How Will Obama Election Affect India?

Barak Obama’s election to U.S. presidency has raised many questions in India. Here are my responses to four questions.

1) What would be the effect of this election on U.S. outsourcing policy?

I think it is unlikely that outsourcing of services will be influenced in any significant way by the change in U.S. administration for several reasons: (1) I have not seen this issue raised during the election campaign. (2) So many firms in all parts of U.S. depend on outsourcing of services to India and other countries that it would be difficult to get political support for restricting import of such services. (3) U.S. is still the largest service provider in the world, and any attempt by U.S. to put restrictions on purchase of services from outside may do more damage than good to the U.S. economy. Of course, outsourcing to India may be hurt by economic recession, and its coincidence with the change in administration should not be misinterpreted.

2) How will the job prospects of NRI's living in USA be affected?

The change in administration should have no effect on people of Indian origin living in U.S., or for people of other national origins. U.S. is remarkably free of discrimination based on national origin when compared to other parts of the world, including India. Any actual or perceived discrimination that may exist is not going to change because of the change in political party of the president. For a comparison, ask if the status of a dalit, his relationship with others, and his job prospects change when another dalit becomes the chief minister of a state of president of India.

3) What would be the impact on new prospective immigrants from India?

Again, I do not see any effect either on the number of immigrants permitted to enter the U.S. from India, or on their job prospects after they enter the U.S. Immigration from India is only a very small fraction of all legal and illegal immigration into U.S., most of which is from Mexico and other Latin American countries. Major impact on Indians is through the H1-B visa quotas, and this quota is not likely to change.

4) What would be the overall impact on US & India relations?

U.S.-India relationship is based on longer term interests of both these countries as determined by the consensus between the foreign policy and national security community in both these countries. Recall that the Democrat-controlled Congress passed the nuclear deal with India within a few days with very large majorities in spite of determined opposition from the New York Times and the arms control lobby in U.S. Ambassador Ronen Sen of India, and his predecessors, have worked very hard to build a relationship between U.S. and India which is largely independent of the political party in power in U.S. I believe, the same holds, more or less, in India. These two countries are too large and important for each other to have their relationship affected by political transitions which may occur every few years.