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India–USA Geo-Economic Convergence: A Transition from Economic Illiberalism to Economic Diplomacy

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Abstract: The economic bilateral ties between India and the United States of America (USA) have taken a new-fangled semblance over the past few years with a renewed vigor of geo-economic convergence, as the foundation for establishing a new normal in the bilateral relationship. Following the collapse of the erstwhile Soviet Union, India faced a lot of economic crises with the United States (US) that challenged the prevailing liberal economic integration. Post the Indo-US Nuclear Deal, economic considerations became a topmost priority where the US and India aimed for sustaining a high rate of economic growth which became a watershed moment for their bilateral economic dependence. A trend of economic illiberalism started contending the liberal international order through increased tariffs and trade sanctions whereby the USA terminated India's progress in preferential trade practices under the Generalized System of Preferences (GSP) followed by shelving a lawsuit against India for receding exports. Whether the ever-increasing Sino-US tensions which recently have been triggered by the Coronavirus or COVID-19 pandemic, enabled the US to move towards India is a primary concern, thus creating strong grounds for geo-economic partnership through the forays of economic diplomacy. The paper, therefore, argues that the emerging dynamism between India and the USA through newer prospects of economic collaboration has followed a path of transition from illiberalism to diplomacy.

Keywords: Geo-economic convergence, Economic illiberalism, Liberal international order, Generalized System of Preferences, Economic diplomacy.

1 Introduction

Ever since the initiative of the Bilateral Investment Treaty in 2014, economic reciprocity between India and the United States of America (USA) has taken a new-fangled semblance. India emerged as the eighth-largest trading partner of the USA, with increasing numbers in the bilateral trade of tangible goods and services. This highlighted the long term framework for strong coordination between India and the USA which further established the motive of deepening strategic partnership. India has been a minor player in the sector of the international economy from the period of independence that further reflected India's orientation as an obstructionist in various free trade negotiations. However, post the disintegration of the erstwhile Soviet Union, India emerged as an ideologically diverse country with multiple pursuits of economic liberalization that changed India's identity from a third world country to a developing nation. The economic relations since then began to take a new turn between India and the USA and even abruptly came to a halt as India carried out its second series of nuclear tests in 1998 and exhibited its nuclear aspirations by refusing to sign the Non-Proliferation Treaty. But 2005 initiated India-USA Nuclear Deal accentuated as a climacteric moment in their bilateral economic engagements as both the countries cooperated for attaining higher economic growth where India aimed for dynamic economic pursuits with the reforms of globalization and liberalization which made it evident that India and USA were both aiming to move ahead and locate a newer prospect through a modus vivendi for demonstrating sincere allegiance amongst each other.

Notwithstanding the continuous rifts concerning trade sanctions and threats from increased tariffs, new signs of illiberal

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practices started emerging as the USA faced serious trade deficits of around $20.8 billion and therefore tabled a lawsuit in 2018 against India for a persistent decrease in exports (Office of the United States Trade Representatives, 2019). The Trump administration in the USA started to apply a new set of tariffs even on the imports of aluminum and steel products from various countries, and on India at large that included a national security dispensation as a trade law in the US. In reprisal, the government at New Delhi enumerated a broad list of retaliatory tariffs on around 29 American products and hence tabled it to the World Trade Organization (WTO), but restrained on officially implementing the same. In continuation of a public revision process along with the WTO regulations, President Donald Trump expelled India from the Generalized System of Preferences (GSP) program, which is considered as a distinctive trade medium for determining trading status and economic growth of developing countries (Ayres, 2020). Thus USA terminated India's trade advancements amid the ongoing US-China trade war that off late portrayed an additional serious threat to the foreign policy imperatives of India that was highly challenged before by the USA's tariff and trade diplomacy. These instances of constant fiscal dissensions became the breeding grounds of rising economic illiberalism and therefore mounting fears of protracted disputes became the backdrop of a global economic slowdown in India. It is crucial to understand the rising factor of economic illiberalism at this juncture that was able to destabilize the prevailing liberal economic integration eventually leading to the emergence of a new economic diplomatic strategy that is being adopted in contemporary times by both the USA and India.

The ongoing worldwide health crisis which has engulfed all the countries across the globe enabled the USA on one hand to express their utmost resentment over China, which has been declared as the epicentre of the Coronavirus or COVID-19 and on the other hand praise India for sending immediate medical aid with the hydroxychloroquine drugs. Such a gesture of humanitarianism by India was well received by the USA and they immediately granted an additional USD 3 million to India for combatting the pandemic (Choudhury, 2020). Even their emerging partnership over technology and textiles followed by the signing of multiple Memorandum of Understanding (MoUs) agreements between the Indian and American investors became a significant area of geo-economic convergence. This showcases the ability to coexist the strength of India's fine fiber and America's superior technical aspects as initiations of strong economic diplomacy (Aghi, 2019). Therefore the growing synergy between the USA and India maps the trend of emerging geo-economic resilience that is estimated as a clear vision to shape the future commercial coordination between the two countries.

Following a method of qualitative analysis here, the moot question is whether there are emerging signs of economic illiberalism? Is there a transition from emerging trends of illiberalism to diplomacy along the lines of economic development? Will this geo-economic dynamism be able to change the prevailing liberal international order or incite the creation of a new global economic order?

2 The Effective Fundamentals of India-USA Economic Relations

India and the USA have always strived towards building economic stability in not only Asia but across the globe. Their industrial output accounts for comparatively a quarter of the world's economy at large. The bilateral trade volume increased ever since India adopted the liberalized economic reforms that further enabled the USA to become one of the largest foreign investors in India. Following the joint meeting of the then Indian Prime Minister, P. V. Narasimha Rao and the US Congress way back in 1994, was a clear manifestation of India's strategy to strengthen trade and cooperation with the USA and the latter's eagerness to increase productive partnership and capture the biggest markets of South Asia with India at the forefront (Pillai M. B., 2018). Certain factors are important here to analyze the reasons behind the economic convergence between India and the USA and they are as follows:

- The bipartite trade between both the countries is largely augmented due to the advantage of the predominant liberal and free-market economy especially post the 1990s that generated India's approach of economic growth through a long-term Gross Domestic Product (GDP) strategy and facilitated trade and investment
- India has always served as a promising entity to allow the US to retain their predominant position and be in perpetual competition with other emerging economic powers especially among the third world countries which also has a crucial role considering USA's hostilities with China
- India and the US apart from trade has a lot of other divergent sectors to inflict their economic dominance like the energy sectors, pharmaceuticals, and textiles which again act as an important aspect influencing the bilateral economic ties
- India has a good proportion of highly skilled workers who are linguistically well versed and qualified. This has always attracted America to generate its production cycle in the large scale and small scale industries at a cheap rate. This well-equipped manpower is indeed a source of attraction for the industries in the USA which acts as a compelling factor for their coordination (Chadha, 2008).

These facets indicate the significance of commercial alliance which became the ground for liberal economic integration between the two countries. The Economic Reform Programme of India was a major point of attraction for the business community of America to invest in India enormously. During this period the approvals of direct foreign investment

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recommendations rose at a great scale from approximately $73 million to $1,318 million and eventually to $2,381 million respectively. The actual flow of foreign investment in India exceeded by $3 billion and soon the accumulated foreign investment stood at $5.9 billion out of which the inflow of foreign direct investment was calculated at around $1.2 billion. Indo-US collaborations thus have shown a dramatic rise since 1991. The number of Indo-US accords that were approved rose from 177 in 1991 to around 300 in 1993 and in the same year, US investment worth $1,103.56 million accounting for 40 percent of the total got validated. This proved that the US is not only a major source of foreign direct investment but also an important source of technology transfer and source of big investment for India (Rajeshwari, 1997, pp. 1163-1172).

The liberalization reforms enabled both India and the USA to step up their trade parameters and by the turn of the 20th century, there was an expansion in the presence of multiple American companies in India. However, during this period the 2005 Indo-US Nuclear Deal equally played a crucial role. Despite being controversial, this bilateral deal offered a lot of productive prospects for India and the USA, not only in terms of economic gains but also diplomatic and environmental benefits. To sustain the growth, India needed expansion in the energy sector further facilitated by nuclear trade and this nuclear deal provided India with a special waiver into the Nuclear Suppliers Group (NSG) and equally allowed the American contractors, on the other hand, to facilitate high technology trade by limiting India's nuclear weapons program (Pande, 2018). The economic growth rate by this time in India increased to almost 8.5 percent respectively in the years 2004 and in 2005 that was again followed by an enhanced growth rate of 9.4 percent in the year 2006. Due to this rising trend of growth rate, India became the twelfth-largest global economy with its GDP rate in the market and as the fifth largest country in terms of purchasing power parity in the global economic sector (Pant, 2009, p. 98).

Trade and commerce thereby became crucial components of the rapidly enhancing multifaceted partnership between India and the USA. There was a substantial leap in export and imports ensuing magnificent trade turnover. The volume of trade proportionately moved from around $11.2 billion to around $66.1 billion in 2008 with trade in goods and services (Office of the United States Trade Representatives, 2019). India's export contributed more than India's import from the USA on account of which the United States of America became a primary destination for Indian exports. However, contrary to imports from the US, India remained a comparatively less important export terminal registering a slow growth of US exports to India. Despite such significant figures, the trade turnover between the two countries was not humungous as there were constant rifts and external pressures that created strains on the economic relationship (Pillai M. B., 2015). These frictions, therefore, began gaining ground, and even with a change in leadership roles, the degrading factors in the economy became more scintillating which began to pose serious threats to the liberalized economic integration of the countries, thus giving rise to illiberal economic practices.

3 Emerging Trends of Economic Illiberalism

The concept of 'economic illiberalism' has become an essential aspect of foreign policy imperatives in the 21st century. It encompasses a broad vision through continuous efforts of structural changes that strengthen the geopolitical leverage of countries. Increased tariffs and trade sanctions followed by trade blockades and takeovers by foreign companies through changes in international economic law are the crucial signs of rising economic illiberal practices (Mcginnis, 2019). In this regard, the United States of America plays a substantial role as the American foreign policy under President Donald Trump's assertive policy of economic nationalism, in the past few years has become the ardent source of rising trade sanctions and economic tariffs. This very practice has opposed the ethos of international economic liberal implementation at large.

In the last few years with the initiations of Make in India policy of Indian Prime Minister Narendra Modi and US President Donald Trump's policy of America First, there has been a lot of modifications in the economic policies among both the countries. Illiberal trade activities have successfully dampened bilateral relations which were evident following the instances of US trade protectionism, rigorous health, and sanitary provisions which in a way begun restricting the proliferation of Indian exports to the US after which USA recounted India's laws on intellectual property rights, such as trademarks, patents, and copyrights as a distort on US commerce. This highly reflected the fact that the India-US trade cycle was far behind the US-China trade war since both the USA and China had easier market access barriers. At this juncture, both India and the USA started blaming one another for the unsatisfactory trade relations. India also mentioned the existence of the Rules of Origin along with high tariffs affecting exports like in textile products with huge denial of GSP benefits in critical sectors like textiles, gems, iron, and steel (Jain, 2007, pp. 216-230). These elements can be termed as illiberal since they have maligned the integrity of liberal economic regulations challenging not only the geo-economic stability but also the geopolitical symbiosis between India and the USA. Therefore visions of economic illiberalism in the Indo-US geo-economic stability has long been identified and this can be analyzed further with the components of increasing bilateral deficits and trade tariffs, the issue of Generalized System of Preferences, foreign investment barriers, and the problem of visas in trade services along with protection of Intellectual Property Rights (IPR), domestic policies and strategic clashes following the rise of the China factor in the bilateral trade that altogether hinted towards a deteriorating economy.

Deficits and Trade Tariffs. Serious trade tensions started escalating when President Donald Trump in 2017, issued an executive order that drastically slowed down the trade in goods with deficits ranging from $24.3 billion to $23.3 billion in

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2019. Though America started implying new tariffs in the year 2018, India also retaliated back with lowering rates and retaliatory tariffs on many American goods and shelved around ten lawsuits against the USA, which was a clear indication of a quibbling economy (Pande, 2018).

Generalized System of Preferences (GSP). This is a specific preferential tariff system that determines the trading status of countries and promotes economic growth and sustainable development by helping countries to diversify their trading patterns. The Generalized System Preferences aimed at attracting the least developed and developing countries to trade with the USA within a range of low tariffs. It indeed marked a great advantage for the exporting and importing countries as they got benefitted from both managing their trade balances and a reduction in cost. In the year 2018, India was determined as the formidable beneficiary nation under the GSP program and exported goods amounting over to $6 billion to the USA (Singh, 2019). However, due to escalating trade divisions, the USA filed a lawsuit against India charging them for receding the number of exports and removed India from the GSP program in 2019. This resulted in the termination of India's status as a preferred import collaborator of the USA by further disabling India to export tariff-free commodities.

Foreign Investment Barriers. A huge limitation was marked by India in banking and insurance sectors monitored by foreign direct investment or FDI up to 49% whereas foreign ownership was brought down to 74% and print media to 26%. These commercial barriers on foreign investment highlighted the intensified complexity between the USA and India whereby the Strategic Policy Forum and the Business Council estimated the importance to remove such limited transactions asking for revision in the same with new policy (Ayres, 2020).

The Limited Appraisal of Visas. India has long considered the movement of individuals from one country to another for work and other purposes, as a part of service trade but this is regarded as a concern under immigration for the Americans since they acknowledge this to be outside the regime of trade deliberations. H1B visas and L1 type of visas in the USA, permit skilled workers to work there who fly from other countries. However, the USA has placed high charges on these visa processing and India has lodged a trade dispute regarding the same in WTO. Recently President Trump considering the ongoing worldwide health crisis of COVID-19 decided to suspend the issuing of H1B visas and this has created contentions especially among the Indian IT professionals working there in the USA at large. These issues of immigration have gained worldwide attention based on the grounds of rising oppositions from both the ends as the Indian workforce has always attracted USA's industries and they also, in turn, have relied on Indian labor which even is a way for bringing a good amount of remittances to the host countries. Though the current assertions concerning the same amount to the increasing polarization of elitist visions that culminated in illiberal revelations (Sangani, 2020).

Intellectual Property Rights (IPR). This is indeed a long-standing concern between the USA and India. In the Priority Watch List of USA, India has not been able to provide an adequate amount of enforcement or market accessibility relying on IPR rules which have raised concerns regarding compliance within the international standards. Though the US acknowledged India's progress under the IPR regime but maintained counterfeiting and piracy of medical devices. India has remained critical of the pressure created by the US administration to adhere to certain laws governing medical devices and pharmaceuticals at large whereby poor countries are denied access to essential medicines. This again is regarded as a stumbling block between the two countries (Ayres, 2020).

India's Domestic Conventions. Another important aspect of increasing illiberal economic escalations owes to the domestic strategies of India that keeps varying with the leaders in power. Since 2014, under the stalwart ship of Prime Minister Narendra Modi, India aimed to increase manufacturing through domestic production of goods but it turned out to be an ineffective policy being highly protectionist affecting the agricultural sector immensely. Though subsidies were increased, it was not well received by America under President Trump on the other end and resulted in the imposition of trade barriers. Even the poor infrastructural setup is one of the biggest impediments in the way of achieving economic growth as half of the population in India still resides in extremely backward areas with least of the opportunities followed by social stigmas amounting to a violation of rights and corruption through prejudices. Employment is on the downward direction in India as well and added to that are the regulatory controls over private institutions. To overcome such a crisis India committed another sin that further worsened their relations with the US and broke the liberal visions. They outsourced the US companies with scrupulous regulations and with the E-commerce policy in effect and the implementation of data localization, it is believed that there will be more trade distortions whereby companies like Amazon, Walmart to name a few will be worst hit, hampering bilateral economic relations which have already begun with the suspension of visas by USA (Dasgupta & Kalra, 2019).

The China Conundrum. The trade deficits between India and the US became one of the principal concerns for the USA as they tried to retain China at bay. The soaring unproductivity levels allowed India to move towards China, where India exported soyabeans and sugar to China amid the ongoing US-China Trade War (NDTV, 2018). In return, China removed tariffs on Indian products and the Asia Pacific Trade Agreement was concluded. This was a calculative move by China to build ties with India and capture the Asian markets when the USA was imposing tariffs and trade barriers on China. Such a gesture disappointed the USA stupendously. India thus being a developing country has always maintained a strategic balance between China and the USA (Iyengar, 2018). But with China's proximity towards India reflected the latter acting as a buffer between USA and China that triggered threats to India's developmental approaches through economic repercussions from

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either side fettering the geo-political and geo-economic outlook altogether. Even after stepping out of the Regional Comprehensive Economic Partnership (RCEP) agreement, India cited concerns of regional integration with China and received sharp criticisms from the USA which further created opposing visions challenging the economic prosperity (Akhtar & Kronstadt, 2020).

The above factors thereby draw a clear representation as to how in the recent past the economic relations between the USA and India have warmed up with rising illiberal trends which has further led to the collapse of the social liberal structures and indicated different forms of rigidities and antagonist independences. The liberal integration which was initially there between the two countries started loosening up with the passing years and transformed into economic instability followed by corruptive measures and polarisation ideals. With a huge number of trade sanctions and tariffs, economic illiberalism gained powerful grounds threatening the liberal international order and political-economic objectives among the two countries.

Theoretically, there is a lack of developed ideas on illiberalism but the growing mutual discord among countries without stringent policies for peaceful economic development highlights the frictions within the established liberal order. Trade and economic transactions that are inevitable for power building are when challenged with undefined sanctions, costly tariffs, and undemocratic institutional barriers that constitute illiberal procedures within the economy and society at large as is evident between the USA and India.

4 A Transition towards Economic Diplomacy

The contemporary ranging health crisis across the globe that has engulfed countries have changed all power equations and hinted towards international cooperation and stability through peaceful negotiations. The outbreak of the Coronavirus or COVID epidemic turned pandemic in 2019 at the Wuhan province of China has spread rapidly and by the turn of the year 2020, the COVID-19 crisis became a game-changer within the international sphere. The foreign policy prerequisites are being reconsidered and nations are opting for establishing strategic concurrence through newer prospects of diplomatic dynamism.

At this juncture, India and the USA, who were undergoing serious trade deficits and impeding challenges in their economic coaction following India's protectionism policy and overall slow economic growth, superseded all frictions as both the countries came forward to mutually cooperate in fighting against the virus. Following the period of lockdown implemented in India in March 2020 to curb the rapid spread of the virus, the USA on the other end also registered a huge number of positive Coronavirus cases over approximately 20 million with a large percentage of the death toll. Amid such a situation China being the epicenter of the virus did not extend much help especially to the USA and this made the USA retaliate back by ceasing their support to the World Health Organisation (WHO) claiming it to be China-centric. However, during this time India came out with its anti-malarial drug (hydroxychloroquine) to combat the Coronavirus and even exported it in huge quantities to the USA. Along with the hydroxychloroquine drugs, several other essential medicines such as paracetamols and COVID-19 test kits were also sent immediately to the USA which made them realize India's accession to the comprehensive supply chains (Arora & Khanna, 2020). As a reaction to India's utilitarian gesture, the USA decided to grant additional amounts along with ventilators to India for dealing with the health crisis since India also has been worst affected by the outbreak of the pandemic (Choudhury, 2020).

More room for partnership has also been witnessed as Indian industries have become a part of the initiative known as Arsenal of Health, in Michigan along with the Ford and Mahindra Motors to generate the personal protective equipment also known as PPE in bulk which is crucial for COVID-19 treatment. Even Walmart has contributed to the production of PPE for the healthcare workers in India at the frontline and also colluded to provide essential relief and funds to small scale and daily wage workers (Pandeya, 2020).

These exemplify the prospects of newer engagements of geo-economic vigor between the USA and India following the tenets of strategic delineation by opting for economic diplomacy. The concept of economic diplomacy was always a crucial part of Indian foreign policy which got revamped in the recent past under the premiership of Narendra Modi utilizing trade and aid policy. Though in terms of India's economic diplomacy ordeals, the USA suffered a lot of setbacks earlier, but with the decision to embark on an advanced path of creating a vaccine to test not only the COVID affected patients but any deadly viruses that might erupt later, is an indication of tactical engagements. India and the USA have great expertise in biomedical technology and research following which they have also decided to collaborate under the Vaccine Action Programme (VAP) and mutually fund the same to increase the production of vaccines immensely (Haider, 2020).

Earlier USA stated that India's Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement and the Intellectual Property Rights (IPR) regulation was not being able to generate enough trade transactions but in the current scenario it is evident that through numerous commercial joint ventures, India's textile and pharmaceutical industry is coordinating with the industries of US with contemporary prospects of geo-economic initiatives. This closely followed suit with the signing of Memorandums of Understanding (MoUs) between the Indo American Chamber of Commerce (IACC) and states of North and South Carolina, where Indian investors have been employed into the textiles sectors of USA. This shows that India and the US are looking forward to playing operative roles by accrediting methods of global governance initiatives as was

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noticeable at the recent G-20 virtual meet in the year 2020, where both the countries hinted for progressing towards multilateralism by implying effective collaboration through multilateral institutions, which is again a clear demonstration of 'economic diplomacy' (Aghi, 2019).

It is easy to apprehend here, that a fruitful transition has been marked from emerging trends of economic illiberalism to economic diplomacy as both the USA and India have embarked on a different path, for stabilizing their commercial ties with cooperative measures through pharmaceuticals, textiles and communications technology. Though earlier, India and USA had disagreements over the TRIPS and IPR regulations, post the gesture of India's huge supply of medicines to various countries across the world, largely attracted the USA to establish a valid concurrence with India that indeed showed that both of the countries are pledging to move forward by aiming for neutral gains. Following the collision with the GSP program, there were restrictions through tariffs on iron and steel and even on aluminum products but in the recent times, Indian companies, for instance, the Aditya Birla Group has made good investments in the USA and also acquired Aleris which is a US-based aluminum company for expanding business ventures. Even the technology and communications sector have greater chances to reap advantages for economic relations between the USA and India corresponding to the 2+2 dialogue that was initiated in 2018 in New Delhi that resulted in the Communications Compatibility and Security Agreement (COMCASA) (Chaturvedi, 2020). Newer aspects are thus being considered following the dialogue mechanism where there will be easier market access through fewer import duties on the Information Communications and Technology (ICT) equipment and data localization.

With President Trump's visit to India in February 2020, speculations were afloat that the bilateral meeting will bring an end to all the ongoing skirmishes between the US and India, as this meeting focused on achieving a limited trade deal ahead by allowing the USA to have easy access to India's dairy sector and poultry markets with a much lower tariff on the products. Several agreements on various affairs including the IPR, counter-terrorism, space technology, and pharmacy were discussed upon. Considering this as the beginning of a better relationship, the same was evident with India's supply of medical aid and America's economic assistance to the former. It is important to analyze here that the chief components of economic diplomacy are economic reforms and diversification of the export markets promoting investments. India has already adopted these components and the only need is to bring in the reforms productively, as post the COVID crisis India will be at a more balancing position to bargain and play a pivotal role with the USA and China equally. India has to realign her power equations and legitimacy here by focusing on extracting geo-political and geo-economic leverages.

In contemporary times, the USA has fundamentally witnessed a fall in its soft power diplomacy and also risked its international responsibilities by shutting the borders and opposing the role of international organizations. The leadership in the USA has also been challenged after having lately realized how China despite registering huge losses after the COVID-19 crisis exacerbated fast recovery by pulling its GDP to 2-3%. This hinted that the USA must take calculative steps and try to look for a new normal by relying on India through economic expansion especially in the pharmaceutical, textiles, technology, and even the energy sectors (Singh Z. D., 2019).

A direct gesticulation of emerging new world order is being sensed and witnessed that will not demolish the pre-existing liberal international world order but transform it through pragmatic visions, economic prosperity, and enhanced security. The growing tensions escalating from China's over-aggressive policies like allowing the pandemic to spread by not taking precautions initially, using the COVID situation as propaganda to emerge victorious globally and increasing maritime aggression along with border control disputes will indeed allow USA and India to maintain an ongoing momentum in their relationship especially by opting for various economic criteria. Therefore the world order post this health crisis will witness an increase in the geo-economic stability between the USA and India with dynamic approaches where both of them have to cooperate and co-exist and even contribute towards more multilateral engagements. Drawing effective policies is also another area where both countries have to focus and implement the same through continuous consultations by bringing in transparency and accountability. Though the liberal international order is highly threatened with tenets of populism, anti-globalization ordeals, and weak leadership – this new economic synergy between USA and India will establish a dynamic and global economic order that will refurbish the economic illiberal practices and propagate for productive coefficients of economic variables (Ghosh, 2020).

5 Conclusions

The prevalence of uncertainties has been unraveling amidst the economic bilateral relations between India and the USA. Long-standing trade disparities backed by sanctions and tariffs have deteriorated the economic development in both the countries furthermore giving way to illiberal practices which nations across the globe enumerated as signs of economic illiberalism. Despite such conflicts, a balanced equation of power parity was there allowing the Indian interests to stand out in a multipolar global international system, equally catering to the American concerns of prolificacy.

India has always been considered as a strategic partner for the USA in the South Asian region and for India to fulfill her aspirations and emerge as a global dominating power, the USA has been extremely paramount to build formidable ties with. Therefore the need of the hour is that President Trump and Prime Minister Modi must locate prosperous solutions against the economic backlashes that their countries are facing and aim to abrogate such misunderstandings through increased dialogue mechanisms and cohesive policy implementations. Trade and investment have been a significant aspect for both the USA and

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India's economic prosperity therefore the hopes to counter the prevailing trade deficits with much better exports and imports would be a clever way to boost economic growth. The ongoing US-China trade and tariff war that has further been ignited by the COVID-19 crisis will enable Indian exports to mark a sharp rise and capture the global markets. Though there are political and security-centric international tensions like the maritime aggression in the South China Sea and Indian Ocean Rim, looming uncertainty over the Indo-Pacific and the complex border disputes between India and China along the Line of Actual Control (LAC). However, amid such tensions, a diplomatic strategy must be adopted by the USA and India along the lines of a multi-pronged approach by increasing more international engagements and socio-economic developments. Both India and the USA must look for collective mechanisms and confidence-building measures by imparting bipartisan goodwill to equally fulfill their national interests as well.

Multiple convergences have been listed following which India with its potential labor supply force, consumerist market chains and geographical locations with proximity to the ports, must look for instituting a new commercial and industrial policy in terms of trade especially with the American markets and allow investment from the business community in the USA ensuring stable profit margins among the financers. Roadblocks are there but a volatile productive approach is again the need of the hour where the two countries must cooperate and depend on productive reciprocity for mutual gains.

The economic diplomacy which has started flourishing between the USA and India overcoming the illiberal signs of economic transactions must be appropriated further by demonstrating the inherent capabilities and negotiated measures. The new coordination based on textile, technology and pharmaceutical at large with a limited version of a trade deal will enable both the countries to look for more employment by bringing in start-up companies and create optimistic technology transfer based on market equilibrium. Though the sectors of oil, defence, and civil aviation might suffer certain productive setbacks but the emerging economic ties backed by more business joint ventures will be strengthened ahead after the COVID-19 crisis whereby India and the USA will be successful in creating a new global economic order by eradicating the challenges towards liberal international order. Hence the two countries must ensure adequate production and supply following the international protocols of stable channelization and aim for more geo-economic convergence and balanced economic stability.

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