

# ISAS Brief

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## Indo-United States Relations at a Cusp

*Significant progress has taken place in Indo-United States (US) relations over the past two decades. However, they may be at a turning point because of some potential policy shifts toward India under the Donald Trump administration. As India's Prime Minister Narendra Modi visits the US, these policy differences will need to be handled with some care to ensure that the progress that has been achieved is not fritted away.*

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Few had expected Indian Prime Minister Narendra Modi to substantially expand relations with the United States (US). After all, he had been denied a visa to the country because of the tragic events that took place in Godhra during his tenure as Chief Minister of Gujarat. Indeed, there had been much speculation that Modi would harbour grievances over the visa denial. These fears, however, proved to be almost entirely unfounded. Not only did Modi promptly reach out to the US upon assuming office, but also chose to visit it shortly thereafter. Furthermore, he took the extraordinary step of inviting then-US President Barack Obama as the Chief Guest at India's Republic Day function in 2015.

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These symbolic gestures apart, Modi has also brought about substantive improvements in Indo-US relations. To that end, he has increased military acquisitions from the US, he has signed a major logistics agreement that had long been hanging fire and has seen India be accorded the status of a major defence partner. Indeed, by the time President Obama left office, India-US relations probably were at their apogee in years, if not in decades. In fairness, Modi could boost Indo-US relations to a very large extent because previous regimes, both in India and the US, had laid down significant foundations earlier.

As Modi heads to the US this week, matters look much more fraught. US President Donald Trump did make a congratulatory phone call to the prime minister in the wake of the Bharatiya Janata Party's electoral sweep in the recent state elections. Despite that laudatory call, he had made a series of intemperate statements about India during the election campaign and thereafter. During the campaign, he had inveighed against the sheer number of H1-B visas that are issued to Indian professionals, especially in the information technology sector. In the wake of his election, he has returned to the same theme on more than one occasion. More recently, he made a sweeping assertion that India was seeking "billions" of dollars from the advanced industrial states while not undertaking significant steps to address climate change on its own. The latter statement actually produced a blunt rebuttal from India's Ministry of External Affairs.

These two issues, no doubt, will be the subjects of conversation when Modi visits the White House. Indian newspapers have already flagged them in various discussions leading up to the impending visit. What they have not discussed for the most part is another potentially nettlesome issue, namely, India's robust ties to the Islamic Republic of Iran. Unlike President Obama who had assiduously sought to try and improve relations with Iran, President Trump had taken an intransigent stance toward the country even during the campaign. He had vociferously denounced the US-Iran nuclear accord and had even threatened to terminate it once in office. While he has yet to take steps to withdraw from the agreement, he has maintained his unyielding stance toward Iran. More to the point, he has explicitly tilted toward Saudi Arabia, Iran's principal ideological and regional rival. Given his obsession with Iran, it will be surprising if the subject of Iran does not crop up in Modi's dealings with Trump.

How might Modi deal with these three potentially contentious issues while in the US? On the issue of H1-B visas, if he has been suitably briefed, he could remind Trump that a number of

Indian companies, ranging from Mahindra and Mahindra to Infosys, have been at the forefront of job creation in the US. In May 2017, for example, Infosys announced that it was on the verge of opening a facility in Indianapolis, the capital of the home state of US Vice President Mike Pence, that would, within a couple of years, employ as many as 2,000 local workers. Accordingly, these firms are not merely engaged in the practice of “body shopping” using the H1-B visas system to rely on cheaper Indian software and other engineers.

Similarly, on the issue of climate change, Modi should unequivocally make clear to Trump that India is actually undertaking significant efforts to address climate change and not merely looking for handouts from the advanced industrial states. It made a bold pledge at the Paris climate change talks to make significant investments in solar power and is following through on that commitment. Indeed, it is making a steady shift from coal-fired to solar plants. Since personal diplomacy is Modi’s forte, such an effort should make some headway with Trump. This is especially the case as personal interactions seem to matter more to Trump than normal institutional, diplomatic channels.

This leaves the truly nettlesome issue of India’s ties to Iran. Even though the subject has not prominently surfaced prior to his visit, it would be careless of Modi and his advisers not to anticipate it cropping up in their discussions at the White House or elsewhere. After all, US Secretary of State, Rex Tillerson, in a report to the US Congress, excoriated Iran even as the US State Department reported that Iran was in compliance with the terms of the accord. If the issue does surface, Modi will have to stand his ground just as his predecessors had done while in office.

Trump and Tillerson’s very jaundiced views of Iran aside, the Indo-Iranian relationship is simply too important to be treated in a cavalier fashion. Over decades, American policy toward Iran has oscillated between a close embrace to outright hostility to efforts at a modest rapprochement and now a return to a hard-line stance. Given the significance that India attaches to the relationship, it can ill-afford to cave in to American pressures. For India, Iran is not a mere source of hydrocarbons but an important strategic partner in an adjacent region. For example, India and Iran share a set of common goals in Afghanistan, a country of crucial importance in India’s security calculus.

While this visit to the US does not seem to have the usual fanfare that has been associated with Modi's previous trips to the country, its significance, nevertheless, remains undeniable. How Modi and his closest advisers handle it will be a compelling test of their diplomatic mettle.

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