“This has become a high maintenance relationship for Delhi.”
Tanvi Madan

“Under Trump, U.S. Asia strategy has been incoherent.”
Nick Bisley

“The United States does not have clearly defined positions or interests.”
Natasha Kassam

Also featuring Sea Young Kim, Huong Le Thu, Zha Daojiong, Nicole Curato and Dina Afrianty

A More Dangerous Place
Asia during the Trump Presidency
Accelerating instability in the region

Professor Nick Bisley

Donald J. Trump’s election was met with mixed emotions across Asia.

In Beijing, the first reaction was one of relief as the party elites believed that Hillary Clinton was going to take a harder line on them than her predecessor. As a Republican from the private sector, they assumed Trump would take a more pragmatic line toward China.

Allies were unsettled — the norm busting candidate had made clear he thought that U.S. partners were getting a free ride and believed they had to pay a lot more for their security.

For their part, ASEAN states were sure that Obama’s enthusiasm for the Southeast Asian club would not be sustained by someone who was as far removed from the ASEAN way as one could possibly imagine.

Nearly four years on the Trump administration’s policy has helped make Asia a more dangerous place than it was in 2016. The risks of war in Asia are greater than before, nuclear proliferation continues, and great power contestation is now the dominant feature of the region’s international order.

Clearly, this is not all Washington’s fault. But the choices of the country that had hitherto been Asia’s key stabilising force have contributed to the further deterioration of the region’s geostategic circumstances.

China is a driver of this with ambitions to become a rule maker and power of global pre-eminence. But U.S. policy is also playing its part. Washington is attempting to sustain an old order without any clear and coherent alignment of ends and means to do so. Indeed, one of the reasons U.S. policy at present is so frustrating is that much remains of the old approach. Yet what in the past was stabilising now contributes to contestation and instability.

From the late 1970s, Washington had pursued a clear and consistent strategy in the region. Through significant forward deployment of conventional power managed through bilateral alliances it sustained a remarkably stable regional setting.

Its strategic public goods allowed Japan, South Korea, Taiwan and even China to spend less on defence and focus more on domestic economic development. Its military position was linked to its economic role as the main source of inbound investment and as the largest export market.

American dominance reflected an alignment of economic and strategic interests for most countries in the region. But as China became more wealthy and powerful, the balance of power is changing and the way Asia’s economy functioned has been transformed.
The Obama administration’s ‘rebalance to Asia’ strategy was an attempt to modify U.S. policy to manage these historic changes.

Under Trump, U.S.-Asia strategy has been incoherent. There have been three distinct articulations of policy emanating from Washington. The first, described in 2017’s National Security Strategy, set out to transform the U.S. approach to the world by putting great power competition with China and Russia as the core purpose of Washington’s global role.

The second appeared in the notion of a ‘Free and Open Indo-Pacific’ first set out in a speech to Asia-Pacific Economic Cooperation (APEC) business leaders in November 2017.

It sketched out what was in essence a policy of continuity with the past and was echoed by senior officials, whether based in Washington or posted to missions in the region. Where the National Security Strategy set out a transformation in U.S. attitudes, this declared that U.S. policy had not changed. Washington was a reliable ally pursuing the same regional ambitions it had for decades.

The third came from the President himself whose theatricality seemed informed by a belief that the performance of statecraft was statecraft.

Beyond the daily mess of tweets, his focus on crises, personalisation of bilateral relations and economic mercantilism compounded the problems of trying to maintain both a status quo and a transformational approach to regional ambitions.

Beyond this, Washington has failed to grapple with the complex reality of Asia’s new economic landscape. Under Trump the U.S. has a regional economic policy at odds with what can be discerned of its strategic ambitions.

China is now the number one trading partner of all key countries in Asia. While the U.S. remains important — both as a trade and an investment partner — Washington needs a more sophisticated approach than a thoughtless tearing up of trade agreements and bluster about great big new deals.
In March 2020, President Trump signed the TAIPEI Act, to assist Taiwan in retaining its few remaining diplomatic partners and called on the United States to assist Taiwan with its participation in international organisations. The U.S. Congress has also passed the Taiwan Travel Act, followed by a number of high-level delegations from the U.S. Defense and State departments. Taiwan's President Tsai Ing-wen made significant transit through U.S. territory in 2019, and the Vice President-elect William Lai visited Washington in 2020.

At surface-level, this may look like the highest level of U.S. support for Taiwan since 1979. Previous U.S. Presidents (Nixon, Carter and Reagon) cut deals with Beijing at Taipei's expense, signing the first three U.S.-PRC communiques. Both George W. Bush and Barack Obama avoided signing a fourth, but oversaw freezes in arms sales to Taiwan. But this uptick in support for Taiwan is more likely a reflection of the moving centre of gravity for China policy in Washington. Rather than genuine support for Taiwan as a liberal democratic partner, Taiwan is at risk of becoming collateral damage in great power competition.

Increasing scepticism of China in Washington has drawn more attention to Taiwan's plight. But treating Taiwan as a conduit to frustrate Beijing imperils Taiwan's security. Already many in China's party-state suspect that the United States intends to promote Taiwan independence, and this unsettles the cross-straits status quo or whatever remains of it, and then the United States abandons Taiwan to deal with upsetting the cross-straits status quo or whatever remains of it. Already many in China's party-state suspect that the United States intends to promote Taiwan independence, and this unsettles the cross-straits status quo or whatever remains of it, and then the United States abandons Taiwan to deal with the consequences.

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The Taiwanese public have watched President Trump describe Chairman Xi Jinping as a good friend – the same leader that threatens to annex Taiwan on a regular basis. They have seen President Trump take a wrecking ball to partners and allies that rely on security guarantees from the United States – criticising Germany's Angela Merkel, United Kingdom's former PM Theresa May and Canada's Justin Trudeau, while showering praise upon strongmen leaders like North Korea's Kim Jong-un and Russia's Vladimir Putin. And it did not go unnoticed in Taiwan when Trump said Hong Kong legislation could be vetoed if it affected trade talks with China.

As with other longstanding U.S. partners, White House decisions have had unfortunate consequences for Taiwan. The United States withdrew from negotiations to form the Trans-Pacific Partnership, a free trade agreement that Taiwan had wanted to join in order to reduce its economic reliance on China. Taiwan is subject to U.S. aluminium and steel tariffs, and was vulnerable to the U.S.-China trade war given the number of Taiwan-based companies that manufacture in China. The United States has reportedly pressured the world's largest computer chipmaker, Taiwanese company TSMC, from selling to Chinese technology giant Huawei. Taiwan already struggles to retain local engineering talent in the face of substantial attempts to lure them to China by the Communist Party. President Trump's administration has arguably provided more tangible and symbolic support for Taiwan than any other since 1979. But the instinct to be hard on China is not necessarily the same as being pro-Taiwan. Relations between the United States and China are unravelling at an unforeseen pace. The risk is that Taiwan is a pawn on a greater chessboard as President Trump and Chairman Xi preside over a diplomatic fracture. And whether President Trump leaves office in months or years, the question as to what the United States would put on the line for a liberal democratic partner, Taiwan is at risk of becoming collateral damage in great power competition.

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The United States Presidency of Donald Trump was initially met with a cautiously positive reception in Vietnam. In 2017, I wrote a report assessing the potential trajectory of the U.S.-Vietnam relations. Rather counter-intuitively, the relationship had a chance to improve despite President Trump’s unusual approach to managing international affairs. Most of that prediction turned out to be true.

While there have been a number of unexpected turns that risked souring the fragile ties, U.S.-Vietnam relations continue to strengthen. In fact, relative to its neighbours in Southeast Asia, Hanoi seemed to handle the challenges related to Trump’s foreign policy well.

There is also a strong convergence in the strategic priorities of the two nations, with Vietnam emerging as one of the more “like-minded” and reliable partners in the Indo-Pacific region.

Vietnam has hosted President Trump more than any other Southeast Asian nation, who visited Vietnam twice in his first term. The first was in 2017 – the first year of his presidency – while attending the APEC Summit, which remains the only regional diplomacy summit that President Trump has fully attended (unlike the East Asia Summit in Manila that year) to date. The second visit was to attend the second Trump-Kim summit hosted by Hanoi in February 2019.

Donald Trump’s victory in the 2016 U.S. elections surprised most political observers, including those in Vietnam. The country was enjoying a recent upswing in U.S. relations in the later years of the Obama presidency. In May 2016, President Barack Obama visited Hanoi to announce an historic moment of annuling a remaining legacy from the Vietnam War – the embargo on the sale of arms. It was under Obama that the two nations signed a much-anticipated comprehensive partnership in 2013 when Vietnam’s then-president Tran Duc Bao visited Washington DC. Two years later, Nguyen Phu Trong – first time Vietnam's Communist Party Secretary General - was hosted in the oval office by President Obama. Despite its flaws, Obama’s Rebalance policy did pivot attention towards Southeast Asia, especially Vietnam, which benefited from a surge in defence assistance funding.

Just as Hanoi was starting to adjust to the momentum in the relationship with the U.S., Washington’s foreign policy was thrown in flux with the election of Trump, creating anxieties in Vietnam about its position on the new President’s priority list.

The worries around Trump’s conduct in international affairs were related to his approach to trade, and his hints that he’d seek to ‘strike a deal’ with China and even with North Korea. This made many think that he might ‘sacrifice’ the South China Sea for quick gains in the Korean Peninsula nuclear issues.

This, of course, did not happen and as the Trump administration’s Asia policy evolved, the South China Sea issues only gained prominence in its emerging Free and Open Indo-Pacific (FOIP) strategy.

Two major stress points were exposed at the beginning of Trump's presidency: the multilateral trade and U.S.-Vietnam bilateral trade balance.

The Trans-Pacific Partnership (TPP) was something that Hanoi, despite some necessary adjustments in regulations, was looking forward to. This was not only because of the economic value of gaining access to Pacific markets and benefiting from advancing its economy to the standards set by the TPP members. The TPP also carried a strong geostrategic value. Trump’s first decision after taking the office was to withdraw the United States from the TPP. This was a significant disappointment for all the members, not least Vietnam. No other economic alternatives have emerged from Washington since, making America’s Asia strategy hollow on the economic front. The TPP decision has since become a symbol of America’s perceived withdrawal from the region.

The bilateral trade balance also became an issue under Trump, who was adamant about preventing other countries from taking advantage of America. The United States had a large trade deficit with Vietnam. In recent years Vietnam-U.S. trade had increased and in 2016 amounted to US$32 billion. Despite economic concerns, two-way trade kept growing, deepening the U.S. deficit to US$5.7 billion by the end of 2019.
To prevent trade imbalances becoming an issue in bilateral relations, Vietnam's Prime Minister Nguyen Xuan Phuc made an early trip, as one of the first Asian visitors to Trump's Washington, and signed deals valued at $15–17 billion USD in exchange for technological goods and services, which President Trump described as a ‘win-win’ outcome. But the imbalance remains a thorny issue as Trump reminded Vietnam after he launched a ‘tariff war’ on China when he warned Vietnam: “the worst abuser of all” - that it would be targeted next.

Despite those challenges, Vietnam and the U.S. share some similarities in their views about the region, in particular their threat perceptions of China.

It was in Da Nang, Vietnam, at the APEC Summit when President Donald Trump spoke about the “Indo-Pacific” for the first time. That speech was a prelude to the administration’s FOIP strategy. His remarks referred to Vietnam’s proud history of independence and sovereignty, alluding to the current struggles over the territorial maritime claims against China.

These comments were well received in Hanoi. The theme of supporting other claimants and denying the PRC’s expansive claims and coercive behaviour in the South China Sea has become the major guiding principle of Vietnam’s policy under Trump.

Such a view suits Vietnamese maritime interests, and of supporting other claimants and denying the PRC’s maritime claims against China. These comments were well received in Hanoi. The theme of supporting other claimants and denying the PRC’s expansive claims and coercive behaviour in the South China Sea has become the major guiding principle of Vietnam’s policy under Trump.

Donald Trump’s first term was not as disruptive for Vietnam as it was for some other neighbours. But maybe for the reasons less positive: other agendas had higher priority, crises (such as COVID-19) prevented Trump from further expanding his tariff war, and - more simply - expectations were low from the beginning.

Nonetheless, there is every reason for the two countries to continue on a positive trajectory. This is a remarkable turnaround considering the long history of complex relations between Vietnam and the United States.

The Trump administration is arguably the first in the past four decades to have seen attempts to “get China right” transcend the season of presidential campaigns. Trump’s China-related tweets suggest that China policy has become something of a routine for the Trump White House, at times bordering on an obsession. On both sides of the Pacific, there has emerged a consensus about the heart of the new de facto U.S. policy doctrine towards China: geostrategic decoupling.

From the U.S. Navy’s warships sailing through the Taiwan Straits and the South China Sea to curtailment of bilateral trade, investment and educational and research exchanges, the U.S. under Trump works to keep China in its “proper place”. Formal adoption of the ‘Indo-Pacific’ framing of a U.S.-led security alliance is part of the policy package too.

One necessary caveat to state up front is that, particularly in the age of instant social media messaging, prevailing descriptions and diagnostics about the United States and China are by nature an extension of economic and political manoeuvring on their respective domestic fronts. Both countries are resourceful actors in regional and global affairs. Henceforth, it is always a good idea to be mindful of the folly that comes with accepting on face value the generally held assumptions that seemingly say it all about the nature and/or direction of ties between the two countries.

Professor Zha Daojiong

No country accepts itself becoming a freight car on a train with either China or the U.S. as the locomotive, with no other options available.

One of those assumptions is that former U.S. President Richard Nixon’s “re-opening” of China was premised on China accepting a grand bargain and agreeing to eventually go the way of South Korea and Taiwan by installing a multiparty competitive political system. Over the years China became more prosperous and self-confident in its style of governing and, disappointedly for the U.S., it began to project itself as an alternative model of development. Therefore, the fundamental basis of U.S. policy towards China requires a strategic recalibration.

Such sentiments are met, on the Chinese side, with a line of argument that goes like this: the fundamental premise for what began with Nixon’s National Security Advisor Henry Kissinger’s first secret trip to Beijing in July 1971 was the U.S. accepting the political structure of China wholesale.
This was a reversal - initiated by the U.S. - of a strategic choice made in 1949. Relationships between countries are geographically-based to begin with. The countries agreed that China would make no demand on the U.S. regarding its political system, and the rest of the world should have a chance to choose their own model of government. Therefore, it is the U.S. that is breaking its end of the bargain.

Phrased in such modes, an ideological lock-horn is perpetual and an endless escalation of conflict is the only future. Yet they each err on at least two fronts. One is to project their own political system as impeccably. Neither system is perfect. It is highly doubtful if such projection is conducive to improving domestic governance, essential for external attraction.

The other is that each assumes the nature of ties between itself and a third country is core-periphery, whereas no country accepts itself becoming a freight car on a train with either China or the U.S. as the locomotive, with no other options available or allowed.

Another taken for granted assumption is “reciprocity” in economic ties. Though not clearly defined in international treaties for trade and investment, it resonates well among the citizenry as “common sense”, but there is nothing quintessentially American or Chinese about the idea.

It was not so much that Washington and Beijing never practiced reciprocity in managing bilateral economic ties. For example, the initiation of the Strategic Economic Dialogue between the George W. Bush and Hu Jintao administrations brought an “all-of-government” approach to tackling a thick package of issues. Dozens of ministries participated.

That was in 2006, barely five years after China joined the World Trade Organization. The Dialogue continued through the presidencies of George W. Bush and Barack Obama, only to be jettisoned by the incoming Trump administration. Over two days of round-table meetings, the Dialogue series reached a number of promised deliverables, a list which grew longer with each session, after all, the kitchen of global economic dynamics is full of chefs.

In 2013, China’s dissatisfaction with the world financial system led to its initiation of the Asian Infrastructure Investment Bank (AIIB). The United States’ response was to work to block it, just as it had fifty years prior when Japan launched the Asia Development Bank (ADB).

In hindsight, China would have benefited from taking a page from Japan’s book and table its ambitions by nudging small and poor Asian neighbours to loudly call for a new regional financial vehicle. The AIIB, more than anything else, proved America’s accusations of China’s assertive foresight.

On the other hand, the evolution of the AIIB since its establishment is a good case in point for assessing specific developments initially projected as disruptive: it has proved to be just like other regional development banks. The point here is that claims of inflection points can and should be put in context and given time to test themselves.

Today we are going through a time of deep anxieties about the future, much like the days of a purported geostrategic ‘triangle’ among the Soviet Union, the United States, and China of the 1970s. If there is anything that the two years of ever escalating trade tariffs by China and the U.S. should have proved, it is that the two economies are not as entangled as was described each moved on and the stress turned out to be bearable for both.

In the final analysis, China and the United States may well be going through less of a pivotal point of decoupling than one of deflating established expectations. Both are on their respective learning curves about themselves and factual roles the other plays in the other’s domestic evolutions, in addition to options of foreign policy. The real competition lies in introspection and self-change, which is historically not in short supply in either country.

A probable explanation is that global economic dynamics change fast and therefore diluted part of the necessity in taking the other to task. After all, the kitchen of global economic affairs is full of chefs.

The La Trobe Asia Brief – Issue No. 4

The Empire wants the Philippines back. It will save them a lot of money.

In retaliation, Duterte cancelled the Visiting Forces Agreement (VFA), which provides the legal architecture for U.S. military presence in the country. Under this arrangement, American troops can enter the Philippines without a passport or visa, engage in joint military exercises with the Armed Forces of the Philippines, and closely cooperate on matters of defence, maritime security, counter-terrorism and disaster response.

This assistance, some argue, enhanced the under-resourced defence capabilities of the Philippine military, with the U.S. providing up to $1.3 billion USD of defence assistance.

The reactions to the termination of the VFA was mixed. U.S. Defence Secretary Mark Esper called it ‘unfortunate.’ Philippine Foreign Secretary Teodoro Locsin Jr declared in a Senate hearing that the continuance of the agreement is deemed to be more beneficial to the Philippines, compared to any benefits were it to be terminated. In the same hearing, Defence Secretary Delfin Lorenzana enumerated the critical role of U.S. military support but also emphasised the need for the Philippines to be self-sufficient in its defence capability.

Meanwhile, Duterte found support from his critics. Activists who have long protested the abuses of American military presence in the Philippines finally got the outcome they want, although it was delivered by a man whom they also criticise for abusing power.

‘I don’t really mind if they would like to do that. It will save a lot of money.’

This was President Donald Trump’s reaction after the Philippines scrapped a twenty-two-year-old military agreement with the United States last February.

While the termination was later temporarily suspended in favour of joint exercises, the announcement did not come as a surprise for observers of Philippine politics. Since President Rodrigo Duterte assumed power in 2016, he was clear in telling the United States to back off from its former colony’s affairs.

The rationale was not so much driven by nationalism. Duterte, after all, has been vocal about the Philippines’ need to keep close ties with China and his admiration for Vladimir Putin. Duterte has no issues with Trump. In fact, he wished him a second term.

The issue was America’s pontification. The U.S. Senate’s pontification to be precise. It came to President Duterte’s attention that Philippine Senator Ronald (Bato) Dela Rosa, a neophyte senator and chief architect of Duterte’s drug war, was barred from entering the United States. This ban came into effect after the U.S. Senate voted in favour of Senate-Resolution 142 – the Global Magnitsky Act – which empowers the U.S. executive branch to impose travel restrictions and financial sanctions against violators of human rights around the world.

As the Philippines takes a new direction in its relationship with the United States, many questions come to mind. What kind of relationship will the Philippines and the United States establish post-VFA’s termination? Can both countries continue to claim an ‘ironclad relationship’? How does China fit in this picture? It may take some time before these questions find definitive answers, but a global health crisis gives a window into how changing foreign relations are experienced in the everyday lives of Filipinos today. There are two noticeable changes with the way this crisis unfolds.

The La Trobe Asia Brief – Issue No. 4

US Navy photo by Jordan Crouch
A President yet to make his mark

Dr Dina Afrianty

On the side of the G20 meeting in Germany in 2017, Indonesian President Joko ‘Jokowi’ Widodo met with America’s new President Donald Trump for the first time. Jokowi opened his speech by saying that he would like to convey greetings from millions of Trump’s supporters in Indonesia. He smiled warmly, which was reciprocated by Trump.

The American President may not have been aware that 90 percent of Indonesian respondents to a South China Morning Post survey prior to his 2016 win over Hillary Clinton stated a preference for the Democrat contender. This obvious flattery may reflect the way Javanese culture plays an important role in Jokowi’s leadership. It may also have simply been tactical flattery to make a good impression. Fundamentally, the meeting was said to focus largely on improving trade between the two countries. There is a good reason for this.

Indonesian foreign direct investment in America is very small, and U.S. foreign direct investment in Indonesia has fallen dramatically in recent years. President Jokowi has sought to promote investment opportunities with other large partners in recent years including China and Saudi Arabia.

There is much to do to build this relationship into a more substantial one, reflecting Indonesia’s size and influence.

Trump himself is no stranger to Indonesia and has a number of business relationships in the country. He is known to have an interest in land development in Bali and West Java. Some reports suggest locals are ignorant of or disinterested in Trump’s business operations in Indonesia. This is not surprising, since both conservative and mainstream Muslim organisations actively protest America’s handling of the Israeli-Palestinian conflict.

Meanwhile, as the Philippines says thank you to China, Beijing continues its militarisation of the South China Sea, installing research facilities in reefs claimed by the Philippines.

Second, that America tends to be inward-looking does not mean it sees fewer opportunities outside its borders to solve the pandemic. In March 2020, the U.S. State Department’s Bureau of Consular Affairs reached out to medical professionals, particularly those working to treat or mitigate the effects of COVID-19 to schedule a visa appointment in their closest embassy. This announcement was not exclusively directed at the Philippines, but historical ties between the two give this announcement a different valence.

It is a reminder that support does not flow unilaterally from the superpower to the periphery, but that the periphery is very much constitutive of the superpower. Since its independence from the United States, the Philippines has been a steady supplier of nurses in America. With over 150,000 Filipino nurses migrating to the U.S. since the 1960s, it is not an overstatement to say that Filipinos are front liners in America’s COVID crisis.

Indeed, as U.S. military operations scale back in the Philippines, what is increasingly clear is that in times of crisis and uncertainty, the Empire wants the Philippines back. It will save a lot of money.
Indonesians, however, made a big deal about the Presidency of Trump's predecessor Barack Obama. Known in Indonesia affectionately as 'Barry', Obama's Presidency was marked by significant levels of warmth from the Indonesian people and he had a pop-star level of popularity. This was due to his personal history of the Indonesia's approach to Indonesia's approach to America as a nation. Prior to 'reformasi', or the arrival of modern democratic Indonesia, Indonesia's Soeharto regime developed close intelligence, military and commercial ties to America. America was notoriously involved behind the scenes in the national tragedy of anti-communist massacres in 1965. Commercial engagement, particularly around resource development (extraction), remains important and continues to be a challenging area of public policy. Against this background, there remains little tangible evidence of specific public attitudes and opinions. A major study was conducted by the Indonesian Survey Institute or Lembaga Survei Indonesia (LSI) in 2004 and 2005 at the height of post-September 11 tensions globally. Not surprisingly, Indonesia recorded relatively high levels of negative views about America at this time. About 40 percent of respondents believed the American-led war in Iraq and Afghanistan was a war against Islam and a violation of human rights. At the same time, however, about the same percentage viewed the U.S. favourably. A few years earlier, surveys showed a much higher disapproval level of around 80 percent. More recent global surveys indicate Indonesian attitudes are – broadly – similar today. Recent Pew research reveals favourable attitudes toward America in Indonesia is again around 40 percent, double the level in another large Muslim democracy, Turkey. The Indonesian figure is not far off the global average of 53 percent. Equally the expressed level of support for Trump in Indonesia is 30 percent, almost exactly the same as the global average and a clear improvement on attitudes to him when presidential nominee in 2016. While President Jokowi planned to visit America, his plans were interrupted by the arrival of the Coronavirus pandemic, and an envoy was sent to set up discussions around trade and investment in Indonesia in his place. Most recently, Trump has agreed to provide ventilators to assist Indonesia's fight against the virus. These are all positive signs, but the fact of the matter is there is much to do to build this relationship into a more substantial one, reflecting Indonesia's size and potential influence. More importantly, it is surely to the benefit of Indonesia and the region that there be a strong and fruitful relationship between two such large and healthy democracies. The alternative to American investment is that from the Middle East and China. Business is business, and partnerships with other nations should not be avoided where they bring benefits. There is a risk that Trump may end his Presidency with a resort in Indonesia, and little else to show for it. The strategic side of the relationship has not been without differences, though the two countries have largely managed them. For Delhi, neither the U.S. drawdown from Afghanistan nor the related U.S.-Pakistan bonhomie has been its preferred outcome. Washington has been upset about India's defence ties with Russia that could open it up to U.S. sanctions. India, in turn, has largely gone along with U.S. sanctions on Iran and Venezuela, but they have helped blunt Chinese action against India at the UN Security Council. The La Trobe Asia Brief – Issue No. 4

Donald Trump, Jr. with his Indonesian business partner Hary Tanoeosestdijo at the launch of Trump Residences Indonesia in Jakarta, Indonesia. 12 August, 2019. (Photo: MNCLand.com)

A more high-maintenance relationship for India

Tanvi Madan

"Tasten your seatbelts, it's going to be a bumpy ride" describes the feeling in India on 8 November, 2016, when there were twin surprises: demonetisation of certain currency at home and Donald Trump's victory in the United States, which had arguably become India's most important partner. In the years since, policymakers in Delhi have tried to limit the bumptiness, developed shock absorbers to minimise or mitigate the volatility, and move the India-U.S. relationship forward where possible. Overall, in the Trump years there has been more continuity in India-U.S. ties than some might have expected, but enough change to keep Indian policymakers on their toes. The most significant progress has come in the diplomatic, defence and security sphere, driven by shared concerns about a rising China and complementary Indo-Pacific visions, as well as counter-terrorism cooperation.

The two countries' bilateral engagement has deepened, as has its institutionalisation. For example, there is now an annual foreign and defence ministers' dialogue (with a 2+2 intergovernmental at the assistant secretary level), an Indian liaison to the U.S. Naval Forces Central Command, and U.S. consideration of placing a liaison at India's Information Fusion Centre for the Indian Ocean region. They also have ongoing dialogues on homeland security and issues like the security of 5G networks. Shredding its earlier reluctance, India has signed "foundational" agreements with the U.S., enhancing their militaries' interoperability and enabling intelligence sharing. Moreover, a change in U.S. policy has enabled Delhi to acquire additional American equipment, and the U.S. and India have expanded their military exercises, which include the new multi-service Tiger Triumph and the revived bilateral air force exercise Cope India. Delhi has also become more comfortable in working with the U.S. to engage other partners. This has resulted in the upgrading of the trilateral with Japan to the leader level, and the revival and upgrading of the Quadilateral Security Dialogue, which includes Australia. Furthermore, these years have witnessed the inclusion of Japan as an observer in the India-U.S. air force exercise, and the U.S. as an observer in the Australia-India naval exercise. The American and Indian navies have also undertaken a group sail with their Filipino and Japanese counterparts through the South China Sea. India has also found Washington to be helpful in two crises: in 2017, during the Sino-Indian stand-off at the Bhutan-China-India tri-junction, and in 2019 following a terrorist attack in Kashmir that led to heightened India-Pakistan tension. This assistance has involved rhetorical support, behind-the-scenes help, as well as coordinating action in international organisations. The U.S. has also tempered its criticism of India when Delhi moved to change the status of Jammu & Kashmir last year and helped blunt Chinese action against India at the UN Security Council. The strategic side of the relationship has not been without differences, though the two countries have largely managed them. For Delhi, neither the U.S. drawdown from Afghanistan nor the related U.S.-Pakistan bonhomie has been its preferred outcome. Washington has been upset with India's defence ties with Russia that could open it up to U.S. sanctions. India, in turn, has largely gone along with U.S. sanctions on Iran and Venezuela, but they have reinforced concerns about Washington weaponising interdependence. The two countries also have differences on China, including on whether it poses an ideological challenge and how far to go in confronting Beijing. Economic differences have been tougher to manage. On the one hand, trade, investment and revenue-generating people-to-people (tourism, education) ties have grown, and the American trade deficit with India has decreased. On the other hand, friction in the economic sphere has increased.

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Beyond market access problems, investment restrictions, and price controls on medical devices, the Trump administration has expressed concern about India’s e-commerce regulations and data localisation plans. India, in turn, has been the target of tariffs, lost certain trade benefits, and worries about certain aspects of Trump’s immigration approach. As things stand, the two countries are working toward a phase-one trade deal.

The third leg of the U.S.-India relationship—involving shared values—has not been a major feature. The two countries have rhetorically emphasised their democratic nature. However, India’s actions vis-à-vis Kashmir and its Citizenship Amendment Act have raised human rights concerns in Washington. While the administration has largely refrained from public criticism (something the Modi government has appreciated and might have even counted on), members of Congress have been less shy reticent. Perhaps the bigger adjustments in the relationship have been in India’s approach. This has become a high maintenance relationship for Delhi. It has had to cater to President Trump’s style and priorities.

That has meant highlighting deals in ways that prime ministers were loath to in the past on the grounds that it would seem too “transactional.” It has meant giving the president public platforms in Ahmedabad and Houston that his campaign has used for political purposes. It has meant downplaying statements that would otherwise have caused offence in India—whether reports of Trump making fun of Modi’s accent, or his offers to mediate the Kashmir dispute, or his praise of Pakistan in India, or his indication of retaliation if India did not deliver on supplies of hydroxychloroquine, a drug Trump claimed to be effective in treating COVID-19. It also has also meant Modi encouraging the Indian diaspora in the U.S. to make contributions not in India—as was the emphasis he emphasised in the past—but in the U.S.

Finally, it has meant Modi personally investing in wooing Trump just as President Obama made an special effort to engage Modi in 2013-15.

It is difficult to conclude that Modi and Trump have chemistry. But Trump has indicated that he sees Modi as a strongman and a winner—impresisons likely reinforced by Modi’s reelection. And whatever Modi thinks of Trump, he has catered to his preferences, recognising the importance of the U.S. for his domestic and foreign policy objectives. This attention has seemed to pay off in dealing with differences.

India has also adjusted its regional and global approach as a result of reliability concerns and uncertainty about America’s continuing role and commitment in the Indo-Pacific. Delhi has highlighted India’s willingness to burden share, and simultaneously pointed out that, as a non-ally, the U.S. does not have obligations toward India.

India’s willingness to revive the quadrilateral has also been partly shaped by the uncertainty. Policymakers recognised that the Quad was important to senior Trump administration officials and thus one way of incentivising the U.S. to stay involved in Asia. But that revival was also shaped by another calculation Delhi has made in the Trump era: i.e., that it is important to double down on diversifying its portfolio of partners. This has benefitted not just as Australia and Japan, but also resulted in India’s rediscovery of Europe and the reinvigoration of its defence relationship with Russia.

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