

## Trump's Foreign policy: How New Delhi needs to seize the opportunities and navigate the challenges

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This article will seek to examine the key takeaways for New Delhi from US President Trump's economic and foreign policy decisions. It will outline the perceptions of strategic analysts and commentators in India with regard to the US President on key issues, and then highlight some of the key decisions he has taken in these areas.

#### Optimists (Strategic Issues)

Firstly, there are those who believe that India-US ties will blossom under a Trump Presidency. Those who subscribe to this view cite two key issues; first, the US President's firm stand on Islamist terror, and second, his unequivocally Anti-China stance, especially on economic issues during his election campaign. They also point to Trump's proximity to Indian American groups as clear evidence of a Pro-India stance. In the aftermath of the election, the US President had expressed his gratitude to one such group, the Republican Hindu Coalition.

If one were to look at Trump's approach towards terrorism – especially emanating from Pakistan – and US-China relations, there are some important takeaways for India. A few weeks ago, US Ambassador to the UN, Nikki Haley mentioned a possible role for US to reduce conflict between India and Pakistan. New Delhi promptly dismissed such a suggestion, stating that disputes were bilateral. Yet, the US (with support from the UK and France) moved to designate Jaish-E- Muhammad Chief, Masood Azhar as a global terrorist at the Sanctions Committee of the UN Security Council in the 2<sup>nd</sup> week of February, barely three weeks after Trump took over as President. This move was of course thwarted by China.



On China itself, the US President has not minced words in dubbing China as a ‘currency manipulator’ and stating that the trade imbalance was a deterrent to a better relationship. During his meeting with President Xi, the US President also raised the issue of North Korea and sought Chinese cooperation in dealing with Pyongyang. At the same time, he made it amply clear that if Beijing did not cooperate, the US would deal with North Korea on its own. After his meeting with the Chinese President, Trump did allude to the importance of the meeting in forging personal ties between both leaders. While the US has its own strategic interests, New Delhi and Washington can work closely in Afghanistan and in countering the China-Pakistan nexus. Significantly, during his visit to New Delhi, Trump’s National Security Advisor, H.R. McMaster met with PM Narendra Modi. This was the first visit by a member of Trump’s team to South Asia, though top officials from India have visited the US, and already met with members of Trump’s team, including Defence Secretary James Mattis. A statement from the US embassy commenting on McMasters visit stated<sup>1</sup>: "NSA McMaster emphasised the importance of the US-India strategic relationship and reaffirmed India's designation as a major defence Partner".

The convergence between the US and India in the Indo-Pacific region will be discussed later in this article.

### **Pessimists (Economic Issues)**

Secondly, there are those who are wary of Trump, given his stance on issues like Immigration, arguing that this will hit India hard. Trump has so far stuck to his stand on this and there has been no significant revision.

As recently as April 2017, the US President signed a notification, which categorically stated that H-1B visas, issued to professionals, should not be misused by employers for employing workers with less skills. The US President also made it clear that the H-1B should not become a means for replacing American workers. While addressing workers at the headquarters of tool maker Snap-on Inc in Wisconsin, Trump said:

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<sup>1</sup> Roche, E, ‘US reaffirms India’s status as ‘major defence partner’, *Livemint*, April 18, 2017. Weblink: <http://www.livemint.com/Politics/Y89G1kSkyClhVY6TJ87mUI/US-national-security-adviser-meets-Narendra-Modi-discusses.html>

“Right now, widespread abuse in our immigration system is allowing American workers of all backgrounds to be replaced by workers brought in from other countries to fill the same job for, sometimes, less pay. This will stop”<sup>2</sup>.

85,000 H-1B Visas are issued annually. The US Citizenship and Immigration Services (USCIS) issues 65,000 H-1B visas and another 20,000 are issued to individuals who have received a masters or higher degree from a US institution. Indian IT companies as well as professionals have benefitted from the H-1B, but Trump argues that this visa system is misused for employing entry level workers who receive lower wages. A White House Press statement commenting in the context of the executive order, notes that: “Currently, companies routinely abuse the H-1B visa program by replacing American workers with lower paid foreign workers,” it said<sup>3</sup>. While Trump’s argument against the H1-B is driven by what can be dubbed as ‘economic nationalism’.

New Delhi has no way but to deal with Trump’s ‘America first’ economic policy and PM Modi will need to come up with a clear cohesive strategy to negotiate with the US President during his upcoming visit. The PM would be well advised to send a business delegation who can reach out to Trump and try to build economic synergies. PM Modi has been pragmatic and persuasive, but a dialogue between Indian businessmen and Trump may pave the way for greater understanding in the economic sphere.

### **Pessimists (Strategic Issues)**

Thirdly, there were those who were wary of Trump’s ‘America First’ approach, during his campaign, and its impact on strategic issues, especially with regard to US presence in the Asia Pacific. During the election campaign the US President had alluded to the fact that countries like Japan and South Korea need to rely less on the US for security. During the first Presidential Debate Trump had remarked<sup>4</sup>:

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<sup>2</sup> *The Hindustan Times*, ‘Indian IT Companies will be hit by America’s new H1-B visa order’. April 23, 2017. Weblink: <http://www.hindustantimes.com/business-news/indian-it-companies-will-be-hit-by-america-s-new-h-1b-visa-order/story-IeQvYYFrflWS9EiVVAYffj.html>

<sup>3</sup> *The Indian Express*, ‘Donald Trump signs executive order targeting H1-B Visa programme’. April 19, 2017. Weblink: <http://indianexpress.com/article/world/donald-trump-signs-executive-order-targeting-h-1b-visa-programme-4618986/>

<sup>4</sup> Hu, Elise, ‘Japan and South Korea Rattled By Trump’s Talk Of Closing U.S. Bases’, November 10, 2016. *National Public Radio Website*. Weblink: <http://www.npr.org/sections/parallels/2016/11/10/501531166/japan-and-south-korea-rattled-by-trumps-talk-of-closing-u-s-bases>

“We defend Japan. We defend Germany. We defend South Korea. We defend Saudi Arabia. We defend countries. They do not pay us what they should be paying us because we are providing a tremendous service and we're losing a fortune.”

This announcement worried a number of strategic analysts who believed a less pro-active US in the Asia-Pacific would give Beijing a free run. There has been a sea change in the US President's approach towards the Asia-Pacific. Previously, it was believed that the President's 'America first' slogan during his election campaign, as well as his repeated utterances to Japan to stop depending upon the US, would result in the US playing a lesser role in the Asia-Pacific. However, in the aftermath of the missile strike by North Korea, US President spoke to Japanese PM Shinzo Abe and assured him of his full support and cooperation. The Japanese PM also praised the US President for his stand. During his visit to Japan, US Vice-President Mike Pence also made the right noises, categorically stating<sup>5</sup>:

“The era of strategic patience is over and while all options are on the table, President (Donald) Trump is determined to work closely with Japan, with South Korea, with all our allies in the region and with China to achieve a peaceable resolution and the denuclearization of the Korean peninsula.”

The pessimists still remain unconvinced and believe that Trump's approach towards Iran needs to be closely watched. The Nuclear agreement signed between Iran and P5+1 was followed by India strengthening its economic ties with Iran. New Delhi is investing in the Chabahar Project, which will provide it with access to Central Asia and Afghanistan. An identical agreement was signed during PM Modi's visit last year, India also signed a tripartite agreement with Iran and Afghanistan to turn Chabahar into a transit hub. Any souring of relations between the US and Iran will negatively affect India. Initially the Trump administration while sticking to its hardline on Iran, categorically stated that it will not scrap the nuclear agreement signed in 2015. While addressing the Congress on 19 April 2017, Secretary of State, Rex Tillerson however stated<sup>6</sup>:

“President Donald J. Trump has directed a National Security Council-led interagency review of the Joint Comprehensive Plan of Action (JCPOA) that will evaluate whether

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<sup>5</sup> Rampton, Roberta, 'Pence reassures Japan of US Resolve on North Korea to work with China'. *Reuters*, April 18, 2017. Weblink: <http://www.reuters.com/article/us-northkorea-usa-idUSKBN17K07A>

<sup>6</sup> Wroughton, Lesley, 'Trump Orders Review of Lifting Sanctions Against Iran: Rex Tillerson', *The Wire*, April 19, 2017. Weblink: <https://thewire.in/125797/trump-orders-review-of-lifting-sanctions-against-iran-rex-tillerson/>

suspension of sanctions related to Iran pursuant to the JCPOA is vital to the national security interests of the United States”.

If President Trump decides to impose sanctions on Iran, and current incumbent Hassan Rouhani loses the upcoming election, tensions between US and Iran would not augur well for India’s economic and strategic interests. India should seek to play a positive role in improving ties between Iran and Washington given its economic and strategic interests in Iran.

## **Realists**

Realists in India’s strategic community believe that, while there will be differences between India and the US, New Delhi needs to adapt to the changing global order. For instance, on the H-1B issue they find that India needs to stop looking at technology from a hackneyed lens of information technology outsourcing. Instead, India should seriously look at making the right leaps in robotics, and try and develop deeper synergies with the US. Realists also believe that Trump’s domestic utterances and racial attacks should not be overlooked, but they should not overshadow the relationship and obliterate the complementarities between the two countries. While the realists are right on strategic issues, concerns with regard to Trumps economic policies are legitimate, and India needs to come up with a comprehensive strategy to counter these concerns.

## **Personalised Diplomacy**

If one were to look beyond the key strategic and economic issues discussed above, it would be fair to say that President Trump is not one to strictly adhere to protocols in diplomacy; yet, personalised diplomacy is extremely important in his calculations. A strong example of this is the US President’s pick for Ambassador to China. The former Iowa Governor, Terry Branstad is a close friend of the Chinese President. When Xi visited the US in 1985, he was Governor of Iowa and even during Xi’s visit in 2012 as Vice President, the two had met. India should pay close attention to this facet of Trump’s diplomacy and of course they should keep in mind the transactional approach of the US President.

## **Conclusion**

During the Modi-Trump meeting there should be an emphasis on ironing out differences between both countries in the economic sphere, as well as giving a further fillip to the strategic partnership between

both countries in the Asia-Pacific. Both countries should also work jointly in combatting terrorism in South Asia.

In the strategic sphere, there are likely to be more convergences than divergences between both countries. However, New Delhi should realise that US strategic interests are not identical to India's. It is also important to understand that, unlike the past decade, where countries sought to benefit from globalisation, contemporary strategic convergences do not automatically translate into economic integration. Even leaders perceived to be pro-business are not necessarily pro-globalisation and are adopting a more inward-looking approach.