Managing Leadership in the Indo-Pacific

The United States' South Asia Strategy Revisited

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Abstract: The United States' South Asia strategy has been based on the calculation of its overall national security priorities. In practice, when U.S. priorities are at odds with those of other regional powers, Washington tends to adopt a "no-expectations" psychological approach toward its regional partners to avoid disappointment, a technical "de-hyphenation strategy" to improve policy efficiency, and practical cost-benefit analysis to evaluate the effectiveness of its South Asia strategy. However, Washington often has to come to terms with the realities on the ground with regard to its leadership role in South Asia. For the time being, Washington has articulated its strategic objective in South Asia, that is, a regional balance of power in favor of the United States vis-a-vis its perceived competitor, China. Therefore, it has conducted conditional cooperation with Pakistan and Afghanistan on land, and committed support for India on security issues in the Indian Ocean, so as to hedge against China's growing presence in South Asia. The enhancement of U.S.-India defense and security

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cooperation has fueled China's suspicion of India's intention to join the U.S.-led coalition against it. By the logic of balance of power, the United States will continue to regard India as a strategic counterweight to China, which is likely to increase the possibility of strategic tensions and conflicts between China and India that may finally entangle the United States.

Keywords: Leadership management; China's rise; "Indo-Pacific"; U.S.-India strategic partnership; South Asia.

South Asia has never ranked high on the United States' list of national security priorities. This lack of interest is surprising, given that Washington has made considerable strategic investment in India, Pakistan, and Afghanistan with the aim of gaining a strong foothold on the subcontinent. Despite the U.S.' vested interests, there is a general consensus within the policy-making and strategic community that "until the 1990s, South Asia was not really worthy of Washington's attention,"¹ and while attention has increased since South Asia became a global nuclear concern, it is still by no means a priority. Policy-making regarding South Asia has always been subordinated to strategic calculations concerning other regions deemed vital to U.S. national interests, such as the Middle East and the Asia-Pacific. This bird's eye view of South Asia as a tool for advancing broader agendas has led to a relative lack of micro-level interest in, and detailed analysis of, the region in both political and academic spheres.

U. S. leadership in South Asia mainly based on its calculation of overall national security priorities and ignorance of regional dynamics would be problematic, considering the increasing potential uncertainties in the region rooted in weak nation-states, unanticipated evolution of nontraditional security threats, and changing geopolitical and geo-economic contexts in the vast Indo-Pacific region that stretches from the west coast of India to the west shores of the United States. To avoid major strategic miscalculation between great powers, the United States and China in particular, a careful examination of the U.S. leadership in the subcontinent as well as current regional dynamics is greatly needed, so as to provide some understanding

¹Dhruva Jaishankar, "Does South Asia Exist," *Foreign Policy*, November 26, 2013, <http://foreignpolicy.com/2013/11/26/does-south-asia-exist/>.

of the evolution in the capabilities and intentions of relevant powers, explore the potentials to promote stability and deescalate contention, and thus enable a more stable strategic landscape in the region.

Rationale Behind the U.S.' South Asia Strategy

A country playing a leadership role in a region essentially means that it has the capability to shape regional dynamics in accordance with its own priorities. In the case of the United States, its South Asia strategy is formulated on the basis of a clear-eyed assessment of its global security concerns and interests. It is not surprising that the United States' partnerships with countries in South Asia have reflected its broad global priorities of the day. This pattern was apparent during the Cold War. After 1954, the United States tried to forge a security partnership with Pakistan to contain the Soviet Union. It was not about shared values; rather, it was created with the goal of winning the Cold War, especially after the Soviet invasion of Afghanistan in 1979.

With India's nuclear test in 1998 and Pakistan's follow-up actions, the potential for an escalating nuclear conflict over Kashmir became a new global priority. Suddenly, Washington began to pay more attention to the region. It switched gears to engaging with both India and Pakistan, because that was the best way to face the new challenge. Its priorities became putting them both under the inspection of international nuclear regimes, preventing proliferation of weapons of mass destruction, and moderating the regional arms race.

Since the 9/11 terrorist attacks, Washington's South Asia strategy has shifted and its regional partnerships were once again rearranged. To facilitate the U.S.' ground battle against terrorism, Pakistan was designated as a non-NATO ally, and the Afghan-Pakistan (Af-Pak) strategy was created. At the U.S. bureaucratic level, the office of the Special Representative for Afghanistan and Pakistan (SRAP) was established in 2009 to facilitate coordination across the governments, with the hope of tackling this new priority. Afterwards, especially since 2008, the United States has again dramatically transformed its policy toward India in order to respond to an "aggressive" rising China. There is a bipartisan consensus that a stronger India best fits U.S. national interests because it can balance China in Asia and even the broader Indo-Pacific region. Therefore, helping improve

India's national capabilities is seen as a natural response to China's rise and also the least costly alternative.

Amid continuous challenges, the United States has increasingly viewed South Asia through a global lens. However, the policy priorities set by the United States are not necessarily the same as those of other regional powers, which may result in a sense of dissatisfaction, frustration, and even anger in partner countries. Therefore, Washington has basically adopted three approaches to coordinate divergent priorities.

The first is to steer clear of disappointment, which is also known as a "no-expectations" psychological approach to avoid setting high expectations for India and Pakistan. For example, Washington does not expect India to abandon its long tradition of strategic autonomy and forge a formal alliance with the United States and its close security allies like Japan and South Korea. Although the United States is determined to "support India's growing relationships throughout the region," the widely discussed potential alliance among the United States, Japan, Australia and India — the "Quad" as it is called — has largely remained only on paper.² Also, the United States has not given much attention to India's concern of the policy implications of U.S.-Pakistan security cooperation, be it related to counter-terrorism or nuclear security. For Pakistan, "no expectations" means that the United States places little hope of gaining true-sense strategic trust from Pakistan given the latter's inborn sense of insecurity concerning the U.S.' democratic push and especially India.

It is notable that the "no-expectations" approach does not contradict the necessity of maintaining both a U.S.-India policy and a U.S.-Pakistan policy. There is undoubtedly a general understanding among U.S. policy elites that the country's South Asia strategy should be based on sober evaluation of the consequence of its Pakistan policy on its India policy, and vice versa. In this complicated context, India and Pakistan have been cataloged into completely separate policy baskets in an attempt to improve

The U.S. has taken pragmatic measures to deal with Pakistan and India separately to serve its policy priorities.

²The White House, *National Security Strategy of the United States* (Washington, D.C.: White House, December 2017), pp. 56–57.

U.S. policy efficiency in South Asia. This approach is justified by the argument that

India is on its way to becom[ing] a major Asian power whose collaboration with the U.S. offer[s] the promise of realizing vital geopolitical goals on the world stage, while Pakistan is a vulnerable but valued partner in the immediate war of terrorism and then a troubled state [that] needs assistance for soft-landing.³

The second approach of dealing with mismatched priorities is called “de-hyphenation,” which began during the G.W. Bush administration and further evolved under the Obama administration when both the AfPak strategy and the U.S.-India Strategic and Commercial Dialogue (S&CD) were separately initiated and maintained. The concept has also been discussed in a series of policy debates on whether to “de-hyphenate India-Pakistan, re-hyphenate China-India, and hyphenate Afghanistan-Pakistan.”⁴

The third approach Washington takes in response to misaligned priorities is performing cost-benefit analysis to evaluate policy implementation. This sort of analysis is often heard during testimonies before the Congress. In a testimony before the U.S. Senate on the assessment of U.S. assistance policies to Pakistan, a rather dismal analysis was presented:

Worse than being ineffective, American assistance to Pakistan can even be counterproductive. American money has propped up some of the most repressive, anti-reformist leaders and institutions in Pakistani society...and many of America's natural allies in Pakistan have been alienated as a consequence.⁵

³Ashley J. Tellis, “The Merits of Dehyphenation: Explaining U.S. Success in Engaging India and Pakistan,” *Washington Quarterly*, Vol. 31 No. 4 (Autumn 2008), p. 36.

⁴Lora Saalman, “U.S.-China Cooperation in South Asia,” Carnegie Endowment for International Peace, March 25, 2011, <http://carnegieendowment.org/2011/03/24/u.s.-china-cooperation-in-south-asia-event-3373>.

⁵Daniel Markey, “U.S.-Pakistan Relations: An Assessment of U.S. Assistance Policies, Civilian-Military Relations and Prospect for a Strategic Shift,” Testimony before the United States Senate Committee on Foreign Relations, September 8, 2016, p. 2.

Other examples of cost-benefit analysis include preparing studies for a new administration when it sets out to form its foreign policy. In one such report, a new U.S. approach to Pakistan was proposed. The United States should enforce aid conditions to Pakistan, while not totally cutting ties. These conditions include

better leveraging U.S. military aid to encourage tougher policies against terrorists who operate from within Pakistan. . .and laying out a sequence and timeline for specific actions Pakistan must take with regard to terrorists responsible for attacks outside.⁶

Taken together, all these approaches are useful tools for Washington to prioritize and evaluate its goals in South Asia while avoiding too much disappointment for other actors. However, they are all band-aid solutions and can do little to bridge the gap of interests among various partners. By setting “no expectations,” the United States at least acknowledges the concerns of its partners, and gives them wiggle-room to respond in a way that fits their regional perspectives. Nevertheless, this does not shape how the United States behaves in turn. De-hyphenation, on the other hand, actively separates intertwined regional concerns into different issues. And while cost-benefit analysis is conducive to determining what the United States finds acceptable, it does not incorporate external points of view. Sometimes, such analysis even ignores how other countries may evaluate their own gains and losses.⁷

⁶Husain Haqqani and Lisa Curtis, “A New U.S. Approach to Pakistan: Enforcing Aid Conditions without Cutting Ties,” Hudson Institute Briefing Paper, February 2017, p. 11, <http://www.satp.org/satporgtp/countries/pakistan/document/papers/usapproach.pdf>.

⁷The result of cost-benefit calculations, maintaining “no expectations,” and de-hyphenation is often a better understanding of what kind of South Asia is acceptable to United States. However, it is also important to recognize that other regional powers may have different perspectives in terms of how they see their gains and losses. Gains may include not only money, but also intangible assets such as international image. And losses may include not only soldiers’ lives, but also honor or regime sustainability. The perspectives of other regional powers are important to the United States because they shape the way regional powers respond to it and their future interactions, thus changing the costs that may be incurred to the United States.

Weaknesses of the U.S.' South Asia Strategy

To bridge the gap of interests, it is necessary for the United States to set a baseline for its long-term vision and foster a balance among its domestic interest groups. This is easier said than done, as the political process in Washington is characterized by de-centralization, power diffusion, and multi-dimensional bargaining and negotiation. Against this backdrop, the U.S. priorities are bound to be temporary and the country's most important interest might only be valid for a short period of time. Priorities are changeable, and thus need to be adjusted as time goes by. This has led to an incredibly vague understanding of the United States' long-term goals in South Asia. As a result, U.S. actions in the region often do not serve its long-term national interests; they are instead based on maintaining an acceptable South Asia. Under this benchmark, immediate action is taken as soon as something completely unacceptable occurs. Some have simplified this as a U.S. "national enemy" model, in which U.S. national resources would be quickly mobilized in response to problems, or even preemptively. This pattern could be explicated with the U.S. practice after the 9/11 tragedy.

The red line approach can signal to outsiders what is unacceptable to Washington, yet it does not cover positive areas where the United States could accommodate different interests and foster international cooperation to shape regional dynamics in a way that complies with the U.S. interests. For the benefit of both the United States and regional powers, what kind of South Asian order is the United States trying to shape? The newly published National Security Strategy Report states that

U.S. interest in the region include countering terrorist threats that impact the security of the U.S. homeland and allies, preventing cross-border terrorism that raises the prospect of military and nuclear tensions, and preventing nuclear weapons, technology and materials from falling into the hands of terrorists.⁸

⁸The White House, *National Security Strategy of the United States*, p. 50.

This still appears to be base-line flagging. However, by examining the priority actions in the Report, it is possible to picture what kind of South Asia Washington intends to push for politically, economically and militarily.

First of all, given limited resource input, the United States will selectively combat terrorist threats, press Pakistan harder on countering terrorism, and prevent potential cross-border conflicts between India and Pakistan as well as between India and China, in order to achieve greater security in South Asia that would in turn promote the safety of the U.S. homeland and its regional allies.

Secondly, Washington will help build a stronger and more capable India to act as both a potential geo-strategic balancer against China, and an attractive informal ally on issues of regional architecture based on the "rule of law," and enhancing liberal ideology as well as maintaining a U.S.-led regional order. Thirdly, the United States will continue to promote a safer, more self-governed Afghanistan with a civilian government under strong American influence. Lastly, Washington will try to neutralize (if not contain) Chinese presence and influence in South Asia. Ideally, China would accept an appropriate and flexible American military presence in South and Central Asia while ignoring the potential policy implications of a deepening U.S.-India strategic partnership in the Indian Ocean.

For decades, Washington has been taking effort to accommodate key security concerns of both India and Pakistan. Proponents of this viewpoint argue that Washington made the U.S.-India Civil Nuclear Deal without reference to the Pakistan factor, and built strategic and military ties with India without "any expectations of direct recompense from India."⁹ Meanwhile, the United States forged an *ad interim* counter-terrorism

The U.S.' South Asia strategy tends to be expedient and lacks coherence due to conflicting interests at home and abroad.

⁹ Ashley Tellis, "American First Can Damage Indo-U.S Ties," *Hindustan Times*, January 19, 2017, <http://www.hindustantimes.com/world-news/america-first-strategy-can-damage-indo-us-ties-trump-should-boost-bilateral-ties-ashley-tellis/story-z403UMwJJW2YIQwCm1Tx2I.html>.

alliance with Pakistan, even though India never stopped accusing Pakistan of being a state sponsor of terrorism. Also, Washington has tried to separate Pakistan from India in terms of foreign aid, reconstruction investment, as well as military exchanges and training programs. The United States Agency for International Development (USAID) has set up the Office of Afghanistan and Pakistan Affairs and the Bureau of Asia, while the State Department runs the Office of the Special Representative for Afghanistan and Pakistan and the Bureau of South and Central Asia. Furthermore, U.S. armed forces dealing with Afghanistan and Pakistan affairs are part of the function of its Central Command. In contrast, security issues concerning India and the rest of South Asia fall under the responsibilities of the U.S. Pacific Command centered in Hawaii.

Theoretically speaking, this separation is determined by the discriminatory approaches Washington has adopted toward New Delhi and Islamabad. For Pakistan, this method can be simplified into a negatively forecasting and determining policy, because Pakistan has the capability to undermine U.S. national security. The U.S. policy toward India, on the other hand, is largely based on the positive expectation that the potential for U.S.-India cooperation is enormous, and that India is a valuable friend with a shared value system of similar respect for rule of law, and a mutual desire for a similar world order. China, therefore, sees the U.S. problems with India as mainly technical, while the U.S.' cooperation with Pakistan is mainly temporary and a choice out of "no better options."

Nonetheless, Pakistan's status as a U.S. partner of last resort creates much concern within the Chinese strategic community that the United States under the Trump administration might stop seeing Pakistan as a tool for countering terrorism and instead plan for a more conditional military and civic aid strategy to Afghanistan directly. The United States' conditional and temporary cooperation with both Pakistan and Afghanistan may include: (1) huge cuts in financial assistance and greater pressure on Pakistan to stop support for militants and terrorists who target American service members and officials; (2) larger military presence by adding 6,000 and more troops in Afghanistan to consolidate previous counter-terrorism progress and keep American people and property safe in accordance with the "America First" policy; and (3) linking assistance with the

anti-corruption reform in Afghanistan on the ground, and encouraging India's assistance to Afghanistan on civilian development and military training.

Donald Trump's conditional aid strategy could put Pakistan in a more isolated situation and result in India's larger engagement in Afghanistan. Justification for this includes the previous administration's failure "to properly prepare Afghan forces for the withdrawal of most foreign forces," and a proposal to re-merge the office of the Special Representative for Afghanistan and Pakistan back with the

Bureau of South and Central Asia.¹⁰ In response, China has felt the need to take on a greater role in Pakistan. On one hand, this is because China has strong empathy for the sacrifice that the Pakistani people have made for the war on terror — as some Chinese scholars argue, Pakistan's current mess is one of the consequences of the United States' counter-terrorism policy over the past two decades.¹¹ On the other hand, China anticipates that a more conditional U.S. partnership with Pakistan as well as Afghanistan would actually enhance India's preeminence in the region, though they are conditional in a different way.

The U.S.' conditional aid strategy may enhance India's role in counter-terrorism while isolating Pakistan.

The China Factor

It seems that at the strategic level, Washington has shifted away from considering South Asia as a priority in combating terrorism, for "according to senior American and European intelligence and counter terrorism officials... Al Qaeda's top leadership in the Afghanistan-Pakistan region has decided that the terror group's future lies in Syria."¹² Instead, South

¹⁰Anthony H. Gordesman, "The Trump Transition and the Afghan War: The Need for Decisive Action," Center for Strategic and International Studies, January 5, 2017, <https://www.csis.org/analysis/major-new-report-trump-transition-and-afghan-war-need-decisive-action>.

¹¹For instance, see Zhao Gancheng, "Afuhanwenti yu yazhoudeanquanzhili [Afghanistan and Asia Security Governance]," *South Asia Studies*, No. 1, 2015, p. 2.

¹²Eric Schmitt, "Al Qaeda Turns to Syria, With a Plan to Challenge ISIS," *New York Times*, May 15, 2016, http://www.nytimes.com/2016/05/16/world/middleeast/al-qaeda-turns-to-syria-with-a-plan-to-challenge-isis.html?_r=0.

Asia has become a marginal part of the Indo-Pacific supporting the United States' effort to sustain a favorable balance of power, and especially in managing the consequence of China's rise. For China, the question it finds most difficult to answer is how the United States could expect a neutralized Chinese presence in South Asia if, as China sees it, the United States welcomes China's support in stabilizing Pakistan and Afghanistan, yet at the same time encourages India to act as a balance to China in the Indo-Pacific region.

Given China's increasing footprints in South Asia, the China-Pakistan Economic Corridor (CPEC) is one of the key new developments in the geo-economic dynamics that would generate long-term implications. So far, in terms of both Chinese motivation and capability, it is still too early for the United States to label the CPEC as a game-changer. The CPEC is often portrayed as a vehicle to reach a "China-Pakistan Axis," and as "the best shot the two sides have at realizing the ambitions" and considerably reinforcing "the security and political aspects of the relationship."¹³ Following this geopolitical logic raises the question of whether the CPEC is just another Chinese countermeasure against a possible "third phase of the U.S. rebalance to the Asia-Pacific"¹⁴ with the coming of the "Indo-Pacific era." Before completely dismissing it as unwanted aggression, it is important to objectively evaluate whether the overall economic and political consequences of the CPEC are important for the United States' long-term national interests. Besides the above-mentioned geopolitical rationale, some

independent driving forces of the CPEC need to be taken into account when making the judgment.

Above all, the unique "all weather" friendship between China and Pakistan is shaped by the history of both countries and their complicated interactions with India.

The U.S. needs to go beyond its geopolitical mindset in regard to the CPEC.

¹³Muhammad Akbar Notezai, "Interview: Andrew Small on China-Pakistan Ties," *Diplomat*, November 19, 2015, <http://thediplomat.com/2015/11/interview-andrew-small-on-china-pakistan-ties/>.

¹⁴Curtis Stone, "Voice of China: Why a Third Phase of the U.S. Rebalance to Asia Pacific Could be Destructive," *People's Daily*, October 13, 2016, <http://en.people.cn/n3/2016/1013/c90000-9126636.html>.

The recent changes in India's national capability and its growing involvement in the South China Sea have made it increasingly difficult for China to unpack its respective policies toward India and Pakistan, even though China has also adopted a balance or "de-hyphenation" policy since President Jiang Zemin's era two decades ago. Next, China's self-obligated assistance to Pakistan is linked to the assumption that China's reputation is becoming more important as it rises from a regional power to a global power.¹⁵ The CPEC is therefore in line with other Chinese initiatives such as the Asia Infrastructure Investment Bank (AIIB), the "Belt and Road" Initiative (BRI), and the Conference on Interaction and Confidence-Building Measures in Asia (CICA). Finally, China's domestic stability, in its Xinjiang Uygur Autonomous Region in particular, demands substantial cooperation with Pakistan in countering terrorism.

The existence of independent driving forces was echoed by recent events. For example, the CPEC was initiated in May 2013 during Chinese Premier Li Keqiang's visit to Pakistan, and was closely followed by the BRI, which was proposed in late 2013 by Chinese President Xi Jinping. The *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*, an official document released in March 2015 by China's National Development and Reform Commission (NDRC), Ministry of Foreign Affairs (MFA), and Ministry of Commerce (MOFCOM), stated that "the China-Pakistan Economic Corridor is closely related to the Belt and Road Initiative, and therefore require closer cooperation and greater progress."¹⁶

In recent years, China has indeed invested many resources into building the CPEC. It is roughly planned to be a \$46 billion package covering multiple aspects of development, including construction of energy projects, infrastructure and connectivity facilities, industrial parks, the Gwadar port, telecommunications and agricultural assistance, as well as human capital training. During the 2015–2016 fiscal year, China's Foreign

¹⁵Xiao He, "Cong fazhanwaijiao dao shendujieru: 'yidaiyilu' changyixia de zhongguoduiafuhanzhengce [From Diplomacy Development to Deeper Involvement: China's Afghanistan Policy under the BRI]," *South Asia Studies Quarterly*, No. 2, 2016.

¹⁶Official Papers, "Vision and Actions on Jointly Building Belt and Road," *China Daily*, March 30, 2015, http://language.chinadaily.com.cn/2015-03/30/content_19950951.htm.

Direct Investment (FDI) in Pakistan reached \$594 million,¹⁷ an increase of 130 percent over the previous year. However, China's dramatic increase in investment in Pakistan occurred amid the context that the United States, Pakistan's traditional FDI inflow provider, was downsizing its support. Even if China's FDI inflows continue to expand, they cannot match Pakistan's growing needs. Besides, China is faced with lots of security challenges in Pakistan. Indeed, China has invested in the CPEC with full understanding of the potential risks. According to the final review by the International Monetary Fund (IMF) on Pakistan's three-year economic reform program (starting from 2013), "moving forward with key structural reforms is pivotal to foster higher and more inclusive growth."¹⁸ This has made most international investors cautious about future investment in Pakistan. So far, China has worked very closely with the Pakistani government to ensure the safety of Chinese enterprises and citizens along the CPEC, especially in the sensitive Balochistan-Peshawar area. In sum, China feels obligated to help Pakistan develop its economy for reasons beyond geopolitical considerations, but at the same time, China feels constrained in terms of finance and security. Therefore, it is still too early for the United States to categorize the CPEC as a game-changer.

With the rise of India and China at the same time, the two psychologically "distant" neighbors suddenly found themselves face to face not only in their shared neighborhood such as Myanmar, but also in the other's — especially India's — traditional periphery that has been regarded as its "backyard" with much strategic importance to wield influence. Since 2008, China has been trying to establish its naval presence in the Indian Ocean to counter terrorism, facilitate economic activities, and match its strategic stake. Due to high dependence on the Malacca Strait as a primary conduit for energy supplies, China is quite vulnerable to economic coercion during any conflict with other major powers like the United States. This reality has prompted China to focus more on the security of maritime

¹⁷The Embassy of People's Republic of China in the Islamic Republic of Pakistan, "Pakistan FDI Inflows in the Fiscal Year of 2015–16," August 2, 2016, <http://pk.mofcom.gov.cn/article/wtojiben/am/201608/20160801371044.shtml>.

¹⁸IMF, *Twelfth and Final Review Under the Extended Fund Facility for Pakistan* (Washington, D.C.: International Monetary Fund, October 2016), p. 2, <https://www.imf.org/external/pubs/ft/scr/2016/cr16325.pdf>.

transport stretching from the North Arabian Sea to the Malacca Strait as well as its investment in infrastructure to sustain alternative trade routes. In 2017, China's first overseas quasi-military base — mainly naval logistic facilities — began construction work in Djibouti. It is expanding the size of its marine corps to 100,000 troops for deployments in the region. There are also reports that China is weighing the feasibility of establishing a naval base at Gwadar Port in Pakistan.

On the sea front, India is responding to China's forays into the Indian Ocean by fortifying its relationships with strategic partners. Besides, India, the only major country to turn down the invitation from Beijing to attend the Belt and Road Summit in May 2017, seems eager to establish an alternative to the Chinese-led economic integration. For instance, India, Japan, and the United States have indicated a collective intention to support strategic port development in the Indo-Pacific. Apart from signing pacts with Singapore and the United States in sharing logistics, Delhi is working with Canberra, Tokyo, and Washington (the "Quad") in political and military realms to deal with China's power projection in the Indo-Pacific, though the coalition is unlikely to become a formal treaty alliance any time soon.

The overlap of India's strategic backyard and China's strategic periphery foreshadows the danger of increased interaction, competition, and friction in South Asia. Geographically, India and China share the longest land border in the world and last fought a war over territorial disputes in 1962. Despite occasional strife, the two countries have operated in distinct strategic theaters and avoided major conflict for more than half a century. However, this landscape seems to be changing as China makes economic and maritime inroads into South Asia. India believes China's increasing presence in South Asia (both on land and at sea) would enhance China's capabilities to influence India's traditional "protectorates" and, if needed, could be used for military and strategic purposes against it. For example, Indian strategist Raja Mohan once raised the possible relevance between land and sea by arguing that

China and India are likely to engage in more intense strategic competition in South Asia.

Delhi must vigorously debate the potential options that the navy can generate in deterring the land-based threats from China and

Pakistan and in countering the growing collaboration between Beijing and Islamabad in the waters of the subcontinent.¹⁹

At the heart of India's concerns on China's increasing presence in South Asia is the fear that it might one day be forced to fight a two-front war against China and Pakistan. Delhi has long bemoaned Beijing's assistance to the Pakistani military and the country's nuclear-weapon program. Some in India view Chinese assistance as a means of "tying down" India on the subcontinent by forcing it to devote diplomatic and military resources to deterring Pakistan.

While India's concerns are real, this does not necessarily mean China's effort to increase its presence in South Asia is aimed at encircling India. As China rises, it has sound reasons to expand and protect its interests. But it is by no means a zero-sum game. China's expansion is not tantamount to circumscribing India's role. As a matter of fact, recent Congresses of the Communist Party of China (CPC) all project China's expansion as part of China's modernization drive, not an effort to displace leading regional powers like India. As suggested by CPC documents, India's fear of Chinese influence in the region may be overblown or misdirected. In previous reports of the 16th to 18th CPC Congresses, China set the overarching mid-term goal of "realizing a moderately prosperous society by 2021 and formulat[ing] a strong, democratic, civilized, harmonious, and modern socialist country by 2049." According to these internal proceedings, China is supposed to achieve economic and military modernization no later than 2035. The 19th CPC Congress report reemphasizes that "no matter what stage of development China reaches, China will never seek hegemony or engage in expansion."²⁰ For in the Chinese context, hegemony has the negative connotation of "bullying" others. This implies that the legitimacy of power is derived from the way it is exercised, not from the source it emanates. Understood in this way, China's insistence that it will not pursue

¹⁹Raja Mohan, "Raja Mandala: Maritime India Versus Continental Delhi," *Indian Express*, February 9, 2016, <http://indianexpress.com/article/opinion/columns/international-fleet-review-maritime-india-versus-continental-delhi/>.

²⁰"Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era," *Xinhua News*, October 18, 2017, http://www.xinhuanet.com/english/download/XiJinping's_report_at_19th_CPC_National_Congress.pdf.

hegemony suggests that it may seek to have greater power, but will be careful not to abuse it. It sees power as better-suited for deterrence than for changing the status quo, and for shaping diplomatic interactions in favor of protecting its interests and legitimizing its demands.

As such, official texts suggest China has no intention to replace India as the dominant power of South Asia, but reserves the right to disagree with how India practices its leadership, especially in overlapping physical areas that are significant to China's national interests. That is why it is mentioned in the 19th CPC Congress report that

China stands firm in safeguarding China's sovereignty...and will improve the systems and institutions and enhance capacity-building for national security, and resolutely safeguard China's sovereignty, security, and development interests.²¹

From the Chinese perspective, China's increasing presence in South Asia is an attempt to build an economic community with a common destiny through the BRI. China believes that the BRI will improve internal stability by modernizing the domestic economy and developing outlying provinces such as the Xinjiang Uygur Autonomous Region. These efforts also enhance China's external security through engagement with relevant countries. The recently established Djibouti base and the future Gwadar port may greatly improve China's capability to reach those goals.

Conclusion

Based on the U.S. logic of power balance, U.S.-Indian defense and security cooperation under the Trump administration is expected to expand, and the United States is committed to supporting India's growing relationships throughout the Indo-Pacific region. Currently, the United States is supporting India to maintain its own security leadership role in the Indian Ocean, and also encourages economic integration of Central and South Asia in which India would take a key role by increasing its assistance to other regional countries. On land, American cooperation with Pakistan and Afghanistan is becoming more conditional and transitional.

²¹Ibid.

The key driving forces behind the evolution of the United States' South Asia strategy might be the geopolitical and geo-economic consequences of China's rise and its increasing presence in South Asia. With Donald Trump in office as President, the U.S. commitment to enhance cooperation with India and other allies has been put within the framework of sustaining favorable balances of power. This is the first time that the United States has clearly drawn out what kind of South Asia it sees as desirable — one that can help it maintain a favorable position when competing with China in the Indo-Pacific region. America's goal to "sustain favorable balances of power" has explicated its intention to hedge against China's increasing presence in South Asia both on land and at sea.

The enhancement of U.S.-Indian defense and security cooperation has fed China's calculation that India is trying to enhance its capability with help from the U.S. to compete with China, though at the technical level, India, as one of the dominant powers of South Asia, already has the resources to manage China's increasing presence in the region, whether by deterrence, coercion, or balancing.

The only exception is territory-related conflict on land, which is more complicated and depends largely on the difference in military capabilities between the two countries as well as how much flexibility they exhibit in defining a new status quo. These dynamics will not be clear until mutual learning happens between India and China through intense interactions. In switching the conflicts from land to sea, India would be in a much more advantageous position to balance China through its soft alliance with the United States. Recent developments of U.S.-India defense cooperation — especially technological transfer such as the recently approved electromagnetic aircraft launch system — would help enhance India's military capacity, thus increase India's bargaining chips during future interactions with China.

With increasing emphasis on geopolitical rivalry within the U.S.' balance of power framework and the slow progress in fostering mutual strategic trust among major powers in the Indo-Pacific, competition between India and China would become very unhealthy. The two neighbors are lacking in real understanding and communication between their strategic communities; hence there exists a huge perception gap on issues related to their national interests. For example, the recent Doklam standoff was wrapped up with a bilateral "disengagement" agreement, by which China

boasted that it “did not lose” as Indian forces withdrew from the disputed area, while India perceived it as “at least one victory” for the *status quo ante* was restored. More interestingly, the agreement chose to use the word “disengagement.” Does it mean India and China, as two rising powers, need more physical distance (if not buffer) to coexist?

In the near future, one risk that needs to be taken into account is that India might regard substantive defense cooperation as a commitment from the U.S. side to come to its support and escalate future conflicts with China. Such an understanding would increase the possibility of skirmishes and conflicts between China and India that are likely to entangle the United States. In this context, the U.S. factor remains critical not only for the geopolitical balance of power, but also for its ramifications on the escalation of potential India-China conflicts. If India chooses to balance China in the region through a “soft alliance” with the United States and others, then China is likely to increase its influence with other regional states to challenge India’s leadership. Otherwise, mutual learning will be possible. After all, China and India, as close neighbors, must come to develop a deeper understanding of each other.