COUNCIL on FOREIGN RELATIONS

The shadow of a participant is seen on a map illustrating China's One Belt, One Road megaproject at the Asian Financial Forum in Hong Kong, China, on January 18, 2016 (Bobby Yip/Reuters).

INSIGHTS FROM A CFR SYMPOSIUM

New Geopolitics of China, India, and Pakistan

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In May 2016, the Council on Foreign Relations' (CFR) Asia program convened a symposium on the new geopolitics of southern Asia, made possible with generous support from the MacArthur Foundation. The on-the-record event was streamed live, and can be found on CFR's YouTube channel. Views described here represent symposium participants only and not CFR or MacArthur Foundation positions. ***The Council on Foreign Relations takes no institutional positions on policy issues and has no affiliation with the U.S. government.*** *In addition, the suggested policy prescriptions are the views of individual participants and do not necessarily represent a consensus of the attending members.*

SYMPOSIUM TAKEAWAYS

- No single flash point in southern Asia is likely to lead to conflict, but a combination of crises unfolding simultaneously could spell danger for the region.
- China's One Belt, One Road infrastructure blueprint offers opportunities to deepen regional collaboration and integration, but it also creates tensions of its own.
- The United States can elevate its profile in southern Asia by joining or increasing its involvement in regional groupings that include China, India, and Pakistan.

INTRODUCTION

South Asia is in the midst of a geopolitical transformation wrought by several simultaneous developments: China's rise, both economically and militarily, and its efforts to increase its commercial and diplomatic influence throughout Eurasia; India's rise, and its own efforts to work with South and Southeast Asia; and attempts by the United States to recalibrate its own grand strategy to address new power dynamics across the arc of Asia from the Pacific to the Indian Ocean. These shifting dynamics carry within them not only the seeds of potential conflict but also the hope for greater cooperation, both among regional powers and between them and the United States. As James M. Lindsay, senior vice president, director of studies, and Maurice R. Greenberg chair at the Council on Foreign Relations explained, the symposium convened by CFR's Asia program was meant to "examine current regional flash points with an eye toward steps each of the countries, as well as the United States, can take to dampen tensions and advance regional stability."

MAJOR FLASH POINTS IN SOUTHERN ASIA

Any one of the potential flash points—for example, border disputes or colliding maritime ambitions—is by itself unlikely to spark conflict between China and India, said Daniel S. Markey, adjunct senior fellow for India, Pakistan, and South Asia at CFR. But in the unlikely event that multiple crises break at the same time, "then you could begin to get into some very dangerous territory even within the next twelve to eighteen months."

Samina Ahmed, project director for South Asia at the International Crisis Group, argued that the nuclear arms race between India and Pakistan is "hugely destabilizing" and, coupled with continued disputes over the countries' contested borders, is "the major flash point in South Asia." The problem is particularly acute, she noted, because both India and Pakistan have continued to expand their nuclear arsenals: "Neither New Delhi nor Islamabad understand [sic] the importance of putting some restraint on developing their nuclear arsenals, then dealing with each other."

Markey was also skeptical about prospects for regional nuclear arms control, pointing out that Pakistan's deep-rooted insecurity with respect to India means that, for Islamabad, conventional arms and proxy fighters will never suffice. "Even if the United States were to take a leading role in an arms control effort, you come back to the fundamental insecurities, particularly felt by Pakistan," he said. Despite years of close ties between Beijing and Islamabad, Chinese leaders have done little to rein in Pakistan's nuclear ambitions. Markey expressed hope that China's growing partnership with Pakistan "will make China … increasingly concerned about the development that Pakistan's nuclear weapons program is making." China sees Pakistan's nuclear arsenal as a necessary deterrent, rather than as weapons that will actually be used, noted Wang Xu, executive deputy

director of the Center for South Asian Studies at Peking University. But, he conceded, China is concerned about security threats to the Pakistani nuclear arsenal posed by terrorists.

The nuclear arms race and disputed borders, countered C. Raja Mohan, director of Carnegie India, have been a fixture for decades. Potentially more destabilizing are region-wide changes that are upending an economic and security order that has stood since the end of World War II. "You're talking about the scale of transformation in Asia which is going to be far more consequential and powerful than the flash point in South Asia," he said. The possibility of a collision between Chinese ambitions and U.S. interests "makes India-Pakistan look like a picnic. … That is the flash point." Those U.S.-China tensions have been centered on Beijing's expansive and abrasive approach to the South China Sea, which Washington has tried to counter with naval displays and bulked-up allies. But many of those same dynamics—an expanding Chinese navy, following growing Chinese commercial interests built on a latticework of friendly ports of call—are now at play in the Indian Ocean. China now has port deals in Sri Lanka and Pakistan and a new base in Djibouti, spanning the Indian Ocean.

For China, an expanding naval presence is a logical response to its growing international footprint and responsibilities; since 2008, Chinese ships have conducted antipiracy patrols in the Gulf of Aden and have developed a network of informal logistics accords. China believes its presence in the region is nonthreatening and simply repeats steps that previous global trading powers have taken. But Beijing's actions in recent years have raised concerns across the region. "China has moved beyond the bases-or-places debate," noted Mohan. Although China's growing presence in India's backyard offers plenty of opportunities for collaboration, it has also caused plenty of unease in New Delhi. It is one reason, he said, that India is cooperating more with Japan and the United States on naval issues. The Indian Navy, Mohan argued, will have to take a page from China's playbook and broaden its own reach across the Indian Ocean and understand that "if you want to project power, you've got to have bases."

Pakistan is Hamlet in this play … but the tragedy is that Pakistan is not the Raj—its ambition is beyond its grasp.

Panelists agreed on another potential flash point: terrorism and instability in Afghanistan, which could roil India-Pakistan relations and complicate U.S.-China relations. Several panelists stressed that enhancing the Afghan government's capacity, stabilizing its political situation, and helping to boost the Afghan economy are the best, perhaps the only, ways to deal with the deteriorating situation. Despite hopes for a negotiated settlement to the conflict, the Taliban spring offensive has begun. Ahmed noted that the offensive, coupled with a recent terror attack in Kabul, "has changed Afghan perceptions of the utility of talks." Other panelists agreed that, desirable as they are, the talks are unlikely to work; worse, few of the countries involved have developed any sort of "plan B" should the prospect of talks vanish entirely.

Markey noted China's "unprecedented" involvement in Afghanistan's reconciliation dialogue and suggested that it is reflective of a "new reality" of global Chinese diplomatic influence. Xu maintained that China sees itself as a newcomer to the Afghan morass, but he stressed the need to address political and economic shortcomings in Afghanistan. "I'm more concerned not about the peace talks, but enhancing the capability of Kabul should be at the top of the list," said Xu. For Mohan, the future of Afghanistan is marked by uncertainty over future U.S. intentions toward the country, coupled with what he sees as likely increased jockeying for influence there by China, Iran, India, Russia, and others. Pakistan, as an heir to the British Raj,

is naturally eager to exercise the most influence over Afghanistan. "Pakistan is Hamlet in this play," he argued. "But the tragedy is that Pakistan is not the Raj—its ambition is beyond its grasp."

INTEGRATING THE REGION AND BRIDGING DIFFERENCES

Many of the sources of friction in South and Central Asia and the Indo-Pacific have economic roots. Those include China's ambitious One Belt, One Road plan to build trade ties overland across Central Asia and a maritime route across the Indian Ocean; China's planned $46 billion investment corridor in Pakistan; and India's efforts to deepen its trade ties in Southeast Asia and, to a limited extent, with its northern neighbors. All those commercial plans, from new roads and railroads to deepwater ports and streamlined trade, could boost regional economies and bring strained neighbors closer. The second panel explored China's economic plans for the region and how the United States and countries in South Asia are dealing with them.

The One Belt, One Road blueprint is, at its heart, all about providing a public good, argued Su Xiaohui, associate research fellow in the department for international and strategic studies at the China Institute of International Studies. Bringing sustainable security to the region requires "development of the region," Su said. And since development means addressing the need for an estimated $2.6 trillion in investment by 2020, China has to throw billions of dollars and an alphabet soup of organizations at the problem, from the Asian Infrastructure Investment Bank to the New Development Bank to the China-Pakistan Economic Corridor.

Moreover, Su noted, China's efforts, whether through new banks or investment plans, are not meant to "push the United States out of Asia" but to deepen regional cooperation. She observed that regional frameworks like the Conference on Interaction and Confidence-Building Measures in Asia (CICA), have put multilateral cooperation at the center of the regional agenda. Of course, the United States has had for years its own plan of integrating Central Asia (the so-called New Silk Road initiative) to bolster stability for Afghanistan in the region, especially following the departure of the international presence there. While those visions have all but languished, especially compared to China's well-funded efforts, Su said the dueling plans do not have to be a source of tension: "China believes if the United States wants to be part of it, it is good news."

For India, too, China's big plans are not necessarily unwelcome. Jayant Prasad, director general of the Institute for Defence Studies and Analyses, noted that, a thousand years ago, India and China came together in Southeast Asia, "not in conquest, but based on culture and commerce." Today, India again seeks closer trade and diplomatic ties with Southeast Asian countries, as does China. Yet China's One Belt, One Road initiative sidesteps India. One way to assuage Indian concerns, he suggested, would be to link up with Chinese projects in the greater Mekong Delta area. "For the Chinese project to succeed," said Prasad, another "Sino-Indian confluence is important."

Indeed, for Central and South Asian economic integration to become a reality, suggested Shahid Javed Burki, a former finance minister of Pakistan, "India has to take the lead." As South Asia's most populous country and biggest economy, India's participation is vital. "Unless the anchor economy shows foresight and imagination, no regional project can take off," he said. Otherwise, China's big investment, especially in Pakistan, would just separate Pakistan from South Asia. Prasad agreed that "India has to lift its game" but noted that Pakistan's "obduracy" in blocking overland access between India and Afghanistan necessarily means "the second-best plans." Pakistan's unwillingness also costs Pakistan the chance to be a logistics thoroughfare.

Asked about regional integration that did not involve economics, Prasad pointed at one big opportunity for more cooperation: cross-border issues that directly affect China and South and Southeast Asia. Three of South Asia's biggest rivers originate in China, he noted, yet countries in the region barely cooperate on river management. Cooperation is crucial, he observed, now that climate change is melting glaciers in the Tibetan plateau and changing monsoon patterns on the subcontinent: "Climate change affects water, it affects energy, and it affects food."

U.S. POLICY OPTIONS TO STABILIZE THE REGION

Although China and Central and South Asian countries will play a leading role in both the economic integration and the future security architecture of the region, there is an increasingly large place for South Asia in U.S. policymaking. Broadly speaking, former U.S. officials at the symposium fell into separate camps when evaluating how Washington should respond to the region and to China's recent efforts. For some, like Daniel F. Feldman, former U.S. special representative for Afghanistan and Pakistan, China's One Belt, One Road complements U.S. efforts to integrate the region. "I think it fulfills many of the ambitions we laid out in the New Silk Road," he said.

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Marc Grossman, also former U.S. special representative for Afghanistan and Pakistan, argued that if new investment leads to more energy, jobs, growth, and "human security," then it will help deliver real security, too. "This economic integration … there are some areas where China, India, Pakistan, and the United States could all be working on this together," Grossman said. Like him, other panelists expressed some skepticism regarding China's ability to deliver on tens of billions of dollars in planned investments. But the mere fact that Beijing, in the space of a few years, has fully invested in the region, both economically and diplomatically, is welcome, especially as the United States seeks to wind down its involvement in Afghanistan. "The fact that the Chinese have been willing to put more skin in the game has been a net positive for the U.S.-China relationship," noted Evan S. Medeiros, the former senior director for Asia on the U.S. National Security Council and currently a managing director at Eurasia Group.

Asked if the United States should accept China's growing economic role in the region or push back, former U.S. Ambassador to China J. Stapleton Roy said, "We have a choice of either remaining on the outside and playing a carping role … or we can get involved in it as a junior partner. We can't play the role of a major partner because we don't have the economic resources." For Roy, continued U.S. economic activity in the region is vital to advancing U.S. foreign policy goals, especially when confronting rising powers that use all aspects of statecraft abroad. "At the moment, our political system is funding the military component of our international presence, and is grossly underfunding all of the other aspects of our comprehensive power," he said. Maintaining military power is important, noted former U.S. Ambassador to India Frank Wisner, but "keep an eye on the politics and the economics—they are very powerful."

One way to act on that economic interest in the region would be to boost India's profile in big regional trade organizations, some panelists said. India remains outside global supply chain networks and has high tariff

barriers relative to the open economies of Asia, Europe, and the United States, but over time could be brought along to a more free and open trading system that would help advance U.S. goals in the region.

The Regional Comprehensive Economic Partnership (RCEP), a proposed trade pact between the ten ASEAN states and six Asian countries outside ASEAN, is an alternative to the Trans-Pacific Partnership (TPP), the twelve-nation trade bloc negotiated by U.S. President Barack Obama's administration. India and China are both in RCEP; neither is in the TPP. Nor is India sure that wants to join the TPP, and that its economy is ready to do so. But a "good first step would be getting India into APEC," said Alyssa Ayres, senior fellow for India, Pakistan, and South Asia at CFR, referring to the Asia-Pacific Economic Cooperation, a regional forum meant to advance free and open trade and sustainable growth in the region. The United States needs to keep the "South Asia part of Asia high on our priorities." There is a host of regional groupings that include India and China and others that would offer a venue for greater U.S. visibility in the area and a chance to help ensure that U.S. objectives are met, noted Ayres.

Yet in some groupings, such the Shanghai Cooperation Organization, the United States does not even have observer status; where it does, such as in CICA, it has been a bystander. "The United States ought to be more involved" in CICA and other organizations, Ayres argued, to be a "more positive, proactive player in the region." Assurances of continued U.S. participation in the region could play a similar role as the Obama administration's much-vaunted pivot to East Asia. "Let's rebalance our rebalance," she said.

"To me, the role of the United States in South Asia, but more broadly throughout East Asia, is a critical component in the maintenance of the balance of power," Wisner observed. For the United States, India is "hugely important" in maintaining that balance of power throughout the Asia Pacific, and it is a two-way street: "India sees the United States and its relationship with us as part of its ability to secure itself in the long term and manage its own relations with a rising Chinese power."

One of the wild cards in terms of regional diplomacy, is the role that counterterrorism can play in bringing countries closer. For Grossman, counterterrorism is one of the things that China, Pakistan, the United States, and Central Asian countries could "really cooperate on." Ayres observed that difficulty for the United States to cooperate on counterterrorism with India and Pakistan at the same time. Could the United States and China deepen counterterrorism cooperation? Definitions can trip up diplomacy, noted Medeiros. For China, terrorism often just means "one thing and one thing only," namely, Muslim separatists in Xianjiang. That "narrow and somewhat distorted" Chinese view of terrorism, he suggested, has limited chances for Washington and Beijing to work together.

Finally, during a U.S. campaign season that has seen a resurgence in isolationism and strident opposition to free trade, panelists sought to explain to American voters just how trade, economics, and diplomacy are part and parcel of American power. "In dealing with the world, the United States is going to be a loser if we are not able to play a role other than [with] the military," argued Roy. Wisner said that U.S. policymakers need to be able to show that freer trade and global cooperation does not lead to a net loss of jobs, to counter the economic anxiety that fuels much of the desire for retrenchment. "The U.S. cannot be great if we do it in isolation," noted Feldman, adding that the United States can neither be as safe nor as prosperous as possible without global interaction.