on the Rocks*, November 6, 2020.

⁴¹ Caitlin Byrne, "Can the Quad Navigate the Complexities of a Dynamic Indo-Pacific?," Observer Research Foundation (New Delhi), November 1, 2019.

⁴² C. Raja Mohan, "Confusion Reigns on What the Quad Is and Its Future in India's International Relations" (op-ed), *Indian Express* (Delhi), October 6, 2020.

⁴³ "India Will Never Be Part of an Alliance System, Says External Affairs Minister Jaishankar," *Hindu* (Chennai), July 20, 2020.

⁴⁴ "China's Aggression Pushing India Closer to the U.S. But Alliance Unlikely at Present," *Hindu* (Chennai), August 9, 2020.

⁴⁵ Indrani Bagchi, "India Boosts Its Profile in West Indian Ocean," *Times of India* (Delhi), October 26, 2019.

⁴⁶ Abhijnan Rej, "India and Indonesia Push Ahead with Defense Relationship," *Diplomat* (Tokyo), January 13, 2021; see the MOD's December 17, 2020, release at <https://tinyurl.com/8vjkfz2w>; Rajeswari Rajagopalan, "Jaishankar Reaches Out to Delhi's Indian Ocean Partners," *Diplomat* (Tokyo), February 25, 2021; "Philippines Signs Agreement with India for World's Fastest Supersonic Missiles," *Straits Times* (Singapore), March 3, 2021.

⁴⁷ Jagannath Panda, ed., "Quad Plus: Form Versus Substance," *Journal of Indo-Pacific Affairs* 3, 5 (2020).

which said the event would “showcase high levels of synergy, coordination and inter-operability between the friendly navies.”⁴⁸

Bilateral Security Relations

U.S. and Indian officials have for more than a decade rated security and military cooperation among the most important aspects of transformed bilateral relations, viewing the bilateral defense partnership as “an anchor of global security,” and extolling India’s growing role as a net provider of security in the Indian Ocean region.⁴⁹ Combined military exercises among all services have become routine. In addition, defense trade has emerged as a leading facet of the bilateral partnership: India is now a major purchaser in the global arms market and a lucrative potential customer for U.S. companies. The two nations have signed defense contracts cumulatively worth at least \$20 billion (in current dollars) since 2008, up from \$500 million prior to that year.⁵⁰ As discussed above, the “Quad” consultation mechanism has since 2020 emerged as a leading facet of India’s regional strategy. U.S. legislation enacted in 2017 (known by the acronym “CAATSA,” see below), however, seeks to counter U.S. adversaries, including Russia, and may trigger sanctions on India related to its purchases of Russian defense equipment. Other potential areas of friction include differences over Afghanistan policy and U.S. concerns about democratic decline in India.⁵¹

In 2005, the United States and India signed a 10-year defense framework agreement outlining planned collaboration in several areas including multilateral operations, expanded two-way defense trade, and increasing opportunities for technology transfers and co-production. In 2015, the pact was enhanced and renewed for another decade, and called for an existing bilateral Defense Policy Group (DPG, established in 1995) to serve as the “primary mechanism to guide the U.S.-India strategic defense partnership” through four subgroups. The Trump Administration did not employ the DPG mechanism.

President Obama recognized India as a “Major Defense Partner” (MDP) of the United States during Prime Minister Modi’s 2016 visit to Washington, DC.⁵² MDP is a unique designation created for India by the U.S. Congress and is intended “to elevate defense trade and technology sharing with India to a level commensurate with that of our closest allies and partners,” as well as “institutionalize changes the United States has made to ensure strong defense trade and technology cooperation.”⁵³ The designation was created in large part to carry over a presumption of approval for export licenses to India from the previous administration.⁵⁴ In 2021, Secretary of Defense Austin stated an intention to “further operationalize” India’s MDP status.⁵⁵ In 2018, India

⁴⁸ “European Navies Build Indo-Pacific Presence as China Concerns Mount,” *Nikkei Asia* (Tokyo), March 4, 2021; “France to Lead Quad Naval Drill in Indo-Pacific Challenge to China,” *Nikkei Asia* (Tokyo), April 2, 2021; see the MOD’s April 5, 2021, release at <https://tinyurl.com/4j9shwj>.

⁴⁹ See, for example, the December 10, 2015, comments of then-Defense Secretary Ashton Carter at <https://go.usa.gov/xyAWW>.

⁵⁰ The first-ever major U.S. arms sale to India came in 2002 with the delivery of 12 counter-battery (or “Firefinder”) radar sets worth \$190 million (see the January 21, 2021, State Department fact sheet at <https://go.usa.gov/xHkuU>).

⁵¹ See Joshua White, “After the Foundational Agreements: An Agenda for US-India Defense and Security Cooperation,” Brookings Institution, January 2021.

⁵² See the June 7, 2016, Joint Statement at <http://go.usa.gov/x8EFV>.

⁵³ U.S. Department of Defense and U.S. Department of State, “Enhancing Defense and Security Cooperation with India, Fiscal Year 2017,” Joint Report to Congress, July 2017, at <https://go.usa.gov/x6HfD>.

⁵⁴ CRS interviews with Defense Department officials, April 2018.

⁵⁵ See the Senate Armed Services Committee’s January 2021 transcript at <https://go.usa.gov/xHKGX>.

was elevated to Strategic Trade Authorization Tier-1 status, which allows India to receive license-free access to a wide range of military and dual-use technologies regulated by the Department of Commerce.⁵⁶

Congress has both formally endorsed and sought to guide the scope and direction of U.S.-India defense cooperation. In Section 1292 of the National Defense Authorization Act (NDAA) for FY2017 (P.L. 114-328), the 114th Congress called upon the Secretary of State and Secretary of Defense to jointly take actions on enhancing defense and security relations with India. In the NDAA for FY2019 (P.L. 115-232), the 115th Congress modified requirements for the annual report on U.S.-India defense cooperation so as to better identify and address obstacles to more rapid progress.⁵⁷

India's Military

India's armed forces are oriented primarily against Pakistan and China. India possesses the world's second-largest military by active personnel (about 1.5 million, after China) and third-largest by defense budget (\$64 billion in 2020, after the United States and China). India's defense spending is more than six times as great as Pakistan's, but only one-third that of China. The number of active personnel is more than double Pakistan's and three-fourths of China's. India enjoys a roughly 2:1 advantage or better over Pakistan in stocks of major naval and air force platforms, while facing a roughly 1:3 disadvantage against China in the same categories. India's military services remain heavily reliant on defense imports, with Russia accounting for about half of such supplies by dollar value from 2016-2020, followed by France and Israel. With a 'Make in India' initiative, Prime Minister Modi has strongly advocated policies to boost India's indigenous defense industries despite budgetary constraints and procurement obstacles. In 2020, the first-ever Chief of Defense Staff was appointed, which may improve high-level coordination of military planning.⁵⁸

The Lowy Institute's broader *Asia Power Index for 2020* ranks India fourth among Indo-Pacific countries (behind the United States, China, and Japan, but ahead of Russia), with a score reduced from the previous year, mainly in the areas of "cultural influence" and "future resources." According to *The Military Balance 2021*, "India continues to modernize its armed forces, though progress in some areas remains slow." It asserts that, "[T]he overall capability of India's large conventional forces is limited by inadequate logistics, maintenance and shortages of ammunition, spare parts and maintenance personnel. Though modernization continues, many equipment projects have seen delays and cost overruns, particularly indigenous systems." In the assessment of one former U.S. government official and longtime observer, India's "underperforming economy has constrained military budgets and largely confined the Indian military to ensuring internal security and protecting the country's frontiers." He concludes that, until Indian policy makers become willing to contemplate joint military operations with others, India's military will remain "unable to partner with other nations flexibly in major combat contingencies further afield."⁵⁹

Selected Security Topics

Defense Trade and the DTTI. Defense trade has emerged as a key aspect of the bilateral partnership. New Delhi seeks to transform its military into one with advanced technology and global reach, reportedly planning up to \$100 billion on new procurements over the next decade to

⁵⁶ See the January 21, 2021, State Department fact sheet at <https://go.usa.gov/xHkuU>.

⁵⁷ According to H.Rept. 115-676, the new reporting requirements include a description of the progress on enabling agreements between the United States and India, any limitations that hinder or slow progress, measures to improve interoperability, and actions India is taking, or the Secretary of Defense or the Secretary of State believe India should take, to advance the relationship with the United States.

⁵⁸ *The Military Balance 2021* (Routledge), 2021; "Trends in International Arms Transfers 2021," SIPRI Fact Sheet, March 2021.

⁵⁹ "Asia Power Index 2020," Lowy Institute (Sydney, online at <https://power.lowyinstitute.org>); *The Military Balance 2021* (Routledge), 2021; Ashley Tellis, "India: Capable, but Constrained," in Gary Schmitt, ed., *A Hard Look at Hard Power: Assessing the Defense Capabilities of Key US Allies and Security Partners*, 2nd ed. (US Army War College Strategic Studies Institute), October 2020.

update its mostly Soviet-era arsenal. Prior to 2008, U.S.-India defense trade was negligible, but has since seen transfers of major platforms, primarily transport and patrol aircraft, attack helicopters, and advanced missiles valued in the billions of dollars.⁶⁰ Washington has in recent years sought to identify sales that can proceed under the technology-sharing and co-production model sought by New Delhi while also urging reform in India's defense offsets policy.⁶¹ The U.S. government has advocated for India's purchase of Lockheed Martin F-21, and Boeing's F/A-18 *Super Hornet* and F-15EX *Eagle*, although New Delhi has demurred from pursuing such deals to date. More recently, reports suggest that, after leasing two unarmed MQ-9B *SkyGuardian* unmanned aerial vehicles (UAVs) in late 2020, India may purchase as many as 30 armed *SkyGuardian* or *Predator-B* UAVs at a cost of up to \$3 billion.⁶²

In 2012, the Pentagon launched an initiative to overcome the "unique national bureaucratic structures, acquisition models, and budget processes" that were seen to impede deeper defense cooperation with India. This Defense Technology and Trade Initiative (DTTI) was described in a 2017 White House fact sheet as "the premier forum for deepening collaboration on defense co-development and co-production." The DTTI includes eight Joint Working Groups on a range of mutual interests; the most recent session was held virtually in September 2020. To date, the initiative has produced no major initiatives or breakthroughs.⁶³

"Enabling" Bilateral Defense Agreements. The post-2001 growth of U.S.-India cooperation led U.S. administrations to seek conclusion of four "foundational" defense cooperation accords with India that would facilitate and, in many cases, provide the legal framework for an intensified bilateral defense partnership. These are (1) the General Security of Military Information Agreement (GSOMIA); (2) the Logistics Exchange Memorandum of Agreement (LEMoA, formerly the Logistic Support Agreement or LSA); (3) the Communications Compatibility and Security Agreement (COMCASA, an India-specific designation, formerly the Communications Interoperability and Security Memorandum of Agreement or CISMoa); and (4) the Basic Exchange and Cooperation Agreement for Geospatial Cooperation (BECA). In addition, negotiations on a bilateral Industrial Security Annex (ISA) began in 2018.⁶⁴ U.S. law requires that

⁶⁰ Major U.S. defense and weapons sales to India since 2008 include transport and maritime aircraft (C-130J *Super Hercules*, C-17 *Globemaster-IIIs*, and P-8I *Poseidons*), transport, maritime, and attack helicopters (CH-47F *Chinooks*, MH-60 *Romeo Seahawks*, and AH-64E *Apaches*), *Harpoon* missiles, and M777 howitzers, among others. India is now the largest operator of the C-17 and the P-8I outside of the United States. India also in 2007 received an amphibious transport dock ship as an excess U.S. defense article, the former USS *Trenton*, now commissioned as the INS *Jalashwa* (see <https://www.dsca.mil/press-media/major-arms-sales>).

⁶¹ Since 2005, India has required that 30% of any defense deal valued at more than Rs3 billion (about \$50 million) must be reinvested in the Indian economy, a requirement that many firms find difficult to meet. In 2016, New Delhi announced a new policy—"Defense Procurement Procedure 2016"—that is geared toward creating new partnerships for indigenous defense firms, rather than mere weapons purchase agreements. Under the rubric of "Make in India," priority will be given to indigenously designed, developed, and manufactured hardware (see <https://www.mod.gov.in/dod/defence-procurement-procedure>).

⁶² "India to Buy US Armed Drones to Counter China, Pakistan," *Economic Times* (Delhi), March 10, 2021.

⁶³ Topics include aircraft carriers; jet engines; intelligence, surveillance, and reconnaissance (ISR); chemical-biological protection; and land, naval, air, and other systems. See the undated Pentagon fact sheet at <https://go.usa.gov/xH8Zp>; the June 26, 2017, White House fact sheet at <https://go.usa.gov/xHkFn>; and the Pentagon's September 15, 2020, release at <https://go.usa.gov/xHkFW>. See also Javin Aryan, "The Defense Trade and Technology Initiative (DTTI): Lost in the Acronym Bowl," Observer Research Foundation (New Delhi), December 10, 2020.

⁶⁴ GSOMIA enables the sharing of military intelligence between two countries and requires each country to protect the other's classified information. The LEMoA—a modified version of a Logistics Support Agreement or LSA—is a facilitating agreement that establishes basic terms, conditions, and procedures for reciprocal provision of logistic support, supplies, and services between the armed forces of the United States and India. The COMCASA (CISMoa) requires purchasers of U.S. defense equipment to ensure that equipment supplied to a foreign buyer is compatible with

certain sensitive defense technologies can only be transferred to recipient countries that have signed a CISMoa and/or BECA. New Delhi signed a GSOMIA in 2002 after 15 years of negotiations. American officials tried unsuccessfully for many years afterward to persuade India to sign on to the three other foundational defense pacts, more recently called “facilitating” or “enabling” agreements by U.S. officials. More than a decade passed before India signed a LEMoa in 2016, and the accord became operationalized during the 2017 “Malabar” joint naval exercises. COMCASA was signed during the September 2018 “2+2” summit, an ISA was inked in late 2019, and the BECA was finalized in October 2020.

Combined Military Exercises. Since 2002, the United States and India have been increasing the scope, complexity, and frequency of combined military exercises, with an emphasis on maritime security and interoperability.⁶⁵ India now conducts more exercises and personnel exchanges with the United States than with any other country.⁶⁶ These include major annual “Malabar” joint naval exercises that typically are held in the Indian Ocean, bilateral and multilateral air exercises, and joint special forces training and other ground force exercises.⁶⁷ The Malabar naval exercise was inaugurated in 1992. Japan joined in 2014 and became a permanent participant the next year. In addition to Malabar, India has deepened its involvement in the biennial Rim-of-the-Pacific (RIMPAC) exercise and, in 2019, an Indian Navy frigate participated in U.S.-sponsored “Cutlass Express” exercises held near Djibouti. In 2020, U.S. and Indian forces conducted their first-ever tri-service exercise dubbed “Tiger Triumph.” In early 2021, naval forces from the Quad plus Canada held “Sea Dragon” anti-submarine drills near Guam, and, more recently, a U.S. carrier strike group was joined by Indian naval and air forces for complex operations exercises in the Indian Ocean.⁶⁸ In 2018, the two countries’ air forces relaunched their “Cope India” exercises after a nine-year hiatus.⁶⁹ The forces had last flown together in the 2016 “Red Flag-Alaska” exercises. Meanwhile, “Tarkash” joint ground force counterterrorism exercises occurred with India’s elite National Security Guard troops in 2015 and 2017, and regular “Vajra Prahar” joint special forces exercises were held most recently in early 2021.⁷⁰

In April 2021, the Indian government protested after a U.S. Navy vessel conducted a “freedom of navigation” operation by sailing through India’s exclusive economic zone west of India’s Lakshadweep islands. New Delhi claimed that international law did not permit such transit without consent, but a Pentagon spokesman called the passage “innocent” and “in accordance with international law.” Some Indian analysts opined that the episode risked alienating India.⁷¹

other American systems. A BECA allows India to access a range of topographical, nautical, and aeronautical data, engage in subject matter expert exchanges, and receive training at the U.S. National Geospatial Intelligence College. An ISA would protect classified U.S. information and technology used in the defense transfers of co-production initiatives involving private companies.

⁶⁵ According to the State Department, joint exercises “enhance U.S.-India relations and help create a more stable and secure Indo-Pacific region” (see the January 21, 2021, fact sheet at <https://go.usa.gov/xHkuU>).

⁶⁶ Nevertheless, the U.S. military has far greater engagement with other Asian militaries. For example, in 2017, the U.S. Navy conducted 28 major exercises with Japan’s maritime defense forces, and one with India’s. U.S. forces typically conduct more bilateral exercises with Singapore than they do with India (Cara Abercrombie, “Realizing the Potential: Mature Defense Cooperation and the U.S.-India Strategic Partnership,” *Asia Policy* 14,1, January 2019).

⁶⁷ U.S. and Indian special forces soldiers have held at least eight “Vajra Prahar” joint exercises, and hundreds of U.S. Special Forces soldiers have attended India’s Counter-Insurgency Jungle Warfare School.

⁶⁸ See the January 11, 2021, U.S. Navy article at <https://go.usa.gov/xHZAv>, and the March 29, 2021, U.S. Navy article at <https://go.usa.gov/xHZsx>.

⁶⁹ See the December 17, 2018, U.S. Air Force article at <https://go.usa.gov/xHZ7d>.

⁷⁰ See <https://in.usembassy.gov/u-s-and-indian-armies-participate-in-exercise-yudh-abhyas>.

⁷¹ “India Protests U.S. Navy’s Transit Through Its Exclusive Economic Zone,” *Reuters*, April 10, 2021; see the

Intelligence and Counterterrorism Cooperation. The U.S.-India Counterterrorism (CT) Joint Working Group, established in 2000, is one of the oldest dialogues between the two governments. Its 17th session, held virtually in September 2020, came simultaneously with the third U.S.-India Designations Dialogue, where the State Department Coordinator for Counterterrorism and his counterpart from India's External Affairs Ministry led their respective inter-agency/inter-departmental delegations to discuss counterterrorism cooperation—including through intelligence sharing—between the two countries. Both sides “denounced use of terrorist proxies and strongly condemned cross-border terrorism in all its forms,” and gave special attention to several Pakistan-based terrorist groups, underlining “the urgent need for Pakistan to take immediate, sustained, and irreversible action” against those.⁷² The State Department's *Country Reports on Terrorism 2018* noted, “Continued weaknesses in intelligence and information sharing negatively impacted state and central law enforcement agencies” in India. The 2019 version found that, “Indian security agencies are effective in disrupting terror threats despite some gaps in intelligence and information sharing.”⁷³ For more than a decade the United States has been providing anti-terrorism training for Indian security personnel.⁷⁴

A U.S.-India Homeland Security Dialogue was established in 2011, with the U.S. Homeland Security Secretary and Indian Home Minister as co-chairs. The initiative has sought to foster agency-to-agency engagements on a wide array of law enforcement issues, including counternarcotics, counterfeit currency, illicit financing and transnational crime, infrastructure security, transportation and trade, coastal security, and large-city policing.⁷⁵ A mid-2018 session reportedly finalized a draft plan to establish six new working subgroups in the areas of illicit finance, illegal smuggling of cash, financial fraud and counterfeiting; cyber information; megacity policing and sharing of information among federal state and local partners; global supply chain, transportation, port, border and maritime security; capacity building; and technology enhancement.⁷⁶ Progress apparently was hampered by differences over data localization.⁷⁷ In March 2021, officials from the two countries agreed to reestablish the Dialogue and “to discuss important issues such as cybersecurity, emerging technology and addressing violent extremism.”⁷⁸

Nuclear Weapons Proliferation and Multilateral Export Controls. According to public sources, India is modernizing and growing its nuclear weapons arsenal, which currently consists of approximately 150 warheads and an operational triad of delivery systems. India also possesses a stockpile of highly enriched uranium and continues to produce weapons-grade plutonium. Indian ballistic missiles can deliver warheads on targets more than 5,000-km away—a range that encompasses China's eastern population centers. Some analysts saw India's longstanding no-

Ministry of External Affairs' April 9, 2021, release at <https://tinyurl.com/69hkapp>, and the Pentagon's April 9, 2021, transcript at <https://go.usa.gov/x6vq9>; Arun Prakash, “US 7th Fleet's Patrol in India's EEZ Was an Act of Impropriety” (op-ed), *Indian Express* (Delhi), April 12, 2021.

⁷² See the September 11, 2020, Joint Statement at <https://go.usa.gov/xHZm2>.

⁷³ See the reports at <https://go.usa.gov/xHZdY> and <https://go.usa.gov/xHZdT>.

⁷⁴ See the June 26, 2017, White House fact sheet at <https://go.usa.gov/xyF7v>.

⁷⁵ U.S. Embassy press release, May 24, 2011; Indian External Affairs Ministry release, May 27, 2011.

⁷⁶ “India-US Homeland Security Plan Drafted,” Press Trust India, September 3, 2018.

⁷⁷ Homeland Security Presidential Directive (HSPD-6) of 2003 calls for exchanges of terrorist screening information with foreign intelligence agencies, but has yet to be fully implemented with India (Douglas Smith and Kashish Parpiani, “Actualizing US-India Cooperation on Homeland Security,” Observer Research Foundation (New Delhi), November 27, 2019).

⁷⁸ See the March 23, 2021, Department of Homeland Security readout at <https://go.usa.gov/xHZvC>.

first-use policy to have been weakened by New Delhi's 2003 declaration that it could potentially use nuclear weapons in response to chemical or biological attacks.⁷⁹ India has neither acceded to the nuclear Nonproliferation Treaty nor accepted International Atomic Energy Agency safeguards on all of the country's nuclear material and facilities. Following Washington's urging, the multilateral Nuclear Suppliers Group (NSG) decided in 2008 to exempt India from the portions of its export guidelines that required India to have such safeguards. During the 19-month period ending in January 2018, India joined three major multilateral export control regimes: the Missile Technology Control Regime, the Wassenaar Arrangement, and the Australia Group. The NSG has been considering India's membership, with U.S. support, since 2011, but China is among the members blocking this.⁸⁰

India and Fentanyl⁸¹

India's role in the production of illicit drugs, particularly synthetic opioids, has grown in recent years. The country's vast pharmaceutical and chemical industries are prone to exploitation by criminal networks engaged in the trafficking of synthetic opioids, such as tramadol, as well as precursor chemicals used in the production of illicit drugs, including illicit fentanyl precursors. According to the State Department, there is an expectation that "as global demand for synthetic drugs continues to grow, illicit manufacturing and trafficking networks in India will also increase."⁸² India is also one of the few countries in the world where licit opium poppy is cultivated for pharmaceutical purposes; some additional opium poppy is also illicitly cultivated for domestic demand and the government of India reportedly eradicated several thousand opium poppy hectares each year in recent years.⁸³

Amid an increasingly complex and global synthetic drug problem, India has emerged, alongside China and Mexico, as a primary source for fentanyl and fentanyl-related substances destined ultimately for the United States.⁸⁴ India's role has grown since China's 2018 decision to control two fentanyl precursors, known as NPP and 4-ANPP, and China's 2019 decision to impose strict domestic controls on the production and sale of all fentanyl-class opioids, including all known and all potential future variations of fentanyl. Traffickers have reportedly shifted from China to India as a new source for precursor chemicals in order to circumvent Chinese controls.⁸⁵ The U.S. Drug Enforcement Administration (DEA) further reports that Mexico-based transnational criminal organizations are "diversifying their sources of supply" to include fentanyl shipments

⁷⁹ Hans Kristensen and Matt Korda, "Indian Nuclear Forces, 2020," *Bulletin of the Atomic Scientists* 76 (July 20, 2020); Arms Control Association, "Nuclear Weapons: Who Has What at a Glance," August 2020.

⁸⁰ Nuclear Threat Initiative, "Nuclear Suppliers Group," updated July 14, 2020. See also CRS Report RL33016, *U.S. Nuclear Cooperation with India: Issues for Congress*, by Paul K. Kerr.

⁸¹ This section written by Liana W. Rosen, Specialist in International Crime and Narcotics.

⁸² U.S. Department of State, *International Narcotics Control Strategy Report*, vol. 1, March 2021, p. 155.

⁸³ United Nations, *World Drug Report*, Statistical Annex, Table 6.2.3. Eradication of Opium Poppy, and Cultivation of Opium Poppy and Production of Opium in Small Countries (online only), June 2020, https://wdr.unodc.org/wdr2020/field/Annex/6.2.3_Eradication_of_opium_poppy_and_cultivation_of_opium_poppy_and_production_of_opium_in_small_countries.xlsx.

⁸⁴ CRS In Focus IF10890, *China Primer: Illicit Fentanyl and China's Role*, by Liana W. Rosen and Susan V. Lawrence; United Nations Office on Drugs and Crime (UNODC), Global SMART Update, *The Growing Complexity of the Opioid Crisis*, vol. 24, October 2020, p. 4.

⁸⁵ U.S. Department of State, *International Narcotics Control Strategy Report*, vol. 1, March 2021, p. 58; C4ADS, *Lethal Exchange: Synthetic Drug Networks in the Digital Era*, November 2020.

from India.⁸⁶ Traffickers in India also produce large volumes of ephedrine, methamphetamine, and other illicit drugs.

For more than three decades, successive U.S. Presidents have identified India as among the world's most significant illicit drug-producing and drug-transit countries.⁸⁷ India is party to the three U.N. drug-control conventions.⁸⁸ The United States and India also maintain bilateral treaties on mutual legal assistance and extradition. The two countries convened virtually for an inaugural Counternarcotics Working Group (CNWG) meeting in November 2020, and followed up with a second meeting in June 2021.⁸⁹ The U.S.-India CNWG intends to increase collaboration on combating the production and trafficking of synthetic opioids, including fentanyl and tramadol, and precursor chemicals used to manufacture them. Despite ongoing efforts to improve domestic controls on the production and export of controlled substances (including the domestic regulation in 2018 of tramadol, a synthetic opioid that is not under international drug control), the State Department's 2021 *International Narcotics Control Strategy Report* (INCSR) describes an under-resourced and uncoordinated counternarcotics effort in India that limits Indian authorities' ability to enforce their drug laws and conduct complex investigations of criminal drug manufacturing.⁹⁰ The 2021 INCSR further reports that India regulates 18 of the 29 precursor chemicals scheduled for international control, pursuant to the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.⁹¹ There are also no domestic controls in place (e.g., registration requirements) on specialized equipment (e.g., tableting and encapsulating machines) commonly used in the manufacturing of synthetic drugs.⁹² The most recent CNWG convened in June 2021.⁹³

U.S.-India Trade and Investment Relations⁹⁴

U.S.-India trade ties are a key part of bilateral relations, but have faced heightened challenges in recent years. U.S. goods and services trade with India accounts for 2.5% of total U.S. world trade.⁹⁵ Bilateral trade is more consequential for India, for whom the United States is a top trading partner, representing about 17% of India's exports and 7% of its imports.⁹⁶ Bilateral foreign direct investment (FDI) is limited, but growing. Market access and other barriers to U.S. trade with India have been long-standing concerns among some Members of Congress and U.S. businesses, and successive Administrations. The Biden Administration's inaugural trade policy report states,

⁸⁶ U.S. Drug Enforcement Administration, *Fentanyl Flow to the United States*, DEA-DCT-DIR-008-20, January 2020, p. 3.

⁸⁷ CRS Report R46695, *The U.S. "Majors List" of Illicit Drug-Producing and Drug-Transit Countries*, by Liana W. Rosen.

⁸⁸ These are the Single Convention on Narcotic Drugs of 1961, as amended by the 1972 Protocol; the Convention on Psychotropic Substances of 1971; and the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.

⁸⁹ U.S. Department of State, "Joint Statement of the U.S.-India Counternarcotics Working Group," press release, December 1, 2020; "Joint Statement of U.S.-India Counternarcotics Working Group," press release, June 3, 2021.

⁹⁰ U.S. Department of State, *International Narcotics Control Strategy Report*, vol. 1, March 2021, pp. 163-166.

⁹¹ *Ibid.*, p. 63.

⁹² *Ibid.*, p. 58.

⁹³ See the resulting June 3, 2021, Joint Statement at <https://go.usa.gov/xFmF>.

⁹⁴ This section written by Shayerah I. Akhtar, Specialist in International Trade and Finance. See also CRS In Focus IF10384, *U.S.-India Trade Relations*, by Shayerah I. Akhtar and K. Alan Kronstadt.

⁹⁵ CRS analysis of data from U.S. Bureau of Economic Analysis (BEA) for 2020.

⁹⁶ World Trade Organization (WTO), Trade Profile for India, 2019 data.

“While India’s large market, economic growth, and progress towards development make it an essential market for many U.S. exporters, a general and consistent trend of trade-restrictive policies have inhibited the potential of the bilateral trade relationship.”⁹⁷

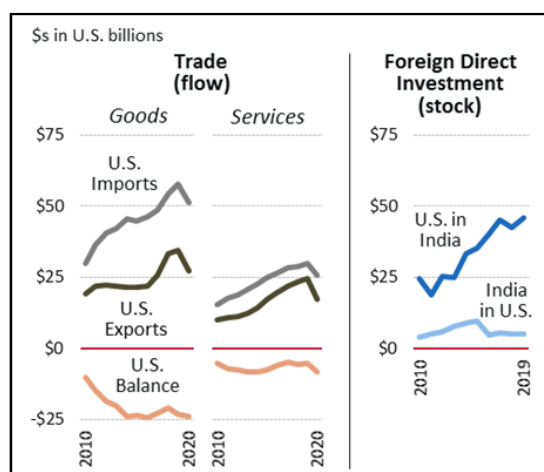
The Trump Administration—which took issue with India’s “unfair” trade practices—sought to address certain frictions in a limited bilateral trade deal, which was not achieved. Some analysts expect that, under the Biden Administration, bilateral trade relations may be less strained and resolving frictions will remain a priority.⁹⁸ In March 2021, U.S. Trade Representative (USTR) Katherine Tai and Indian Minister of Commerce and Industry Piyush Goyal discussed the importance of the bilateral trade and investment relationship, and committed to strengthening cooperation on shared objectives.⁹⁹ Members of Congress may monitor and weigh in on a range of bilateral trade issues and engagement on these issues.

U.S.-Indian engagement on trade issues takes place amid an uncertain growth outlook for India’s economy. After several years in which it attained the world’s fastest growth rate (above 7%), India’s economy grew more slowly in 2019, and was hit hard by the pandemic. The World Bank estimates that the Indian economy contracted by 7.3% in 2020, and that it will expand by 8.3% in 2021, flanked by policy support from the Indian government.¹⁰⁰ India’s COVID-19 outbreak appears to be constraining a previously expected stronger economic recovery in 2021.

Selected Trade Issues

Tariffs and Trade Preferences. Bilateral tensions have grown over both countries’ tariff policies. India’s average most-favored-nation (MFN) applied tariff rate (17.6%) is the highest of any major world economy. India’s bound tariff rates under its World Trade Organization (WTO) commitments are even higher. This allows India to increase its applied rates further without violating its WTO commitments and has created a longstanding source of uncertainty for U.S. exporters. India’s tariff hikes on a range of labor-intensive products and on mobile phones, televisions, and other electronics and communication devices under its “Make in India” campaign remain a particular U.S. concern.¹⁰¹ The United States and other countries have requested to join various WTO challenges on India’s technology tariffs.

Figure 2. U.S.-India Trade and Investment



Source: CRS, with U.S. Bureau of Economic Analysis data.

⁹⁷ USTR, *2021 Trade Policy Agenda and 2020 Annual Report*, March 2021, p. 35.

⁹⁸ See, for example, Prabha Raghavan, “India US ties: Under Biden, less acrimonious trade ties likely; sticking points may remain,” *The Indian Express*, November 18, 2020.

⁹⁹ USTR, “Readout of Ambassador Katherine Tai’s Virtual Meeting with Indian Minister of Commerce and Industry Piyush Goyal,” press release, March 25, 2021.

¹⁰⁰ World Bank Group, *Global Economic Prospects*, June 2021, pp. 3-4.

¹⁰¹ The Modi government launched the Make in India campaign in 2014 to boost India’s manufacturing to support domestic jobs.

India opposes the 25% steel and 10% aluminum national-security-based “Section 232” tariffs imposed by the Trump Administration in 2018, which remain in place.¹⁰² India repeatedly delayed retaliating against the United States, in hopes of resolving the issues bilaterally, but it ultimately imposed higher retaliatory tariffs of 10% to 25%, affecting U.S. exports such as nuts, apples, chemicals, and steel. The two sides are challenging each other’s tariffs in the WTO. India applied the retaliatory tariffs soon after President Trump in June 2019 terminated India’s eligibility for the Generalized System of Preferences (GSP), a U.S. trade and development program, based on India’s failure to provide “equitable and reasonable” access to its markets. The termination followed an U.S. investigation into India’s market access practices and petitions by U.S. dairy and medical technology industries.¹⁰³ India had been the largest beneficiary of GSP, under which around 10% of U.S. imports from India previously entered duty-free.

Digital Trade. In March 2020, India adopted a 2% digital services tax (DST) that applies only to non-resident companies. In a Section 301 investigation, the Trump Administration concluded that India’s DST is discriminatory, inconsistent with international taxation principles, and a burden to U.S. commerce, but it deferred taking specific action.¹⁰⁴ In early 2021, the Biden Administration announced its determination to apply additional tariffs of 25% on certain products from India, as well as to immediately suspend the additional tariffs for up to 180 days to provide additional time to complete the ongoing multilateral negotiations on international taxation at the Organisation for Economic Cooperation and Development (OECD) and in the G20 process.¹⁰⁵ India has defended its DST as a way to level the playing field between domestic and foreign companies. Other bilateral issues for U.S. businesses include India’s restrictions on the business activities of e-commerce platforms and requirements for data localization of certain financial flows.¹⁰⁶ New guidelines for social media, including requirements to remove content deemed by the government a threat to national security, public order and “decency or morality,” with imprisonment for non-compliance, have also raised concerns.¹⁰⁷

Supply Chains. Pandemic-related disruptions have highlighted U.S. and other foreign companies’ reliance on Chinese origin goods in their supply chains. These disruptions, along with increasing U.S.-China strategic competition, have spurred some companies to consider restructuring their supply chains. India, with previous encouragement from the Trump Administration, has increased efforts to attract firms relocating production from China, including for medical devices and telecommunications products. President Biden’s focus on diversifying U.S. supply chains could make India’s potential role more prominent, but certain barriers to investment and other obstacles to doing business in India could present challenges.¹⁰⁸

¹⁰² CRS Report R45249, *Section 232 Investigations: Overview and Issues for Congress*, coordinated by Rachel F. Fefer.

¹⁰³ CRS Report RL33663, *Generalized System of Preferences (GSP): Overview and Issues for Congress*, by Vivian C. Jones and Liana Wong. The GSP program expired on December 31, 2020.

¹⁰⁴ CRS In Focus IF11564, *Section 301 Investigations: Foreign Digital Services Taxes (DSTs)*, by Andres B. Schwarzenberg.

¹⁰⁵ USTR, “Proposed Action in Section 301 Investigation of India’s Digital Services Tax,” USTR-2021-0003, March 26, 2021. This could cover approximately \$55 million of U.S. imports from India (or 0.2% of total U.S. goods imports from India); USTR, “USTR Announces, and Immediately Suspends, Tariffs in Section 301 Digital Services Taxes Investigations,” press release, June 2, 2021.

¹⁰⁶ CRS In Focus IF10770, *Digital Trade*, by Rachel F. Fefer. See, for example, letter from Rep. Susan DelBene and Rep. Ray LaHood (representing the Digital Trade Caucus) to Amb. Katherine Tai, U.S. Trade Representative, March 29, 2021.

¹⁰⁷ Jeff Horwitz and Newley Purnell, “India Threatens Jail for Facebook, WhatsApp and Twitter Employees,” *Wall Street Journal*, March 5, 2021.

¹⁰⁸ Executive Order 14017, “America’s Supply Chains,” 86 *Federal Register* 11849, March 1, 2021.

Other Issues. A range of other bilateral trade issues persist. A key issue for India is U.S. temporary visa policies (see Immigration discussion), which affect Indian nationals working in the United States. For the United States, India's treatment of intellectual property (IP) is a critical issue. USTR continued to identify India on the U.S. 2021 Special 301 Priority Watch List, identifying as of concern India's treatment of patents, high IP theft rates, and lax trade secret protection, for instance. The two countries historically have differed on how to balance IP protection to incentivize innovation and support other policy goals, such as access to medicines, including for COVID-19 (see below). Other U.S. concerns include India's FDI rules and regulatory transparency.

U.S.-India Engagement on Trade Issues

Bilateral Talks. The United States and India do not have a bilateral free trade agreement, but previously engaged in now-stalled negotiations on a potential bilateral investment treaty (BIT). Under the Trump Administration, the two sides sought to negotiate a limited trade deal, in part to address heightened trade frictions over tariffs and other trade restrictions. U.S. aims included "resolution of various non-tariff barriers, targeted reduction of certain Indian tariffs, and other market access improvements."¹⁰⁹ Restoration of GSP benefits reportedly has been a top priority for India. Despite concerted efforts in 2019 and 2020, a trade deal did not materialize. Under the Biden Administration, the two sides have agreed "to work constructively to resolve key outstanding bilateral trade issues and to take a comprehensive look at ways to expand the trade relationship."¹¹⁰ They also committed to revitalizing their engagement through the Trade Policy Forum, for which they agreed to hold the next Ministerial-level meeting in 2021.

Regional Integration. India and the United States are absent from the Indo-Pacific region's two major trade pacts. India negotiated, but did not join the Regional Comprehensive Economic Partnership (RCEP), signed by China and 14 other countries in November 2020.¹¹¹ India cited concerns about RCEP's fairness and balance, and reportedly also was wary of Chinese import competition. The United States withdrew from the proposed Trans-Pacific Partnership (TPP) in 2017. The 11 remaining TPP parties (including 7 RCEP members, but not India or China) signed the new Comprehensive and Progressive Agreement for TPP (CPTPP or TPP-11), which entered into force in December 2018. An open question is whether India and the United States may revisit these pacts, or pursue other forms of regional integration.

Multilateral Engagement. The United States and India often have opposing stances on trade issues in the WTO.¹¹² With India's growing integration in the global economy, some policymakers have called on India, like China, to be a more responsible stakeholder in the rules-based global trading system. They blame India for impeding WTO progress on issues such as the moratorium on e-commerce customs duties, disciplines on fisheries subsidies, and previously on the Trade Facilitation Agreement (TFA). The United States and some developed countries also are critical of India, China, and others for self-designating as developing countries to claim special

¹⁰⁹ USTR, *2021 Trade Policy Agenda and 2020 Annual Report*, March 2021, p. 35.

¹¹⁰ USTR, "Readout of Ambassador Katherine Tai's Virtual Meeting with Indian Minister of Commerce and Industry Piyush Goyal," press release, March 25, 2021.

¹¹¹ CRS Insight IN11200, *The Regional Comprehensive Economic Partnership: Status and Recent Developments*, by Cathleen D. Cimino-Isaacs and Michael D. Sutherland.

¹¹² CRS In Focus IF10002, *The World Trade Organization*, by Cathleen D. Cimino-Isaacs, Rachel F. Fefer, and Ian F. Fergusson.

and differential treatment under WTO rules—criticisms that these countries refute.¹¹³ Presently, active debate is underway in the WTO on whether to waive WTO IP rules in relation to the prevention, containment, or treatment of COVID-19, a concept initially proposed by India and South Africa in October 2020. The United States previously was opposed to the general concept of a waiver, but in May 2021, the Biden Administration announced U.S. support for waiving IP protections for COVID-19 vaccines.¹¹⁴ Members of Congress have mixed views on the issue.¹¹⁵

India's Foreign Relations and U.S. Interests

India-China Relations

India's relations with China have been fraught for decades, with signs of increasing enmity in recent years. The year 2020 included the worst open conflict between India and China in nearly five decades. Serious impasses persist over border demarcation, as well as over Chinese support for Pakistan and China's increasing influence in the Indian Ocean region, among other issues. Despite multiple sources of serious bilateral friction, India and China also share important perceived interests, including large-scale bilateral trade and investment (albeit most flowing from China to India), and on global issues such as climate change and health.

The brief but bloody 1962 India-China war left in place one of the world's longest disputed international borders. Beijing formally claims the entirety of India's Arunachal Pradesh state as its territory, calling it "South Tibet," and it also occupies Aksai Chin, claimed by India as part of its Ladakh Union Territory (see **Figure 3**). Lethal fighting broke out in the Western Sector near the 2,100-mile-long "Line of Actual Control" (LAC) in 2020 and, although a limited disengagement agreement was reached in February 2021, border tensions remain significant.¹¹⁶ Such conflict elicits fears of the potential for full-scale war between two contiguous, nuclear-armed powers, as well as the potential for Chinese collusion with Pakistan and a two-front war for India.¹¹⁷ The Chinese government also takes issue with the presence of the Dalai Lama and a self-described "Central Tibetan Administration" and "Tibetan Parliament in Exile" on Indian soil. Moreover, India faces longstanding water disputes with China; some analysts argue that Beijing is seeking "hydro-hegemony" over its numerous downstream neighbors on the Brahmaputra and other rivers.¹¹⁸

China has long been a major benefactor of Pakistan, providing advanced weapons, nuclear technology, and fulsome foreign investment. The China Pakistan Economic Corridor (CPEC) is a Chinese initiative to develop energy, commercial, and infrastructure links between its western Xinjiang province and Pakistan's Arabian Sea coast, and is a major facet of China's broader Belt

¹¹³ CRS Report R45417, *World Trade Organization: Overview and Future Direction*, coordinated by Cathleen D. Cimino-Isaacs.

¹¹⁴ USTR, "Statement from Ambassador Katherine Tai on Covid-19 Trips Waiver," press release, May 5, 2021.

¹¹⁵ *Inside U.S. Trade*, "Lawmakers Keep Up Pressure on Biden to Support TRIPS Waiver," March 17, 2021; Doug Palmer, "Poor Countries Are Fighting with Drug Companies over Vaccines. Now Biden Must Pick a Side," *POLITICO*, March 22, 2021.

¹¹⁶ "India-China Border Standoff Shows No Signs of Easing 1 Year On," *Nikkei Asia* (Tokyo), May 5, 2021.

¹¹⁷ Aparna Pande, "The US Hasn't Woken Up to India's Nightmare of a Two-Front War with China and Pakistan" (op-ed), *Print* (Delhi, online), July 20, 2020.

¹¹⁸ Brahma Chellaney, "Will China Turn Off Asia's Tap?," *Project Syndicate*, December 22, 2020; "India Plans Dam on Brahmaputra to Offset Chinese Construction Upstream," *Reuters*, December 1, 2020.

and Road Initiative (BRI).¹¹⁹ Formally launched in 2014, the CPEC effort has seen Beijing invest more than \$30 billion in Pakistan's energy and transport infrastructures. India explicitly objects to the BRI and refrains from any participation due to complaints that the transit lines run across territory claimed by India.¹²⁰ Many Indians are quick to label the BRI as a wholly unilateral initiative that may provide cover for Beijing's territorial ambitions in South Asia. Media reports suggest that China may intend to build a naval base on the Arabian Sea near Gwadar, Pakistan, and is reaching out to other South Asian littoral states, notably including port and other infrastructure projects in Sri Lanka and Bangladesh.¹²¹ Some Indian observers argue China has shifted from establishing a presence in South Asia and the Indian Ocean region to seeking preeminence there, as manifested by the BRI, thus sharpening India-China competition, and raising concerns in New Delhi that Beijing seeks to "contain" Indian regional influence.¹²²

Following the 2020 border clashes, India-China relations "entered a new, more precarious, and unpredictable era."¹²³ Many in the Indian strategic community appear to have concluded that China has exposed an expansionist intent.¹²⁴ Conversely, many analysts contend that growing U.S.-India cooperation has deepened Beijing's distrust of New Delhi. This leads to a dynamic in which "pressure from an unrelenting China is pushing India farther away and leading it to deepen its security partnerships," and has created a cycle of escalating distrust on both sides.¹²⁵ It also leads some commentators to urge that India open new diplomatic fronts in its geopolitical struggle with China, perhaps especially with Taiwan.¹²⁶

Conflict at the Disputed Frontier. In 2017, India and China were able to de-escalate a tense military standoff over the Doklam region, a 34-square-mile piece of Himalayan territory disputed by China and Bhutan with vital strategic significance for India.¹²⁷ Media reports in April 2020 that Chinese military forces near the "Western Sector" of the LAC in Ladakh were being

¹¹⁹ See <http://cpec.gov.pk>. Formally launched in 2014, the effort may see Beijing invest up to \$62 billion in Pakistan.

¹²⁰ "India Refuses to Endorse China's Belt and Road Initiative," *Hindu* (Chennai), June 10, 2018.

¹²¹ Gurmeet Kanwal, "Pakistan's Gwadar Port: A New Naval Base in China's String of Pearls in the Indo-Pacific," Center for Strategic and International Studies, April 2, 2018; H.I. Sutton, "China's New High-Security Compound in Pakistan May Indicate Naval Plans," *Forbes*, June 2, 2020; Smuriti Pattanaik, "The Geopolitics of Power Configuration in South Asia: Understanding Chinese Defense Minister's Visit to Bangladesh and Sri Lanka," Institute for Defense Studies and Analyses (New Delhi), June 3, 2021.

¹²² "India Takes Its Tussle with China to the High Seas," *Financial Times* (London), October 20, 2020; Abhijit Singh, "India Has a Bigger Worry than the LAC" (op-ed), *Wire* (Delhi, online), June 12, 2020.

¹²³ Daniel Markey, "Preparing for Heightened Tensions Between China and India," Council on Foreign Relations, April 19, 2021.

¹²⁴ Vijay Oberoi, "All Is Not Quiet on the Eastern Front" (op-ed), *Citizen* (Delhi, online), October 12, 2020; Vijay Gokhale, "The Road from Galwan: The Future of India-China Relations," Carnegie India (New Delhi), March 10, 2021; Chietigj Bajpae, "New Normal in Sino-Indian Ties," *War on the Rocks* (online), April 21, 2021.

¹²⁵ Yun Sun, "China's Strategic Assessment of India," *War on the Rocks* (online), March 25, 2020; quote from Rajeswari Rajagopalan, "India Expands Diplomatic Efforts Amid Border Standoff with China," *Diplomat* (Tokyo, online), June 5, 2020.

¹²⁶ See, for example, Mohamed Zeeshan, "Can India Pursue the 'Strategic Encirclement' of China?" *Diplomat* (Tokyo, online), October 6, 2020; Bharat Bhushan, "What Are India's Options Beyond Aligning with US?" (op-ed), *Quint* (Delhi, online), June 26, 2020; "New Delhi-Taipei Cooperation is Both Mutually Beneficial and a Pointed Signal to China" (editorial), *Times of India* (Delhi), April 4, 2021.

¹²⁷ Control of the plateau could facilitate a military seizure of the 20-mile-wide Siliguri Corridor, or "Chicken's Neck," that connects core India with its seven smaller northeastern states. India responded to new Chinese road-building efforts in the region with army troops, and the two countries agreed to a mutual withdrawal of forces in what was widely viewed as a victory for Indian resolve. Still, the de-escalation did not resolve underlying causes (Manoj Joshi, "Doklam 'Dis-Engagement' May Have Been Mutual, but It Is India That Has Come Out on Top," Observer Research Foundation (New Delhi), August 31, 2017).

supplemented in large numbers and with heavy equipment raised tensions with India. Chinese reinforcements may have been a response to Indian infrastructure projects in the area. The stresses erupted into violence (but no serious casualties) in May, when Indian and Chinese patrols clashed on the northern shores of Pangong Lake, as well as at Naku La, at the northern reaches of India's Sikkim state between Nepal and Bhutan, hundreds of miles east of Ladakh (see **Figure 3**). By May's end, some 10,000 Chinese troops apparently had encroached as much as two miles into both the disputed areas around Pangong, and into Ladakh's Galwan River Valley, about 60 miles north.¹²⁸ Although formal military-to-military talks were launched, on June 15, a skirmish involving hundreds of soldiers broke out in the Galwan Valley, leaving 20 Indian soldiers dead, the first such casualties at the LAC since 1975 (Indian officials claimed 16 Chinese soldiers were killed at the time).¹²⁹

Figure 3. Western Sector of the India-China Frontier



Source: Adapted by CRS.

Bilateral Economic and Trade Relations. In early 2021, after two years of running second to the United States, China reemerged as India's largest trading partner.¹³⁰ Until the 2020 border conflict erupted, Chinese investment capital, technology, and management skills were welcomed by many in India; China had pledged to invest hundreds of billions of yuan in India in coming years. (India is not among China's top trade partners.) Shortly after the lethal June 2020 battle at the LAC, India's government moved to attenuate trade and commercial ties to China. New Delhi announced a ban on 59 Chinese mobile apps, including the popular TikTok and WeChat, that were "engaged in activities which [are] prejudicial to sovereignty and integrity of India, defense of India, security of state and public order." By November, it had banned a total of more than 200

¹²⁸ "The Chinese and Indian Armies Settle a Clash by Fisticuffs," *Economist* (London), May 16, 2020; "Indian and Chinese Soldiers Injured in Cross-Border Fistfight, Says Delhi," *Guardian* (London), May 20, 2020; "A Border Dispute Between India and China Is Getting More Serious," *Economist* (London), May 30, 2020; "India, China Bring in Heavy Equipment and Weaponry to Their Rear Bases in Ladakh," *Press Trust India*, May 31, 2020.

¹²⁹ "3 Separate Brawls, 'Outsider' Chinese Troops & More," *India Today* (Delhi), June 21, 2020.

¹³⁰ "China Becomes India's Biggest Trading Partner in First 9 Months of FY21," *Business Standard* (Delhi), February 24, 2021.

such apps, a development that Beijing called “discriminatory” and part of a collusive effort with the United States.¹³¹

India’s efforts to further economically disentangle itself from China would likely face difficulties, given the myriad consumer goods purchased and the number of Chinese components that are crucial to Indian supply chains.¹³² Chinese imports are crucial to India’s ability to scale up its renewables sector and combat climate change; about 80% of India’s solar panels come from China.¹³³ Chinese investments into India have grown significantly over the last decade, with Chinese firms emerging as prominent players seeking long-term presence in numerous key sectors. More than half of Indian start-ups valued at \$1 billion or more reportedly have Chinese investment.¹³⁴ Although a trade war would be harmful to the economies of both countries, India is viewed as likely suffering greater harm. This may partially explain why, following a February 2021 agreement to disengage in Ladakh, India, reportedly moved to clear 45 pending investment proposals from China that had been put on hold since early 2020 (about 150 such proposals from China worth more than \$2 billion reportedly were on hold).¹³⁵

India-Pakistan Relations

India’s conflict and rivalry with neighboring Pakistan—essentially continuous over the more than seven decades since the 1947 Partition of British India—is unabated. The countries have fought four wars, most recently a 14-week-long clash in 1999, the first-ever between two nuclear-armed powers. Pakistan’s apparent tolerance of several anti-India terrorist groups in its territory, and the two nations’ competing claims to the disputed territory of the former princely state of Jammu and Kashmir, are at the core of the bilateral discord. Since taking office in 2014, Prime Minister Modi’s government has tread cautiously with Pakistan even as some of his Hindu nationalist ministers issue belligerent rhetoric about Pakistan’s assumed status as a hotbed of anti-India terrorists. Sporadic high-level engagement was cut off in mid-2015, but efforts to rebuild ties culminated with Modi’s surprise Christmas Day 2015 visit to Pakistan. The fragile process quickly disintegrated, however, following bloody January and September 2016 attacks on Indian military bases in Kashmir (at Pathankot and Uri, respectively), allegedly by Pakistan-based Jaish-e-Mohammed (JeM) militants. Following the latter attack, New Delhi claimed to have launched a first-ever “surgical strike” against militant targets in Pakistan-held Kashmir.¹³⁶

¹³¹ See the Electronics and IT Ministry’s June 29, 2020, release at <https://tinyurl.com/k42vfb9w>; “India Bans 43 More Mobile Apps as It Takes on China,” *Reuters*, November 25, 2020; “China Says India ‘Abusing National Security,’ Colluding With US,” *Hindu* (Chennai), September 3, 2020; “Chinese Tech Companies Bet Big on India, Now They’re Being Shut Out,” CNN.com, December 10, 2020.

¹³² This is especially true in the electronics and pharmaceutical sectors. As of mid-2020, Chinese brands accounted for almost three-quarters of India’s smartphone sales, and nearly 40% of India’s electronics-equipment imports. About 70% of active ingredients used by drug-makers came from China (“After Deadly Border Clash, India Faces Uncomfortable Truths About Its Reliance on China,” *Washington Post*, June 26, 2020).

¹³³ “India-China Conflict Is Bad for the Planet,” *Slate*, September 28, 2020.

¹³⁴ Ananth Krishnan, “Following the Money: China Inc.’s Growing Stake in India-China Relations,” Brookings Institution, March 2020; “‘TikTok Changed My Life’: India’s Ban on Chinese Apps Leaves Video Makers Stunned,” NRR.com, July 16, 2020.

¹³⁵ “China and India Are Sparring but Neither Can Afford a Full-On Trade War,” CNN.com, July 5, 2020; “India to Clear 45 Investments From China,” *Reuters*, February 22, 2021.

¹³⁶ “India Blames Pakistan as Kashmir Attack Kills 17 Soldiers,” *Reuters*, September 18, 2016; “India’s ‘Surgical Strikes’ in Kashmir: Truth or Illusion?,” BBC News, October 23, 2016.

In early 2019, an alleged JeM militant conducted a suicide bombing in Pulwama that killed 40 Indian paramilitary troops. A subsequent military clash, retaliatory Indian airstrike on Pakistani territory at Balakot, and a brief air battle elicited new concerns about escalation, but the crisis ended without further major conflict (see **Figure 4**). India subsequently rejected any high-level bilateral peace negotiations pending decisive Pakistani action against anti-India militants inside Pakistan. However, terrorist groups such as Lashkar-e-Taiba (LeT, responsible for the days-long 2008 terrorist assault on Mumbai) and JeM continue to operate, by some accounts with the support of Pakistani state elements.¹³⁷ Pakistani officials have taken limited efforts to curb the further activities of such groups.¹³⁸

Figure 4. Conflict Map of Pre-August 2019 Jammu and Kashmir



Source: Adapted by CRS.

Notes: Limits shown do not reflect U.S. government policy on boundary representation or sovereignty.

For many Indian analysts, the Pulwama episode marked a watershed moment, as New Delhi broke from decades of militarily restrained posture with an airstrike on Pakistan proper. According to some, that retaliation successfully deterred Pakistan from supporting further terrorist attacks in Indian Kashmir. Yet Pakistani observers frame a different narrative, calling the “failed” airstrike and subsequent aerial combat a demonstration of India’s conventional military weakness and ineptitude.¹³⁹ The April 2021 *Annual Threat Assessment of the U.S. Intelligence*

¹³⁷ The State Department’s *Country Reports on Terrorism 2019* (released in June 2020) says, “Pakistan continued to serve as a safe haven for certain regionally focused terrorist groups” and “allowed groups targeting India, including LeT and its affiliated front organizations, and JeM, to operate from its territory” (see <https://go.usa.gov/xHwcf>).

¹³⁸ In February 2020, LeT founder Hafiz Saeed was sentenced to 11 years in prison on charges of terrorism financing, Pakistan’s first-ever high-profile conviction on such charges. Skeptical observers, especially those in India, saw in the news a continuation of Pakistan’s policy of making tactical concessions to forward a larger strategic goal. Other leading Pakistan-based terrorist leaders, including JeM founder Masood Azhar, have evaded prosecution (Sushant Sareen, “Hafiz Saeed Conviction: Deception or Disavowal?,” Observer Research Foundation (New Delhi), February 14, 2020; Ajai Sahni, “Transparent Deception” *India Today* (New Delhi), February 21, 2020).

¹³⁹ See, for example, Sushant Sareen, “Pulwama Propelled India’s Pugnacious Policy,” Observer Research Foundation (New Delhi), February 17, 2020; Adil Sultan, “India’s ‘Surgical Strike’ Doctrine: Implications for South Asian

Community states, “Although a general war between India and Pakistan is unlikely, crises between the two are likely to become more intense, risking an escalatory cycle.”¹⁴⁰

Kashmir.¹⁴¹ The disputed territory of Kashmir has been the site of multiple wars and is identified as a potential nuclear “flashpoint.”¹⁴² Both India and Pakistan formally claim sovereignty over the former princely state, with India controlling roughly two-thirds, including the Muslim-majority Valley region. In August 2019, the Indian government took a series of controversial actions that eroded the (largely nominal) constitutional autonomy of Jammu and Kashmir, which until then had been the country’s only Muslim-majority state. It repealed Article 370 of the Indian Constitution and Section 35A of its Annex, and the state was bifurcated into two “Union Territories,” each with reduced administrative powers. The moves were accompanied by a major security lockdown, including the long-term detention of leading local political figures. Seven months later, Kashmir experienced a “double lockdown” with the imposition of COVID-19-related restrictions.

In early 2021, 4G internet service was restored in the Valley after 18 months (2G service had been restored in March 2020 after more than six months of full internet shutdown). Reports indicate that the internet shutdowns cost the Kashmiri economy \$4.2 billion.¹⁴³ Numerous Members of Congress have issued criticisms of India’s actions.¹⁴⁴ The UN Human Rights Commission is among those bodies continuing to criticize Delhi’s moves in Kashmir as discriminatory and repressive. Analysts note a general reduction in militancy in the Valley since mid-2019 while continuing to characterize the “new normal” there as a depressed economy and an increased sense of alienation among the populace.¹⁴⁵ In June 2021, Prime Minister Modi met with 14 mainstream Kashmiri political leaders from 8 regional parties who sought discussions on future elections and restoration of statehood. It was the Indian leader’s first formal meeting with local Kashmiri political figures in more than two years.¹⁴⁶

A New India-Pakistan Détente in 2021? On February 25, 2021, two years after the Pulwama crisis, the Indian and Pakistani militaries issued a surprise Joint Statement reaffirming their mutual commitment to a cease-fire agreement for the LOC originally made in 2003, and agreeing “to address each other’s core issues and concerns which have propensity to disturb peace and lead to violence.” A rare conciliatory note came from Pakistan’s powerful army chief later in February, when he called on the two countries to “bury the past” and initiate cooperative engagement. Yet he also placed an onus on New Delhi to “create a conducive environment,” especially with regard

Strategic Stability,” *Strafasia* (London, online), February 26, 2020.

¹⁴⁰ The assessment continues, “Under the leadership of Prime Minister Modi, India is more likely than in the past to respond with military force to perceived or real Pakistani provocations, and heightened tensions raise the cost of conflict between the two nuclear-armed neighbors, with violent unrest in Kashmir or a militant attack in India being potential flashpoints” (see the ODNI’s April 9, 2021, report at <https://go.usa.gov/xHpQn>).

¹⁴¹ See also CRS Report R45877, *Kashmir: Background, Recent Developments, and U.S. Policy*, by K. Alan Kronstadt.

¹⁴² “U.S. and India, Trying to Reconcile, Hit Bump,” *New York Times*, March 22, 2000; “Kashmir Emerges as Flashpoint Among 3 Nuclear Powers,” *Nikkei Asia* (Tokyo), December 21, 2020.

¹⁴³ “India Restoring Fast Mobile Internet in Kashmir After 18 Months,” *Reuters*, February 5, 2021; “The 550-Day 4G Blackout Cost Kashmir’s Economy \$4.2 Billion,” *Quartz India* (online), February 8, 2021.

¹⁴⁴ See CRS Report R45877, *Kashmir: Background, Recent Developments, and U.S. Policy*, by K. Alan Kronstadt.

¹⁴⁵ “UN Experts Say Jammu and Kashmir Changes Risk Undermining Minorities’ Rights, United Nations Office of the High Commissioner for Human Rights, February 18, 2021 at <https://tinyurl.com/4yjzvpz8>; Ayjaz Wani, “Perspectives on the ‘New Normal’ in Kashmir, Observer Research Foundation (Delhi), March 21, 2021.

¹⁴⁶ “India’s Modi Discusses Kashmir Elections in First Talks Since Autonomy Revoked,” *Reuters*, June 24, 2021.

to Indian-held Kashmir.¹⁴⁷ Subsequent reporting revealed that the United Arab Emirates had been brokering months of “secret talks” since late 2020, with the cease-fire reportedly being the first of several planned steps toward a reinvigorated India-Pakistan peace process. Next steps would include reinstatement of ambassadors in respective capitals then, crucially, resumption of trade relations and negotiations toward a resolution on Kashmir.¹⁴⁸

U.S. Approach to India-Pakistan Tensions. U.S. policy seeks to prevent conflict between India and Pakistan from escalating while supporting the U.S.-India strategic partnership that has been underway since 2005. During the final years of the Obama Administration, U.S. relations with South Asia’s two nuclear-armed powers were on fairly clear, and starkly contrasting, trajectories. Extensive and positive engagement with India continued the bilateral “strategic partnership” launched in 2005, while U.S. relations with Pakistan were increasingly clouded by mutual frustration and distrust, along with a dramatic decrease in previously fulsome levels of U.S. foreign assistance. The Trump Administration broadly adopted its predecessor’s approach to India, making New Delhi an anchor of its Indo-Pacific strategy. The Trump Administration simultaneously took a harder line toward Pakistan (nominally still a “Major Non-NATO Ally” of the United States) that included a blanket “suspension” of security aid to that country, a punitive step linked to perceptions that Pakistan had failed to effectively combat anti-Afghan and anti-India militants based on its soil. Many analysts saw the Trump Administration acting mostly as a bystander to the Pulwama aftermath, arguably the worst South Asia crisis in decades, although some considered the relatively subdued U.S. posture to be reflective of Washington’s ongoing strategic shift toward India.¹⁴⁹ The United States expresses solidarity with India in its fight against terrorism, and Washington continues to pressure the Islamabad government to decisively end the use of Pakistani territory by terrorist groups.¹⁵⁰ The long-standing U.S. position on Kashmir is that the issue should be resolved between India and Pakistan while taking into account the wishes of the Kashmiri people.¹⁵¹

India-Russia Relations and CAATSA Legislation

Despite its long-held non-alignment policy, India maintained close and friendly relations with the Soviet Union, which was a key benefactor of India until the Soviet Union’s 1990 dissolution. Since that time, Russia has remained a crucial source of India’s defense hardware, although India’s purchases from Russia as a proportion of all arms imports have declined in recent years.¹⁵²

¹⁴⁷ See the February 25, 2021, Joint Statement at <https://tinyurl.com/nk97f5w>; Gen. Bajwa quoted in “Pakistan Army Chief Says ‘It Is Time to Bury the Past’ with India,” *Al Jazeera* (Doha), March 19, 2021.

¹⁴⁸ “UAE Brokering Secret India-Pakistan Peace Roadmap: Officials,” *Al Jazeera* (Doha), March 22, 2021; “Through a Backchannel, Steps Forward,” *Hindu* (Chennai), April 12, 2021; “India, Pakistan Held Secret Talks to Try to Break Kashmir Impasse,” *Reuters*, April 14, 2021.

¹⁴⁹ “With Trump Silent, No ‘Sheriff’ in Town on Pakistan-India Crisis, Diplomats Say,” NBC News (online), March 6, 2019; “The Trump Administration and the Indo-Pakistan Crisis,” *Economist* (London), March 7, 2019.

¹⁵⁰ The most recent session of the U.S.-India Counter Terrorism Joint Working Group produced a Joint Statement reading, “The two sides underlined the urgent need for Pakistan to take immediate, sustained, and irreversible action to ensure that no territory under its control is used for terrorist attacks.... The U.S. reiterated its support for the people and government of India in the fight against terrorism” (see the September 11, 2020, statement at <https://go.usa.gov/xHAnv>).

¹⁵¹ See, for example, a July 22, 2019, State Department tweet at https://twitter.com/state_sca/status/1153444051368239104?lang=en.

¹⁵² Over the past 20 years (2001-2020), about 67% of India’s defense imports came from Russia (in dollar value). However, from 2016 to 2020, Russia accounted for 49% of Indian defense imports (see the SIPRI database at <http://armstrade.sipri.org/armstrade/page/values.php>; see also Sieman Wezeman, et al., “Developments Among the

In April 2021, India's external affairs minister lauded India's "Special and Privileged Strategic Partnership with Russia" as "uniquely strong and steady."¹⁵³ Many in New Delhi view Russia as a reliable ally that provides India with military equipment and technologies denied to it by Western suppliers, and that has broadly aligned itself with India's regional policies.¹⁵⁴ Yet Russia's recent diplomatic outreach to key Indian rivals China and Pakistan has led to some disquiet in India. Increased Sino-Russian coordination has the potential to complicate India's foreign policy, especially when it is framed as a counter to U.S. influence in the region. Russia is in this sense a key factor in India's China policy: from New Delhi's perspective, Moscow-Beijing rivalry can help to preclude potential Chinese hegemony in Asia.¹⁵⁵ Meanwhile, recent Russian outreach to Pakistan—including high-level visits and unprecedented arms sales—may cause alarm for Indian leaders.¹⁵⁶

India's plan to purchase Russian-made S-400 air defense systems, in progress since 2016, has the potential to trigger U.S. sanctions on India under Section 231 of the Countering America's Adversaries Through Sanctions Act (CAATSA, P.L. 115-44), which targets "significant transactions" with Russia's defense or intelligence sectors. In 2018, Congress passed legislation permitting the President to waive CAATSA sanctions, but the conditions are fairly stringent.¹⁵⁷ Indian planners appear to have concluded that alternatives to the S-400 offered by Washington—the Patriot and THAAD systems—lack the purported range and versatility of the Russian equipment.¹⁵⁸ Despite a trend away from Russian arms imports, India in late 2019 submitted \$800 million toward the full \$5.4 billion contract for S-400 systems.¹⁵⁹ It also entered a new \$3.1 billion contract for indigenous production of 464 Russian-designed T-90S tanks that are likely to rely on Russian-built engines.¹⁶⁰ Recent press reports indicate that New Delhi is going "full steam ahead" with S-400 purchases—the first deliveries are set for autumn 2021, to be completed by early 2023—and that U.S. officials privately tell their Indian interlocutors that a Section 231 waiver may not be forthcoming.¹⁶¹

Recipients of Major Arms, 2015-19," *SIPRI Yearbook* 2020).

¹⁵³ See the External Affairs Ministry's April 7, 2021, transcript at <https://tinyurl.com/3ufp4rre>.

¹⁵⁴ Sushant Singh, "The New Non-Alignment" (op-ed), *Indian Express* (Mumbai), October 12, 2018; Manoj Joshi, "Still Best Friends: India Cannot Simply Abandon Russia" (op-ed), *Times of India* (Delhi), October 13, 2018; Nandan Unnikrishnan, "Bridge the Geopolitical Distance With Russia," Observer Research Foundation (New Delhi), February 16, 2021.

¹⁵⁵ C. Raja Mohan, "India and the Sino-Russian Alliance" (op-ed), *Indian Express* (Mumbai), June 11, 2019; Sadanand Dhume, "Moscow Isn't New Delhi's Pal" (op-ed), *Wall Street Journal*, July 23, 2020. By one account, the Trump Administration's "chaotically aggressive" China policy and "incoherent" Russia policy compelled Beijing and Moscow to grow closer, and New Delhi "cannot be locked completely out of a China-Russia embrace" (Robert Kaplan, "Here's the Real Foreign Policy Disaster That Trump Has Created for the U.S." (op-ed), *Washington Post*, October 14, 2019).

¹⁵⁶ Feroz Hassan Khan, "Russia-Pakistan Strategic Relations," *Journal of Indo-Pacific Affairs*, January 2021.

¹⁵⁷ Section 1294 of the John S. McCain National Defense Authorization Act for FY2019 (P.L. 115-232) provides waiver authority if the President certifies that a waiver is in the U.S. national security interest and that a government offered a waiver is significantly reducing the proportion of its total defense equipment produced by Russia, among other provisions. See the State Department's undated fact sheet at <https://go.usa.gov/xHXmH>.

¹⁵⁸ See Sameer Ali Khan, "The United States Has Few Good Options When It Comes to India's Plans to Purchase Russian-Made Missile Defense System," Atlantic Council, June 27, 2019.

¹⁵⁹ "India Watching US for Sanctions on Turkey," *Defense News*, December 2, 2019.

¹⁶⁰ "Russia Says in Talks to Make More Military Equipment in India," *Reuters*, April 6, 2021.

¹⁶¹ "US Curbs Looms, But India Looks to Induct Russia S-400 Systems," *Times of India* (Delhi), January 11, 2021; "India's Friction With U.S. Rises Over Planned Purchase of Russia S-400 Defense Systems," *Reuters*, January 15, 2021.

During March 2021 travel to India, U.S. Defense Secretary Lloyd Austin urged all American “allies and partners to move away from Russian equipment ... and really avoid any kind of acquisitions that would trigger sanctions on our behalf.” Just prior to the visit, the Chairman of the Senate Foreign Relations Committee, Senator Bob Menendez, sent a letter to Secretary Austin asking that he “reaffirm the Biden administration’s opposition to India’s planned purchase,” saying that such a purchase, “will clearly constitute a significant, and therefore sanctionable, transaction with the Russian defense sector under Section 231 of CAATSA.” The Senator also warned that a purchase would “limit India’s ability to work with the U.S. on development and procurement of sensitive military technology.”¹⁶² U.S. officials have expressed concerns that India’s defense trade with Russia could hinder future U.S.-India defense cooperation and lead to “technology leakage,” and that the S-400 system could compromise the operations of advanced U.S. platforms such as F-35 *Lightning II* combat aircraft.¹⁶³

Since CAATSA’s 2017 enactment, analysts have warned that not providing a waiver for India would likely exacerbate lingering doubts in New Delhi about cooperation with the U.S. regional strategy, arguing that a “collision between the United States and India [will be] inevitable—and it is likely to be deeply disruptive to the strategic cooperation that is slowly emerging when the Indo-Pacific region itself is in unsettling flux.”¹⁶⁴ India’s 2020 border conflict with China and its stronger embrace of the Quad mechanism may have eased these fears, but numerous observers continue to argue that India meets the congressional criteria for a waiver and, further, that President Biden should, if the time comes, issue such a waiver in the service of broader U.S. interests.¹⁶⁵ Some even contend that cordial India-Russia ties serve U.S. interests as a hedge against a potential Sino-Russian alliance, given the recent spike in New Delhi’s animosity toward Beijing.¹⁶⁶

Other Selected Indian Foreign Relations

Afghanistan. India designates Afghanistan as a “neighbor” based on New Delhi’s territorial claims to Pakistan-held Kashmir abutting northeastern Afghanistan, and India takes a keen interest in maintaining its “strategic partnership” with the Kabul government. India has been the largest regional contributor to Afghan reconstruction, devoting at least \$3 billion toward that

¹⁶² “Austin Hints India’s Purchase of Russian Missile System Could Trigger Sanctions,” *Politico*, March 20, 2021; see the March 17, 2021, letter at <https://go.usa.gov/xH9j9>.

¹⁶³ In late 2019, an unnamed senior State Department official articulated some of the concerns the U.S. government and defense industry have about the potential for defense co-research, co-development, and co-production with India to result in technology leakage, specifically citing Russia as a potential benefactor, calling on Indian officials to “tighten up your procurement processes, tighten up your defense technology security processes and protocols” to be better positioned as a “closer partner” of the United States (see the November 21, 2019, State Department transcript at <https://go.usa.gov/xH98h>; “Why the S-400 and the F-35 Can’t Get Along,” *Defense One* (online), July 17, 2019.).

¹⁶⁴ Ashley Tellis, “How Can U.S.-India Relations Survive the S-400 Deal?,” Carnegie Endowment for International Peace, August 29, 2018. See also Tanvi Madan, “Between a Cold War Ally and an Indo-Pacific Partner: India’s U.S.-Russia Balancing Act,” *War on the Rocks* (online), October 16, 2018.

¹⁶⁵ Todd Young, “Sanctioning India Would Spoil the Quad,” *Foreign Policy* (online), April 11, 2021; Jeff Smith, “U.S. CAATSA Sanctions and India: Waivers and Geopolitical Considerations,” Heritage Foundation, April 7, 2021; Richard Rossow and Kriti Udaphyaya, “Assessing India’s CAATSA Sanctions Waiver Eligibility,” *Diplomat* (online), February 11, 2021; Kashish Parpiani, Nivedita Kapoor, and Angad Singh, “India’s Purchase of the S-400: Understanding the CAATSA Conundrum,” Observer Research Foundation (New Delhi), February 25, 2021.

¹⁶⁶ Salvatore Babones, “America’s India Problem Is All About Russia,” *Foreign Policy* (online), February 16, 2021. Russian officials have been critical of the U.S. Indo-Pacific strategy, leading some in New Delhi to worry that Moscow may “tag along” with Chinese interests in the region (Aleksei Zakharov, “While Criticizing the Indo-Pacific, Russia Steps Up Its Presence,” Observer Research Foundation (New Delhi), February 6, 2020).

effort since 2001, and it reports successful efforts in all 34 Afghan provinces with more than 400 projects completed. Indian leaders envisage a peaceful Afghanistan that can serve as a hub for regional trade and energy flows, and New Delhi has provided “Political support for an Afghan-led, Afghan-owned, Afghan-controlled and inclusive process of peace and reconciliation.”¹⁶⁷ According to the U.S. Department of Defense, “India’s paramount concern is for a stable Afghan security environment,” and “The deterioration of security conditions in Afghanistan ... may adversely affect the ability of India to provide aid.”¹⁶⁸

Indian officials welcomed their government’s inclusion in the Biden Administration’s strategy for regional talks, especially after New Delhi found itself excluded from past regional formulations, including the U.N.’s early 2020 “6+2+1” that included Afghanistan’s “immediate neighbors” only. Yet any political settlement in Afghanistan that includes power-sharing with the Taliban is very likely to rile India, and New Delhi is wary of signs that Washington is assuming a place for the Taliban in future Afghan governance.¹⁶⁹ For skeptical Indian analysts, such an outcome would leave Pakistan as the “real winner” in any deal that “threatens to turn Afghanistan into a weak, pliable neighbor that Pakistan can influence at will.”¹⁷⁰

India and Pakistan have vigorously jockeyed for influence in Afghanistan, and high-visibility Indian targets have come under attack there, allegedly from Pakistan-based and possibly -supported militants.¹⁷¹ Indian leaders have remained deeply skeptical of an apparent U.S. reliance on Pakistani interlocutors in Afghanistan and, more recently, for the process pursued in the final year of the Trump Administration. Such unease continues, with perceptions that the United States is rushing to meet an arbitrary deadline for the announced Afghan withdrawal. In the view of many Indian planners and independent analysts, when the United States withdraws, Islamist militants in Afghanistan may soon renew violent attacks in Indian-held Kashmir, perhaps even with active support from official Pakistani elements and/or direction from the vehemently anti-India Haqqani Network.¹⁷² With U.S. military withdrawal imminent, New Delhi has engaged unprecedented contacts with Taliban figures and is seeking means to maintain influence in Afghanistan.¹⁷³

Iran. New Delhi’s relations with Tehran traditionally have been positive—India-Iran ties are marked by centuries of substantive interactions between the Indus Valley and Persian civilizations. India’s External Affairs Ministry describes recent relations as being “warm, cordial, and cooperative.”¹⁷⁴ As India has grown closer to the United States and other Western countries

¹⁶⁷ See the EAM’s “Annual Report 2020-2021” at <https://tinyurl.com/rfyxcbe3>.

¹⁶⁸ See the Pentagon’s *Enhancing Security and Stability in Afghanistan*, December 2020, at <https://go.usa.gov/x6vxd>.

¹⁶⁹ Rudra Chaudhuri and Shreyas Shende, “Dealing with the Taliban: India’s Strategy in Afghanistan After U.S. Withdrawal,” Carnegie Endowment for International Peace, June 2020; “Biden-Blinken’s New Roadmap for Afghanistan Raises Many Concerns for New Delhi,” *Hindu* (Chennai), March 9, 2021.

¹⁷⁰ Brahma Chellaney, “Global Terror and the Taliban’s Return,” *Project Syndicate*, April 6, 2021.

¹⁷¹ “Indian Embassy in Kabul Bombed,” *Wall Street Journal*, October 9, 2009; “Militants Attack Indian Consulate in Western Afghanistan,” *Reuters*, May 22, 2014.

¹⁷² “Afghan Study Group Final Report: A Pathway for Peace in Afghanistan,” U.S. Institute for Peace, February 3, 2021; “Afghanistan: India Notes US Withdrawal Plan, Remains Worried About Division Derailing Common Plan,” *Wire* (online, Delhi), April 16, 2021; Saif Khattak, “Regional Interests at Stake as Biden Announces Military Withdrawal from Afghanistan,” *Diplomat* (online, Tokyo), April 21, 2021. See also CRS Report R45122, *Afghanistan: Background and U.S. Policy: In Brief*, by Clayton Thomas.

¹⁷³ “Indian Delegation Met Taliban in Doha, Says Qatari Official,” *Hindu* (Chennai), June 21, 2021; Sushant Singh, “Afghanistan Shows the Limits of India’s Power,” *Foreign Policy*, April 22, 2021.

¹⁷⁴ See the EAM’s “Annual Report 2020-2021” at https://www.mea.gov.in/annual-reports.htm?57/Annual_Reports.

over the past two decades, however, its Iran policy has become more nuanced. This was notable with New Delhi's 2005 and 2009 International Atomic Energy Agency votes joining Western (and other) countries in censuring Iran's nuclear program, and with New Delhi's late 2010s willingness to dramatically reduce and then, in 2019, cease importation of Iranian oil in full cooperation with U.S.-led sanctions. India continues to pursue friendly relations with Iran and may wish for a thaw in U.S.-Iran relations to facilitate this effort. Recent focus has concentrated on Iran's new Arabian Sea port at Chabahar, where India has invested \$500 million since 2016. Full port operations, planned to commence in mid-2021 but apparently delayed by sanctions, could vastly improve Indian connectivity with Afghanistan and Central Asia—access that has been impeded by Pakistan. India may also underwrite part of a new rail line to connect Chabahar with Afghanistan and, in late 2020, it joined a new trilateral working group (incorporating Uzbekistan) on joint use of the port.¹⁷⁵

Burma (Myanmar). India calls Burma its “land gateway to ASEAN and a vital component of India's ‘Neighborhood First’ and ‘Act East’ policies.”¹⁷⁶ India has invested in major port and highway projects in Burma and, in recent decades, New Delhi has sought to balance India's democratic ideals with perceived interests in the stability of its northeastern states. Indian concerns about China's influence in Burma also have contributed to New Delhi's relative caution in criticizing Burmese military leaders.¹⁷⁷ India has cooperated with and supported the Burmese military (Tatmadaw) in battling Indian separatist militants who operated out of Burmese territory. New Delhi responded to the February 2021 Burmese military coup with an expression of “deep concern,” saying, “India has always been steadfast in its support to the process of democratic transition in Myanmar. We believe that the rule of law and the democratic process must be upheld.”¹⁷⁸ Among those Burmese who have sought refuge in India's remote northeast are hundreds of policemen and at least a dozen parliamentarians; the latter group reportedly may seek New Delhi's blessing for a nascent parallel Burmese government-in-exile.¹⁷⁹ This could create a quandary for Indian leaders, although there may be a shift underway in New Delhi toward a firmer stance on democratic restoration in Burma.

¹⁷⁵ “India Likely to Start Full Operations at Iran's Chabahar Port by May End,” *Reuters*, March 5, 2021; “Chabahar Port Crane Tender Finds No Takers Due to Sanctions,” *Business Line* (Chennai), June 20, 2021; see the December 14, 2020, External Affairs Ministry release at <https://tinyurl.com/ydbxmvjt>; “Months After Starting Chabahar Rail Project Without India, Iran Seeks Equipment,” *Hindu* (Chennai), November 7, 2020. See also CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman.

¹⁷⁶ See the EAM's “Annual Report 2020-2021” at https://www.mea.gov.in/annual-reports.htm?57/Annual_Reports.

¹⁷⁷ “With Myanmar's Military Coup, the Tightrope Between Idealism and Realpolitik Returns for New Delhi,” *Hindu* (Chennai), February 1, 2021; “India's Silence Toward Myanmar Shows Its Wariness of China,” *Nikkei Asia* (Tokyo), February 25, 2021. See also Constantino Xavier, “India's Long Game With the Generals” (op-ed), *Hindustan Times* (Delhi), February 4, 2021.

¹⁷⁸ See the EAM's February 1, 2021, release at <https://tinyurl.com/3je3tfnj>. This message was reiterated in March when India joined its Quad partners in issuing a Joint Statement that read, “As long-standing supporters of Myanmar and its people, we emphasize the urgent need to restore democracy and the priority of strengthening democratic resilience” (see the March 12, 2021, Joint Statement at <https://tinyurl.com/4ckksjtz>).

¹⁷⁹ “The Secret Network Helping Hundreds of Myanmar Police Flee to India,” *Reuters*, March 25, 2021; “From Remote Part of India, Myanmar's Ousted Lawmakers Work on Challenging Junta,” *Reuters*, April 15, 2021.

U.S.-India Health Cooperation and COVID-19¹⁸⁰

Health Programs

According to the U.S. Department of State, the United States and India have historically cooperated on a variety of issues including public health and global health security.¹⁸¹ Since the 1990s, U.S. foreign assistance to India has decreased as India's GDP has increased. Currently, bilateral cooperation on biomedical research and infectious disease prevention and control occurs through both direct technical support and funding from the U.S. Centers for Disease Control and Prevention (CDC) and United States Agency for International Development (USAID), for tuberculosis (TB), HIV/AIDS, other infectious disease threats, and maternal and child health.¹⁸²

TB and Other Infectious Diseases. In 2012, the U.S. CDC and India's National Centre for Disease Control (NCDC) established the India Epidemic Intelligence Service, a field program to train epidemiologists in evaluating disease surveillance systems (which, according to the CDC, has increased capacity to diagnose and treat multidrug-resistant TB) and investigate outbreaks.¹⁸³ The CDC also trains NCDC public health workers on a variety of laboratory systems strengthening techniques intended to prevent infectious disease, such as transport of dangerous pathogens, quality management of diagnostic tests, and biosecurity measures.¹⁸⁴ USAID also supports India's efforts to combat infectious disease threats, through implementing partners as well as direct engagement with the Government of India (GOI). USAID is a partner in India's "Call to Action for a TB-Free India" campaign, to reduce stigma against TB and increase testing and treatment.¹⁸⁵

HIV/AIDS. The U.S. CDC established a branch office in India in 2001, and works closely with India's Ministry of Health and Family Welfare (MHFW) on HIV/AIDS prevention and control.¹⁸⁶ Implementation of U.S. CDC and USAID programming on HIV/AIDS is carried out through the President's Emergency Plan for AIDS Relief (PEPFAR).¹⁸⁷

Maternal and Child Health Programs. USAID provides funding for maternal and child health initiatives in India, with the goal of ending preventable maternal deaths.¹⁸⁸ These initiatives include increasing access to skilled health providers, institutionalizing birth and delivery, and expanding access to child immunizations.¹⁸⁹

¹⁸⁰ This section written by Sara M. Tharakan, Analyst in Global Health and International Development.

¹⁸¹ U.S. Department of State, *U.S. Relations With India*, Bilateral Relations Fact Sheet, January 20, 2021. USAID, *India: Partnerships for Health*, April 4, 2021. U.S. Department of State, *Map of Health: India*, Foreign Aid Explorer, April 2, 2021.

¹⁸² CDC, *Global Health—India*, "Where We Work," February 17, 2021.

¹⁸³ *Ibid.*

¹⁸⁴ *Ibid.*

¹⁸⁵ USAID, *Treating India's Tuberculosis Epidemic*, May 21, 2020. USAID, *Foreign Aid Explorer*, "India: 2019 Obligations," February 25, 2021. USAID, *India Country Profile*, March 18, 2021.

¹⁸⁶ *Ibid.*

¹⁸⁷ CDC, *Global Health—India*, "Where We Work," February 17, 2021.

¹⁸⁸ USAID, *Foreign Aid Explorer*, "India: 2019 Obligations," February 25, 2021. USAID, *More Mothers and Newborns Survive Delivery in India*, May 21, 2020.

¹⁸⁹ *Ibid.*

COVID-19

India is facing an ongoing COVID-19 crisis. Beginning in March 2021, a massive second wave of infections overwhelmed health systems in the country. Most hospitals in major urban centers, such as Mumbai and Delhi, do not have adequate oxygen supplies and related equipment to produce liquid oxygen. Many are facing shortages of other crucial supplies. The large number of infections is likely due to a combination of factors, including several events leading to outbreaks. The Kumbh Mela, a Hindu religious festival, drew millions of maskless attendees to the north Indian city of Haridwar in April. Elections and related rallies conducted in several states also led to large groups congregating without masks or physical distancing.¹⁹⁰ Additionally, a COVID-19 variant first identified in northeastern India in late 2020, B.1.617, may have genetic mutations that make it more infectious and deadly.¹⁹¹

After initially instituting strict nationwide lockdown measures in 2020, Prime Minister Modi declared victory over COVID-19, and lifted many restrictions in late 2020. According to press reports, Prime Minister Modi did not convene his COVID-19 task force in from January to April 2021, and officials in the Modi government reportedly dismissed warnings from scientific advisors that India had not reached herd immunity. These actions, such as lack of planning to scale up oxygen production, left the government and public healthcare system unprepared for the second wave.¹⁹² Critics contend the ruling BJP has been focused on holding political rallies and downplaying the severity of the country's outbreak rather than responding to the pandemic.¹⁹³ As a result of these developments, approval ratings for PM Modi have dropped from approximately 75% to 63%.¹⁹⁴ The Prime Minister has resisted calls for a second nationwide lockdown, after the first, abruptly instituted lockdown in March 2020 contributed to sending India's economy into a recession.¹⁹⁵

As of June 30, 2021, health officials reported just under 400,000 deaths and over 30 million infections. Due to limited testing and challenges in recordkeeping, official statistics likely undercount COVID-19 deaths and infections. Experts have modeled various scenarios reflecting other estimates of infection and fatality rates and have calculated a likely estimate of approximately 1.6 million deaths and 539 million cases as of May 2021.¹⁹⁶ According to epidemiologists, the reasons for the undercount of cases and deaths include lack of diagnostic testing, at-home deaths which are not included in official counts, but are common in rural areas, and stigma around COVID-19.¹⁹⁷ These difficulties are compounded by decades of underinvestment in health systems. India currently spends roughly 1.25% of GDP on health care.

¹⁹⁰ Geeta Pandey, "India COVID: Kumbh Mela Pilgrims Turn into Super-Spreaders," *BBC News*, May 10, 2021.

¹⁹¹ Dibyangshu Sarkar, "Indian COVID-19 Variant (B.1.617)," *The New Scientist*, April 2020.

¹⁹² Jeffrey Gettleman, Hari Kumar, and Karan Deep Singh, et al., "India's Covid-19 Crisis Shakes Modi's Image of Strength," *New York Times*, May 13, 2021. Lauren Frayer, "'This Government Has Failed Us': Anger Rises in India over PM Modi's COVID Response," *NPR*, May 11, 2021.

¹⁹³ Atif Choudhury, "India's Public Health Collapse Is a Ticking Time Bomb for the Whole Region," *The Diplomat*, April 27, 2021.

¹⁹⁴ "PM Modi's Rating Falls to New Low as India Reels from Covid-19," *Reuters*, May 18, 2021.

¹⁹⁵ Aditi Sangal, "Calls Are Growing for Another Nationwide India Lockdown. That's Not Realistic," *CNN*, May 17, 2021.

¹⁹⁶ WHO, *Situation Report 69*, "India Situation Update," June 30, 2021. Lazaro Gamio and James Glanz, "Just How Big Could India's True Covid Toll Be?," *New York Times*, May 25, 2021.

¹⁹⁷ Jeffrey Gettleman, Hari Kumar, and Karan Deep Singh, et al., "India's Covid-19 Crisis Shakes Modi's Image of Strength," *New York Times*, May 13, 2021.

By comparison, the United States spends roughly 20% of GDP on healthcare.¹⁹⁸ The second COVID-19 wave initially overwhelmed cities, including Mumbai and Delhi, but the disease spread rapidly to rural areas.¹⁹⁹ Health experts fear exponentially higher morbidity and mortality rates in rural areas, which have less health infrastructure and fewer resources to respond to the pandemic (including a shortage of healthcare workers, hospital beds, ventilators, and oxygen supplies).²⁰⁰

U.S. Government and International Response. On April 28, 2021, the Biden Administration announced it would deliver COVID-19 mitigation supplies to India, including oxygen cylinders and related equipment, personal protective equipment (PPE), and vaccine manufacturing supplies.²⁰¹ The Biden Administration has also announced donations of up to 80 million COVID-19 vaccine doses globally, though the Administration has not specified which countries will receive these doses.²⁰² Aid from other countries, corporations, and nongovernmental organizations (NGOs) has also begun to flow into India to address the COVID-19 crisis. India's extensive diasporic communities have also reportedly mobilized to provide aid.²⁰³ Amendments to laws governing foreign donations have reportedly hindered foreign aid to local NGOs working to combat COVID-19. Critics also point out that these amendments may potentially aid in funneling donations to extremist Hindu nationalist groups associated with Prime Minister Modi.²⁰⁴ The extra bureaucratic obstacles associated with new regulations have reportedly held up relief supplies (purchased with funds originating outside of India) at airports and ports throughout India, and prevented local charities from accessing foreign donations.²⁰⁵

Long-Term U.S.-India Cooperation on COVID-19. The U.S. government and GOI have discussed continued cooperation on the public health priorities discussed above, while expanding cooperation to include COVID-19 prevention and control.²⁰⁶ On March 12, 2021, Australia, India, Japan, and the United States agreed to distribute 1 billion COVID-19 vaccines to Southeast Asia through the "Quad" partnership.²⁰⁷ Some foreign policy analysts observe that the agreement builds on strengths of each country, including the ability of Australia, Japan, and the United States to pay for vaccine procurement and India's pharmaceutical production abilities.²⁰⁸ India is one of

¹⁹⁸ World Bank, *Current Health Expenditure (% of GDP)*, 2018.

¹⁹⁹ Tanvi Mehta and Shilpa Jamkandikar, "COVID-19 Spreads to Rural India, Villages Ill-Equipped to Fight It," *Reuters*, May 6, 2021.

²⁰⁰ "Global Concern Grows as COVID-19 Variant Ravages Rural India," *Reuters*, May 13, 2021.

²⁰¹ The White House, *FACT SHEET: Biden-Harris Administration Delivers Emergency COVID-19 Assistance for India*, April 28, 2021.

²⁰² The White House, *FACT SHEET: Biden-Harris Administration is Providing at Least 80 million COVID-19 Vaccines for Global Use, Commits to Leading a Multilateral Effort Toward Ending the Pandemic*, May 17, 2021.

²⁰³ Sudhin Thanawala, "On the Ground and Afar, Diaspora Boosts India's Virus Fight," *AP News*, May 6, 2021.

²⁰⁴ Anupreeta Das, "India's Strict Rules on Foreign Aid Snarl Covid Donations," *New York Times*, May 13, 2021.

Raqib Hameed Naik, "Hindu Right-Wing Groups in US Got \$833,000 of Federal COVID Fund," *Al Jazeera*, April 2, 2021. Vidhi Doshi, "India Accused of Muzzling NGOs by Blocking Foreign Funding," *The Guardian*, November 24, 2016. Human Rights Watch, "India: Government Policies, Actions Target Minorities," February 19, 2021. Bill Bostock, "A Recently-Imposed Law in India is Preventing Local Charities from Accessing Foreign Donations, As the Country Keeps Struggling with COVID-19," *Business Insider*, May 13, 2021.

²⁰⁵ *Ibid.*

²⁰⁶ USAID, *Bolstering India's Response to COVID-19*, April 5, 2021. Lalit Jha, "U.S. Says It Looks Forward to 'Overarching' MoU to Enhance Health Cooperation with India," *Outlook India*, February 23, 2021.

²⁰⁷ Michelle Kelemen, "Quad Leaders Announce Effort to Get 1 Billion COVID-19 Vaccines to Asia," *NPR*, March 12, 2021.

²⁰⁸ See for example, comments by Dr. Tanvi Madan, Director—The India Project, Brookings Institution, in NPR interview: Michelle Kelemen, "Quad Leaders Announce Effort to Get 1 Billion COVID-19 Vaccines to Asia," *NPR*,

the world's largest suppliers of pharmaceuticals to low- and middle-income countries (LMICs), and supplies the majority of Active Pharmaceutical Ingredients (APIs) to U.S. drug manufacturers.²⁰⁹ India's manufacturing capabilities have proven central in the supply chains for certain COVID-19 vaccines, such as the Oxford-AstraZeneca vaccine, which is being manufactured in India by the Serum Institute of India (SII) under the name Covishield.²¹⁰ SII is contracted to export 1 billion doses of COVID-19 vaccines by the end of 2021, through COVAX, the global vaccine procurement accelerator led by the World Health Organization, the Coalition for Epidemic Preparedness Innovation, and Gavi, the Vaccine Alliance.²¹¹ India's domestic crisis has caused vaccine delivery delays to countries receiving doses through COVAX, contributing to a global shortfall of nearly 200 million doses.²¹² On May 18, 2021, SII announced it would not restart deliveries to COVAX until the end of 2021, raising questions about COVAX's ability to deliver promised doses to LMICs.²¹³

U.S. Immigration Policy²¹⁴

U.S. immigration policies, especially those related to the H-1B nonimmigrant visa²¹⁵ (for temporary workers in specialty occupations), are watched closely in India.²¹⁶ Indians accounted for 70% of all H-1B visas in FY2019 and 14% of employment-based permanent visas issued by the United States in FY2019.²¹⁷ Additionally, more than 200,000 students from India attended U.S. universities during the 2018-2019 school year, second in number only to students from China.²¹⁸ Indian firms with operations in the United States account for a large share of employers hiring H-1B workers: among the top 20 companies for approved petitions in FY2017, seven were

March 12, 2021.

²⁰⁹ Mordor Intelligence, *Active Pharmaceutical Ingredients (API) Market—Growth, Trends, COVID-19 and Forecasts (2021-2026)*, 2021.

²¹⁰ Serum Institute of India, *ChAdOx1-nCoV-19 Coronavirus Vaccine (Recombinant) COVISHIELD: Fact Sheet*, 2021.

²¹¹ "Covishield and Covaxin: What We Know About India's Covid-19 Vaccines," *BBC*, March 9, 2021. COVAX intends to supply COVID-19 vaccine doses for at least 20% of the populations of 92 LMICs. See CRS Report R46633, *COVID-19 Vaccines: Global Health Issues*, coordinated by Sara M. Tharakan, and CRS In Focus IF11796, *Global COVID-19 Vaccine Distribution*, coordinated by Sara M. Tharakan for more information.

²¹² UNICEF, *The COVAX Facility Will Deliver Its 65 Millionth Vaccine Dose This Week. It Should've Been at Least Its 170 Millionth. The Time to Donate Excess Doses Is Now*, May 17, 2021.

²¹³ Serum Institute of India, "Media Statement 18.05.2021," press release, May 18, 2021.

²¹⁴ This section written by William A. Kandel, Analyst in Immigration Policy, and Jill H. Wilson, Analyst in Immigration Policy.

²¹⁵ Nonimmigrant visas are issued to foreign nationals who have been admitted to the United States temporarily and for a specific purpose (e.g., tourists, students, temporary workers, and diplomats). Immigrant visas (also known as lawful permanent resident (LPR) status) are issued to foreign nationals who have been admitted to the United States to reside permanently. For more information see CRS Report R45040, *Immigration: Nonimmigrant (Temporary) Admissions to the United States*, and CRS Report R42866, *Permanent Legal Immigration to the United States: Policy Overview*.

²¹⁶ See, for example, "Relief for Indian Companies as Biden Admin Removes Trump-Era Rule Restricting H-1B Applications," *Economic Times* (Delhi), May 20, 2021.

²¹⁷ U.S. Department of State, "Nonimmigrant Visa Issuances by Visa Class and by Nationality," available at <https://go.usa.gov/x6HfF>; and U.S. Department of Homeland Security, *Yearbook of Immigration Statistics FY2019*, Table 10. During FY2020, a year in which data were affected by the COVID-19 pandemic, 76% of H-1B visas were issued to Indian nationals, but the number of applications was less than half of that during the previous year.

²¹⁸ Institute of International Education, *Open Doors 2019 Report*, 2019.

either headquartered in India or were subsidiaries of Indian companies, and several of the U.S.-based companies had a strong presence in India.²¹⁹

Reforming the H-1B visa program has been of interest to Congress for many years.²²⁰ Some Members are concerned that employers hiring H-1B nonimmigrants are displacing U.S. workers, and that U.S. workers have insufficient protections. Others argue that the demand for H-1B nonimmigrant workers is justified because there are not enough qualified U.S. workers to fill open positions, thereby hindering U.S. economic competitiveness. Those concerned about fraud and abuse within the H-1B visa program have cited a need for more stringent requirements for employers, the closing of perceived legislative “loopholes” that may disadvantage American workers, and increased oversight and investigative authority for relevant agencies, such as the Department of Labor (DOL).²²¹

The Trump Administration took measures to address concerns about the program. One result of these measures was an increase in denials of employer petitions for H-1B workers, from 6% in FY2015 to 33% in FY2019.²²² On the whole, India’s IT-sector companies experienced larger increases in denial rates than U.S.-based companies.²²³ In June 2020, citing the high unemployment rate resulting from public health measures to reduce the spread of COVID-19, then-President Trump suspended the entry of H-1B and other temporary workers to the United States.²²⁴ The Biden Administration did not rescind this proclamation, and the suspension expired in March 2021.

Another issue of interest to Indians relates to work authorization for spouses of H-1B workers who are in the process of obtaining U.S. lawful permanent resident (LPR) status (i.e., a “green card”). Indian nationals account for 93% of all approved applications for employment authorization for H-1B spouses.²²⁵ The Trump Administration threatened to rescind work eligibility for H-1B dependent spouses, but did not issue regulations to do so. The Biden Administration subsequently withdrew the plan from its regulatory agenda. This issue has received extensive coverage in the Indian press.²²⁶ More recently, concerns have been raised over delays in the processing of work authorization and visa renewals for H-1B spouses.²²⁷ Many H-

²¹⁹ Sarah Pierce and Julia Gelatt, *Evolution of the H-1B: Latest Trends in a Program on the Brink of Reform*, Migration Policy Institute, Washington, DC, March 2018, <https://www.migrationpolicy.org/research/evolution-h-1b-latest-trends-program-brink-reform>.

²²⁰ For more information, see CRS Report R43735, *Temporary Professional, Managerial, and Skilled Foreign Workers: Policy and Trends*.

²²¹ For example, see Daniel Costa and Ron Hira, *H-1B Visas and Prevailing Wage Levels*, Economic Policy Institute, May 4, 2020; Ron Hira and Bharath Gopalaswamy, *Reforming US’ High-Skilled Guestworker Program*, The Atlantic Council, January 2019; and Editorial Board, “Workers Betrayed by Visa Loopholes,” *New York Times*, June 15, 2015.

²²² Data were analyzed through the second quarter of FY2019. See National Foundation for American Policy, *H-1B Denial Rates: Analysis of H-1B Data for First Two Quarters of FY2019*, NFAP Policy Brief, August 2019.

²²³ *Ibid.*

²²⁴ For more information, see CRS Insight IN11435, *COVID-19-Related Suspension of Nonimmigrant Entry*.

²²⁵ Women (of all nationalities) received 93% of approved applications for such employment authorization, leading some to argue against rescinding the rule on the basis of gender equity. For more information on the H-4 employment issue, see CRS Report R45176, *Work Authorization for H-4 Spouses of H-1B Temporary Workers: Frequently Asked Questions*.

²²⁶ See, for example, “Huge Relief for Spouses of H-1B Workers, Biden Nixes Trump Plan to Kill H-4 Work Permits,” *Times of India* (Delhi), January 27, 2021.

²²⁷ See, for example, Stuart Anderson, “USCIS Taking Two Years to Process Many Applications for H-1B Spouses,” *Forbes*, February 9, 2021. To address processing delays, USCIS announced in May 2021 a two-year suspension of the biometrics requirement for H-1B workers’ spouses applying to extend their status and work authorization. See United States Citizenship and Immigration Services, “USCIS Temporarily Suspends Biometrics Requirements for Certain

1B visa holders eventually apply for employment-based LPR status, making the H-1B visa a primary mechanism for Indians to immigrate permanently to the United States. As a result, U.S. policies related to permanent immigration are also of interest to India. Of particular concern are the long wait times for Indian nationals who have been approved for employment-based LPR status but must wait for a numerically limited employment-based visa to become available. The long wait times are due, in part, to the *per-country ceiling*, the limitation in U.S. immigration law preventing any one country from receiving more than 7% of such visas in a given year. Countries with large numbers of applicants—including China, the Philippines, and India—thus have the longest wait times to receive a green card. Some Members of Congress have repeatedly proposed raising or eliminating the 7% per-country ceiling. This would reduce wait times for Indian and Chinese nationals (among others) and eventually equal the wait times to receive employment-based LPR status for petitioners from all countries. Those in support of the 7% per-country cap argue that it prevents a few countries from dominating the flow of employment-based immigrants and thus preserves the diversity of such flows.²²⁸

Energy and Climate Issues

India is in recent years the world's third-largest energy consumer after China and the United States. India is also the third-largest global emitter of carbon dioxide (CO₂), despite low per capita CO₂ emissions. Energy use has doubled since 2000, with 80% of demand still being met by energy generated from coal, oil, and solid biomass. The carbon intensity of India's power sector in particular is above the global average.²²⁹ Additionally, particulate matter emissions are a major factor in air pollution, which has emerged as one of India's most sensitive social and environmental issues.²³⁰ According to the International Energy Agency (IEA), lockdowns and restrictions associated with the COVID pandemic led to a roughly 5% drop in energy demand and a 15% decrease in energy sector investment in 2020. Coal continues to account for nearly half of India's total energy consumption and about three-quarters of electricity generation. Other renewable fuel sources make up a small portion of primary energy consumption, although the capacity potential is significant for several of these resources, such as solar, wind, and hydroelectricity. Renewable energy is the second-largest source of power generation and is the fastest growing, with solar sources growing by at least 50% annually since 2013. India's expected rapid industrialization and urbanization likely will continue to create huge energy demands, perhaps most notably in the area of space-cooling.²³¹

Form I-539 Applicants," press release, May 17, 2021, at <https://www.uscis.gov/news/alerts/uscis-temporarily-suspends-biometrics-requirement-for-certain-form-i-539-applicants>.

²²⁸ For more information, see CRS Report R45447, *Permanent Employment-Based Immigration and the Per-country Ceiling*.

²²⁹ "Carbon intensity" is the amount of carbon by weight emitted per unit of energy consumed (CO₂/energy or CO₂/Btu) (see <https://www.eia.gov/environment/emissions/carbon>).

²³⁰ Data indicate that 14 of the world's 15 most-polluted cities are in India (as measured by concentrations of 2.5 micron particulate matter), and air pollution killed more Indians in 2019 than any other risk factor (see the 2020 IQAir rankings at <https://www.iqair.com/world-most-polluted-cities>; "Global Burden of 87 Risk Factors in 204 Countries and Territories, 1990-2019: A Systematic Analysis for the Global Burden of Disease Study," *Lancet* 396, October 2020).

²³¹ According to the International Energy Agency, "Over the coming years, millions of Indian households are set to buy new appliances, air conditioning units and vehicles. India will soon become the world's most populous country, adding the equivalent of a city the size of Los Angeles to its urban population each year. To meet growth in electricity demand over the next twenty years, India will need to add a power system the size of the European Union to what it has now" (IEA, *India Energy Outlook 2021*, February 2021; see also U.S. Energy Information Administration, "India," September 2020).

The IEA and other analysts expect coal to remain India's dominant energy source for at least another decade, even as its share of generation declines.²³² During the first quarter of 2021, coal's share in India's electricity generation rose to nearly 79%, the highest level in more than two years. In April, New Delhi pushed back deadlines for coal-fired power plants to adopt new emission norms by up to three years.²³³ Meanwhile, India seeks to nearly double its hydropower capacity by 2030, but lethal flash-flooding caused by Himalayan glacier collapses in early 2021 elicited calls on the Indian government to review its policy of building hydropower dams in fast-warming mountain regions.²³⁴ Washington has encouraged New Delhi to grow its solar energy sector—and reduce Indian dependence on Chinese technology—by manufacturing advanced (and less expensive) perovskite solar cells.²³⁵ By many accounts, solar power is set for explosive growth in India, matching coal's share in the Indian power generation mix within two decades or even sooner in certain energy model scenarios. At present, solar accounts for less than 4% of India's electricity generation.²³⁶

Indian leaders vow to reduce carbon emissions even as expected energy demand grows significantly. Such reductions would come largely through increased use of natural gas instead of coal, but also with plans to further expand renewable energy generation to 450 gigawatts by 2030.²³⁷ More than half of such planned expansion would come in the solar sector. The International Energy Agency contends that current clean energy momentum enables India to outperform its pledges under the Paris Agreement, and it calls India a key case for global clean energy transitions.²³⁸ Reports indicate that numerous pull factors—including declining solar power costs and record-low interest rates—will mobilize as much as \$500 billion in global capital investment in renewable energy and grid projects in India in coming years.²³⁹ New Delhi expects the country's renewable energy sector to require annual investments of \$20 billion a year, and says India's green energy sector has attracted investments of \$64 billion over the last six years.²⁴⁰ Many U.S. business interests view addressing climate change as an area ripe for U.S.-India cooperation.²⁴¹

The U.S.-India Comprehensive Global Strategic Partnership includes a Strategic Energy Partnership (SEP) established in April 2018 and with four “technical pillars”: Oil and Gas; Power and Energy Efficiency; Renewable Energy; and Sustainable Growth. The Joint Statement following the October 2020 “2+2” session lauded “significant strides” with the SEP.²⁴² Under the

²³² Rahul Tongia and Samantha Gross, *Coal in India: Adjusting to Transition*, Brookings Institution, March 8, 2019.

²³³ “Coal's Share in India's Power Mix Hits Highest in Over Two Years,” *Reuters*, April 8, 2021; “India Pushes Back Deadline for Coal-Fired Utilities to Adopt New Emission Norms,” *Reuters*, April 2, 2021.

²³⁴ “Deadly Floods in India Point to a Looming Climate Emergency in the Himalayas,” *Washington Post*, February 19, 2021; “‘No Other Option’: Deadly India Floods Bare Conflicts From Hydropower Boom,” *Reuters*, February 22, 2021.

²³⁵ “U.S. Pitches Cheaper Solar Tech to India amid High Dependence on China,” *Reuters*, October 26, 2020.

²³⁶ IEA, *India Energy Outlook 2021*, February 2021; see also U.S. Energy Information Administration, “India,” September 2020.

²³⁷ To cut its carbon emissions, India aims to raise the share of natural gas in its energy mix to 15% by 2030 from the current 6.2% (“India to Drive Global Energy Demand While Cutting Emissions: Modi,” *Reuters*, October 26, 2020).

²³⁸ IEA, *India Energy Outlook 2021*, February 2021.

²³⁹ Tim Buckley and Saurabh Trivedi, *Capital Flows Underpinning India's Energy Transformation*, Institute for Energy Economics and Financial Analysis, February 2021.

²⁴⁰ “India's PM Modi Sees \$20bn Annual Investment in Green Energy Sector,” *Reuters*, November 26, 2020.

²⁴¹ See, for example, “2021 to Provide Important Opportunities to Broaden India-US Relationship: Biswal,” *Economic Times* (Delhi), December 25, 2020.

²⁴² See the October 27, 2020, Joint Statement at <https://go.usa.gov/xHj26>.

Trump Administration, U.S. government efforts were largely focused on boosting U.S. sales of oil and, especially, liquid natural gas to India.²⁴³ A July 2020 meeting of the SEP produced a Joint Statement indicating that both sides are working to “advance the development, deployment, and integration of renewable energy and expand access to finance for renewable energy projects; and reduce market barriers to energy trade and investment,” among other initiatives.²⁴⁴

According to the U.S. Department of Energy, the primary goal of the SEP’s “Renewable Energy Pillar” has been to support “the development and deployment of affordable, green, clean, reliable and sustainable energy technologies to enhance equitable economic development,” with the generation of public-private financing for India’s renewable energy sector as a “key focus.”²⁴⁵ Following March 2021 talks with U.S. Energy Secretary Jennifer Granholm, India’s government aired its plans to revamp the SEP to focus on greater collaboration in cleaner energy sectors such as biofuels and hydrogen production.²⁴⁶

In April 2021, the U.S. Special Presidential Envoy for Climate, John Kerry, praised India as a world leader in renewables as he began talks with Indian leaders aimed at reducing carbon emissions faster to slow global warming, saying, “India is getting the job done on climate, pushing the curve,” and is “indisputably a world leader already in the deployment of renewable energy.”²⁴⁷ During Kerry’s New Delhi visit, he and Prime Minister Modi

affirmed that given the two nations’ shared desire to combat climate change and complementary strengths, the United States and India can creatively collaborate on a 2030 agenda for clean and green technologies in the service of the planet. Officials of the two countries will pursue ways in which they can deepen their partnership on climate and clean energy in this critical decade.... There was broad consensus on the value of enhanced bilateral cooperation across multiple areas, including mobilizing finance to support clean energy deployment at scale; cooperating on adaptation and resilience; and collaborating on innovation and scaling up emerging technologies for energy storage, green hydrogen, clean industrial processes, and sustainable urbanization and agriculture.²⁴⁸

President Biden invited 40 world leaders to a late-April 2021 Leaders Summit on Climate, with Prime Minister Modi among the invitees. A resulting fact sheet offered that the U.S.-India Climate and Clean Energy Agenda 2030 Partnership “will elevate ambitious climate action as a core theme of U.S.-India collaboration and support the achievement of India’s ambitious targets.” The Partnership aims to

mobilize finance and speed clean energy deployment; demonstrate and scale innovative clean technologies needed to reduce greenhouse gas emissions across sectors including industry, transportation, power, and buildings; and build capacity to measure, manage, and adapt to the risks of climate-related impacts.²⁴⁹

In September 2020, the then-Ranking Member of the Senate Foreign Relations Committee, Senator Bob Menendez, introduced the Prioritizing Clean Energy and Climate Cooperation with

²⁴³ According to the outgoing U.S. Ambassador, this was meant to help India “diversify its energy sources.” By 2019, India had become the largest export destination for U.S. coal, the fourth-largest destination for U.S. crude oil, and the seventh-largest destination for U.S. liquefied natural gas (Kenneth Juster, “US-India: Ambition & Achievement” (op-ed), *Times of India* (Delhi), January 4, 2021).

²⁴⁴ See the July 17, 2020, SEP Joint Statement at <https://go.usa.gov/xHjTA>.

²⁴⁵ See the Energy Department’s “Highlights 2019-2020” fact sheet at <https://go.usa.gov/xHjbD>.

²⁴⁶ See the March 29, 2021, Indian government release at <https://pib.gov.in/PressReleasePage.aspx?PRID=1708324>.

²⁴⁷ “U.S. Climate Envoy Kerry Says India Is ‘Getting Job Done’ on Climate,” *Reuters*, April 6, 2021.

²⁴⁸ See the State Department’s April 8, 2021, release at <https://go.usa.gov/xHj25>.

²⁴⁹ See the April 23, 2021, White House fact sheet at <https://go.usa.gov/x6dDx>.

India Act of 2020 (116th Congress S. 4759), which sought to establish the United States-India Clean Energy and Power Transmission Partnership (CEPTP) as the main forum for bilateral cooperation on clean energy technologies and energy transmission. CEPTP activities include promoting joint research and development on clean energy technologies, encouraging U.S. private investment in the Indian clean energy market, and supporting initiatives to develop new renewable energy generation capacity in India. The act also sought to promote U.S.-India cooperation on climate resilience and risk reduction.

Space Issues and Cooperation

A U.S.-India Space Security Dialogue first met in 2015 after nearly 15 years of less formalized bilateral civil space cooperation.²⁵⁰ This initiative was in 2019 renamed as the U.S.-India Commercial Space Dialogue. At the October 2020 bilateral 2+2 Ministerial Dialogue, U.S. and Indian officials lauded ongoing collaboration between the National Aeronautics and Space Administration (NASA) and Indian Space Research Organization (ISRO), including on the NASA-ISRO Synthetic Aperture Radar (NISAR) satellite scheduled to be launched by 2022. The two countries also looked forward to sharing Space Situational Awareness information, which would catalyze efforts to create the conditions for a safe, stable, and sustainable space environment, and expressed the intent to continue discussions on areas of potential space defense cooperation.²⁵¹ India is also increasing space-related cooperation with the other two Quad partners, Japan and Australia. All four Quad countries reportedly have plans to establish new working groups focused on climate change and emerging and critical technologies, including efforts to develop norms and standards for these technologies.²⁵² In 2019, India successfully tested an anti-satellite weapon, becoming the fourth country to demonstrate such capabilities (after the United States, Russia, and China).²⁵³ As India develops a commercial space launch sector, reports suggest that American companies have found India's space launch services effective and affordable.²⁵⁴

Human Rights Concerns in India

India is identified by U.S. government agencies, the United Nations, and nongovernmental organizations as the site of widespread human rights abuses, some of them serious, and many seen to be perpetrated by agents of the state. By numerous accounts, the scope and scale of such abuses reportedly has increased under the national leadership of Prime Minister Modi and his BJP party since their tenure began in 2014, and in particular since their convincing reelection in 2019.²⁵⁵ The U.S. State Department annually finds evidence of significant human rights issues in India. Many independent analysts saw the Trump Administration downplaying such concerns in

²⁵⁰ See the March 5, 2015, State Department release at <https://go.usa.gov/x6myu>.

²⁵¹ See the October 27, 2020, Joint Statement at <https://go.usa.gov/xHj26>.

²⁵² See Rajeswari Pillai Rajagopalan, "India's Space Cooperation with the US—and the Quad—Intensifies," *Diplomat* (Tokyo), March 29, 2021.

²⁵³ See the Indian Defense Ministry's 2020 report at <https://tinyurl.com/kmy6cwpu>.

²⁵⁴ Kartik Bommakanti, "US-India Space Cooperation: Moving Away from the Burden of the Past," Observer Research Foundation (Delhi), December 16, 2019.

²⁵⁵ "'We Don't Have Any Fear': India's Angry Young Men and Its Lynch Mob Crisis," *Washington Post*, August 26, 2019; "In India, Modi's Policies Have Lit a Fuse," *New York Times*, March 1, 2020; "In India, a Climate Activist's Arrest Shows Shrinking Space for Dissent," *Washington Post*, February 18, 2021; Ashutosh Varshney, "India's Democratic Exceptionalism in Now Withering Away" (op-ed), *Indian Express* (Delhi), February 23, 2021.

the interests of “realpolitik” and a transactional approach to foreign policy focused on great power competition and more narrowly conceived economic and trade goals.²⁵⁶ Many observers expect the Biden Administration to make human rights concerns more prominent in U.S. engagement with India.²⁵⁷ In its *2020 Country Reports on Human Rights Practices* (released in March 2021), the Biden State Department made notable additions to the previous year’s overview paragraph for India (new language *italicized*):

Civilian authorities maintained effective control over the security forces. *Members of the security forces committed some abuses.* ... Significant human rights issues included: unlawful and arbitrary killings, including extrajudicial killings perpetrated by police; torture and cases of cruel, inhuman, or degrading treatment or punishment by some police and prison officials; arbitrary arrest and detention by government authorities; harsh and life-threatening prison conditions; political prisoners *or detainees* in certain states; restrictions on freedom of expression and the press, including violence, threats of violence, or unjustified arrests or prosecutions against journalists, use of criminal libel laws to prosecute social media speech, censorship, and site blocking; overly restrictive rules on nongovernmental organizations; *restrictions on political participation*; widespread corruption at all levels in the government; *lack of investigation of and accountability for violence against women*; *tolerance of violations of religious freedom*; crimes involving violence and discrimination targeting members of minority groups including women based on religious affiliation or social status; and forced and compulsory child labor, as well as bonded labor.²⁵⁸

India’s External Affairs Ministry dismissed the report as “an internal exercise of the US government.”²⁵⁹

Independent human rights watchdogs and democracy assessments find negative trends, with many warning that, under the Modi/BJP government, India’s democratic institutions are eroding, its syncretic traditions are under dire threat, and its citizens’ freedoms of expression and religion increasingly are being constrained through government actions.²⁶⁰ Analysts cite as examples the

²⁵⁶ See, for example, Alyssa Ayres, “Democratic Values No Longer Define U.S.-India Relations,” *Foreign Affairs*, March 11, 2020; Sumit Ganguly, “100,000 Indians Say ‘Namaste Trump’ and the President Ignores Some Key Human Rights Concerns,” *Conversation* (Associated Press), February 25, 2020; Robert Blackwill and Ashley Tellis, “The India Dividend,” *Foreign Affairs*, August 12, 2019.

²⁵⁷ Sadanand Dhume, “Will Biden Say Howdy Modi?” (op-ed), *Wall Street Journal*, November 12, 2020; Suhasini Haider, “Biden, Modi, and Comfort in the Old Normal” (op-ed), *Hindu* (Chennai), November 7, 2020.

²⁵⁸ See the State Department report at <https://go.usa.gov/xFckx>.

²⁵⁹ See the April 2, 2021, MEA transcript at <https://tinyurl.com/48emfmkj>. A month earlier, the New Delhi government had issued a “rebuttal” of the finding of Freedom House that India was no longer a “fully free” country, calling the non-profit’s conclusions “misleading, incorrect, and misplaced” (see the March 5, 2021, release at <https://pib.gov.in/PressReleasePage.aspx?PRID=1702697>).

²⁶⁰ In its “Freedom in the World” assessment for 2021, the U.S.-based non-profit Freedom House re-designated India as only “Partly Free,” and its “Democracy Under Siege” narrative concluded that “Modi and his party are tragically driving India itself toward authoritarianism” at major potential cost to global democratic trends. Other examples include Human Rights Watch (HRW), which finds that the Indian government “increasingly harassed, arrested, and prosecuted rights defenders, activists, journalists, students, academics, and others critical of the government or its policies” in 2020; Amnesty International’s findings that, in India, “Freedom of expression was guaranteed selectively, and dissent was repressed through unlawful restrictions on peaceful protests and by silencing critics”; the Economist Intelligence Unit’s (EIU’s) “Democracy Index 2020,” which ranked India 53rd of 167 countries, its fourth straight year of decline and lowest score since 2006; and the Sweden-based Varieties of Democracies project’s assessment that, “The world’s largest democracy has turned into an electoral autocracy” (see Freedom House’s report at <https://tinyurl.com/w639946z>; HRW’s 2021 report at <https://tinyurl.com/huynhmza>; AI’s 2020/21 report at <https://tinyurl.com/5xpwe7d8>; the EIU report at <https://tinyurl.com/5yak6k38>; and V-Dem’s 2021 report at <https://tinyurl.com/vumvc>).

Modi government's moves to tighten its control of Muslim-majority Kashmir from mid-2019, the introduction later that year of a controversial Citizenship Amendment Act (CAA) that is widely perceived as discriminatory on religious grounds, and, most recently, the government's response to farmer protests that began in late 2020 and continue to date.²⁶¹

The 2014 election of the Hindu nationalist BJP to majority status at the federal level—and subsequently in numerous Indian states, including Uttar Pradesh, its most populous—has fueled concerns among human rights advocates that agents of Hindu nationalist majoritarianism would be empowered.²⁶² Seven years later, expressions of repression and bigotry persist. The State Department's *2020 Report on International Religious Freedom* lists extensive ongoing issues, including legal restrictions on religious conversions, the CAA controversy, cow protection vigilantism, and widespread communal violence, among others.²⁶³ The 2021 Annual Report of the U.S. Commission on International Religious Freedom (USCIRF)—whose researchers repeatedly have been barred from entering India—again recommends that the United States designate India as a “country of particular concern” (CPC, a formal State Department designation) for “engaging in and tolerating systematic, ongoing, and egregious religious freedom violations” as defined by the 1998 International Religious Freedom Act.²⁶⁴ The New Delhi government regularly “rejects” the findings of USCIRF reports, most recently calling them “prejudiced, inaccurate, and misleading.”²⁶⁵

Press freedoms and restrictions on NGO operations and social media companies are other areas of particular concern. In 2021, Reporters Without Borders ranked India 142nd worldwide for press freedom, continuing a five-year downward trend, and many analysts see the Indian government energetically seeking to quash dissent as “anti-national.”²⁶⁶ Foreign NGOs have for years faced financing restrictions: in 2015, Greenpeace India saw its accounts frozen for improper receipt of foreign donations and, in 2020, Amnesty International (AI) ended its India operations following what one AI figure said was “years of official threats, intimidation and harassment.”²⁶⁷ Meanwhile, U.S.-based tech platforms including Facebook, Twitter, and WhatsApp are facing escalating pressure from the Indian government over the companies' reluctance to comply with data and takedown requests, and video streaming services such as Netflix and Amazon have come under criticism from Hindu nationalists and their allies in the Indian government.²⁶⁸

²⁶¹ See CRS Report R45877, *Kashmir: Background, Recent Developments, and U.S. Policy*; CRS In Focus IF11395, *Changes to India's Citizenship Laws*; and CRS Report R46713, *Farmer Protests in India*, all by K. Alan Kronstadt.

²⁶² See CRS Report R45303, *India: Religious Freedom Issues*, by K. Alan Kronstadt. See also Christophe Jaffrelot, *The Hindu Nationalist Movement in India*, Columbia University Press (New York, 1998).

²⁶³ <https://www.state.gov/reports/2020-report-on-international-religious-freedom>.

²⁶⁴ See the USCIRF report at <https://www.uscifr.gov/annual-reports?country=47>; see also “India's Digital Media Regulation Sparks Fears of Curbs on Press Freedom,” *Reuters*, March 12, 2021.

²⁶⁵ “MEA Dismisses USCIRF Report, Says It Is Biased,” *Times of India* (Delhi), June 12, 2020.

²⁶⁶ See the Reporters Without Borders report at <https://rsf.org/en/india>; a January 21, 2020, release from the Committee to Protect Journalists at <https://tinyurl.com/yx7uk22g>; “India Threatens Jail for Facebook, WhatsApp, and Twitter Employees,” *Wall Street Journal*, March 5, 2021.

²⁶⁷ “Govt Freezes Greenpeace Accounts,” *Hindu* (Chennai), April 15, 2015; “Amnesty International to Cease Work in India, Citing Government Harassment,” *Washington Post*, September 29, 2020. India's Home Ministry dismissed AI's complaints as “exaggerated and far from the truth” (see the September 29, 2020, release at <https://pib.gov.in/PressReleasePage.aspx?PRID=1660095>).

²⁶⁸ “India Threatens Jail for Facebook, WhatsApp, and Twitter Employees,” *Wall Street Journal*, March 5, 2021; “India Is the Next Big Frontier for Netflix and Amazon; Now the Government Is Tightening Rules on Content,” *Washington Post*, March 12, 2021; “The United States Can't Keep Ignoring India's Internet Abuses” (editorial), *Washington Post*, June 23, 2021.

As noted, numerous commentators have predicted increased U.S. government attention to such matters, with potential attendant new frictions in relations.²⁶⁹ Many analysts have speculated that a Biden-Harris Administration would likely bring increased pressure to bear on India on its human rights record. As articulated by one senior American observer, Western powers have aided India's ascent "presuming that it would not misuse its power against its own citizens. Yet a recent wave of illiberal policies has eroded this confidence."²⁷⁰ By some accounts, democracy promotion can and should be a central feature of the partnership, and questions about India's trajectory in this regard could negatively affect the tone of engagement.²⁷¹ Secretary of State Blinken addressed the question during his confirmation process, telling Senators that the Biden Administration intends "to again make human rights and religious freedom core pillars of U.S. foreign policy," and would work with India and other democracies "to strengthen these values."²⁷² Indian observers have argued that, even if the Biden Administration brings more attention to human rights issues, India has weathered such in previous years when it had less international influence than at present.²⁷³ In February, in response to a question about human rights concerns in India, a State Department spokesman said, "We regularly engage with the Government of India ... on our shared commitment to democratic values."²⁷⁴

The broader issue of human rights in India has received growing attention in the U.S. Congress in recent years, especially with regard to Kashmir, new Indian citizenship laws, freedoms of religion and expression, and, most recently, Indian farmer protests.²⁷⁵ For example, a U.S. congressional delegation to India in early 2020 reportedly included extensive discussion of Kashmir and expressions of American lawmakers' concerns over "the continued detention of political prisoners" there.²⁷⁶ In September 2020, 14 U.S. Senators signed a letter asking the then-Secretary of State to designate India (among other countries) as a "country of particular concern" as recommended by U.S. Commission on International Religious Freedom (see above); the Secretary subsequently declined.²⁷⁷ In December 2020, as farmer protests erupted in India, seven Members of the U.S. House of Representatives sent a letter to the then-U.S. Secretary of State to "express serious concerns regarding ongoing civil unrest in India" and urge him "to contact your Indian counterpart to reinforce the United States' commitment to the freedom of political speech

²⁶⁹ See, for example, Anik Joshi, "A Biden-Harris Administration Would Mean a Harder Eye on Kashmir," *Foreign Policy* (online), September 3, 2020; Suhasini Haidar, "Biden, India and Comfort in the Old Normal" (op-ed), *Hindu* (Chennai), November 7, 2020; M.K. Bhadrakumar, "Specter of Biden Presidency Haunts India" (op-ed), *Indian Punchline* (online), November 7, 2020.

²⁷⁰ Ashley Tellis, "If India Keeps Diluting Its Liberal Character, the West Will Be a Less Eager Partner" (op-ed), *The Print* (New Delhi, online), September 23, 2020. See also Anik Joshi, "A Biden-Harris Administration Would Mean a Harder Eye on Kashmir," *Foreign Policy* (online), September 3, 2020.

²⁷¹ Tanvi Madan, "Democracy and the US-India Relationship," Brookings Institution, January 22, 2021.

²⁷² "Dialogues on American Foreign Policy and World Affairs: A Conversation with Former Deputy Secretary of State Anthony Blinken" (transcript), Hudson Institute, July 9, 2020; Anthony Blinken, "Questions for the Record," Senate Foreign Relations Committee, January 21, 2021.

²⁷³ Harsh Pant, "India and the World" (op-ed), *Times of India* (Delhi), March 1, 2021; C. Raja Mohan, "Govt's Ability to Overcome International Criticism Depends on Rebuilding National Consensus on Key Policies, Healing Social Rifts" (op-ed), *Indian Express* (Delhi), February 9, 2021.

²⁷⁴ See the February 9, 2021, transcript at <https://go.usa.gov/xHWBD>.

²⁷⁵ See CRS Report R45877, *Kashmir: Background, Recent Developments, and U.S. Policy*; CRS In Focus IF11395, *Changes to India's Citizenship Laws*; and CRS Report R46713, *Farmer Protests in India*, all by K. Alan Kronstadt.

²⁷⁶ Quoted in "U.S. Congressmen Concerned over Kashmir," *Hindu* (Chennai), February 14, 2020.

²⁷⁷ See the September 9, 2020, letter at <https://go.usa.gov/xHDQW>; "No Religious Persecution in India, US Junks Panel Charge," *New Indian Express* (Delhi), December 9, 2020.

abroad.”²⁷⁸ In February 2021, the Co-chairs of the House India Caucus met with the Indian Ambassador, where at least one Member “urged the Indian government to make sure that the norms of democracy are maintained, that protesters are allowed to protest peaceably and to have access to the Internet, and to journalists.”²⁷⁹ Just prior to the U.S. defense secretary’s March 2021 travel to India, the Chairman of the Senate Foreign Relations Committee sent a public letter to Secretary Austin urging him to “raise democracy and human rights concerns in your discussions with the Indian government,” and asserting that “the Indian government has been trending away from” democratic values.²⁸⁰

U.S. Foreign Assistance to India

A total of about \$15 billion in U.S. assistance went to India from that country’s 1947 independence through 2000, nearly all of it in the form of economic grants and more than half as food aid.²⁸¹ For the period FY2001-FY2020, foreign aid averaged about \$103 million annually, with the great bulk channeled through Economic Support and Development Funds, and Global Health Programs, including those combatting HIV/AIDS. Smaller amounts are devoted to nonproliferation and anti-terrorism programs (recently averaging \$2.6 million annually), and to international military education and training (averaging \$1.4 million annually). U.S. assistance to India totaled nearly \$104 million in FY2020; the Biden Administration has requested about \$89 million for FY2022, nearly all of it for development assistance and health programs.

Outlook and Issues for Congress

As described in this report, key legislative and oversight considerations for Congress in U.S.-India relations include the following:

- what level of resources to devote to the Biden Administration’s emerging Indo-Pacific strategy, for example via the “Ensuring American Global Leadership and Engagement Act” or “EAGLE Act” (H.R. 3524) and the Strategic Competition Act (S. 1169);
- whether to play a more active role in the development of the Quadrilateral Security Dialogue, or “Quad,” and whether and how to best assist New Delhi in its efforts to counterbalance Chinese influence in the Indian Ocean region;
- how vigorously to support further bilateral defense trade with India, including whether to allow or otherwise seek to influence potential future major arms sales and/or co-production agreements;
- whether to address India’s status among the world’s most significant illicit drug-producing and drug-transit countries, perhaps especially with regard to fentanyl and other synthetic opioids;

²⁷⁸ At least two other Members later commented separately (see the December 23, 2020, letter at <https://go.usa.gov/xsrWn>; see also <https://twitter.com/RepJimCosta/status/1356737481857785858> and <https://twitter.com/IlhanMN/status/1357088420443602944>).

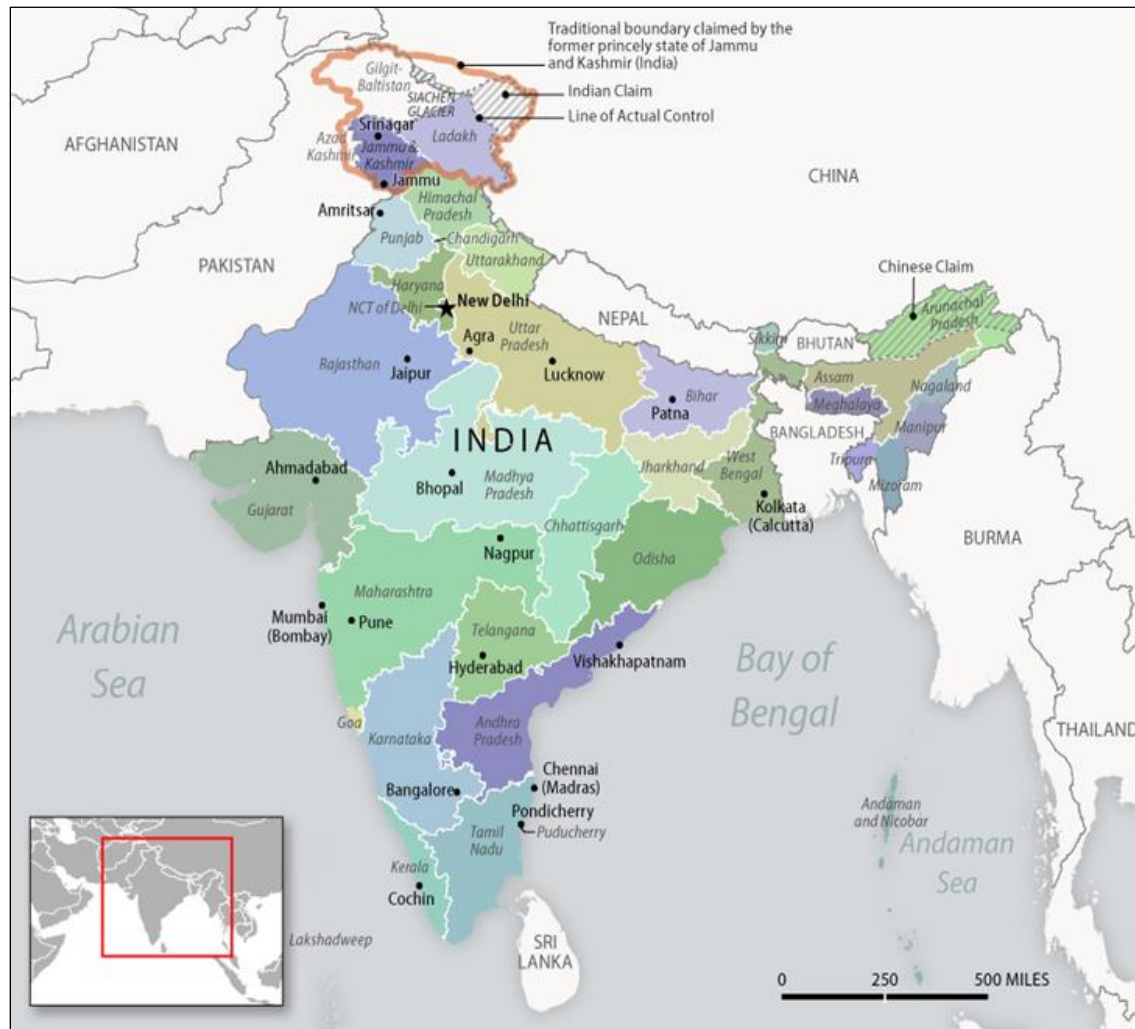
²⁷⁹ See the tweet at <https://twitter.com/BradSherman/status/1357827848921354240>.

²⁸⁰ Senator Menendez’s letter went on to contend that the “crackdown on farmers peacefully protesting new farming laws and corresponding intimidation of journalists and government critics only underscores the deteriorating situation of democracy in India,” and that “respect for democratic values is necessary for strong, sustainable U.S.-India relations” (see the March 17, 2021, letter at <https://go.usa.gov/xH9j9>).

²⁸¹ Foreign assistance figures are not adjusted for inflation.

- how much further resources to devote to assisting India in its efforts to combat COVID-19, including through vaccine donations and co-production;
- whether to enact legislation addressing U.S. immigration policy, especially with respect to H-1B visas for temporary workers or the per-country ceiling on employment-based permanent residents;
- whether to boost bilateral clean and renewable energy cooperation programs with India to facilitate India meeting its Paris Agreement goals;
- what trade policy issues to prioritize in potential future U.S.-India trade discussions, as well as what scope of discussions to support, such as talks on a limited set of issues or broader trade agreement negotiations;
- whether to reconsider India's GSP status as part of potential future trade discussions;
- whether multilateral solutions are possible to address certain bilateral trade issues, and whether the United States and India can bridge their differences on multilateral trade issues;
- whether to continue efforts supporting India's membership in the Nuclear Suppliers Group and other export control regimes;
- if and how to address the apparent erosion of India's democratic institutions, and how to respond to broader human rights abuses in India; and
- what levels of U.S. foreign assistance to provide India.

Figure 5. Map of Indian States



Source: Graphic created by CRS. Map information generated by using data from <http://www.mapsofindia.com>, Department of State international boundary files (2015); Esri (2014); and DeLorme (2014).

Author Information

K. Alan Kronstadt, Coordinator
Specialist in South Asian Affairs

Liana W. Rosen
Specialist in International Crime and Narcotics

Shayerah I. Akhtar
Specialist in International Trade and Finance

Sara M. Tharakan
Analyst in Global Health and International
Development

William A. Kandel
Analyst in Immigration Policy

Jill H. Wilson
Analyst in Immigration Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.