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## *U.S. Security Policy in South Asia Since 9/11 — Challenges and Implications for the Future*

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## **Introduction**

US security ties to Afghanistan, Pakistan, and India have burgeoned since the United States launched its “war on terrorism” in South Asia after 9/11, but this trend may prove self-limiting. In Afghanistan, the issue of counterterrorism cooperation remains secondary to the survival of the new Western-backed political order, which is threatened by resurgent elements of the Taliban, by warlords and local militia commanders, by the booming drug trade, and by the potential renewal of meddling in Afghanistan by neighboring powers, such as Pakistan and Iran. US-Pakistani relations remain narrowly based on counterterrorism and somewhat troubled, despite increasingly effective tactical cooperation against militants. President Musharraf’s counterterrorism cooperation with the United States continues to exacerbate tensions within Pakistan, many of whose regional priorities are at odds with Washington’s. US-Pakistani cooperation could be disrupted by domestic political opposition or by a terrorist attack on US interests originating in Pakistan. US-Indian ties, too, have expanded since 9/11, chiefly in the area of military-to-military relations; the warming trend is likely to continue, particularly if private sector economic relations really do take off—but differences between Washington and New Delhi’s strategic visions are likely to limit their international partnership.

### **Pre-9/11 Relations with Afghanistan, Pakistan, and India: The Baseline**

When 9/11 dawned, US security ties to South Asian nations ranged from minuscule to non-existent. The United States did not recognize the Taliban regime in Afghanistan and had done everything possible to sanction and isolate the Taliban in an effort to induce it to expel Al Qaida. Washington was on shaky terms with Pakistan, having failed to persuade it to slow its nuclear weapons program or to end its support to the Taliban. The United States had blamed Pakistan for provoking a near-war with India in Kashmir in 1999 that had the potential to escalate to nuclear conflict. The Bush Administration was close to publicly recognizing India as a special partner, having concluded, like the Clinton Administration before it, that India must be the linchpin of US policy in South Asia despite American unhappiness about the Indian nuclear weapons program. Both administrations recognized that the post-Cold War upswing in bilateral relations needed to be accelerated, with trade playing an important role.

9/11 made South Asia the initial theater for the “war on terrorism” declared by President George W. Bush and reordered US relations with the region. The most tangible and immediate result was the arrival of American security forces in Afghanistan and Pakistan—as well as in neighboring Central Asia, for the first time. The new arrangements forged with Afghanistan, Pakistan, and India since then have been billed as part of a strategic shift of US policy designed to counter terrorism, but each of these relationships faces unique challenges.

### **Afghanistan: Still South Asia’s “Ground Zero”**

Since the ouster of the Taliban by US forces in late 2001, American troops have worked alongside allied forces, diplomats, non-government organizations (NGOs), and officials of President Hamid Karzai’s administration to provide security, humanitarian aid and reconstruction, and to foster a more representative state that, it is hoped, will be less hospitable to terrorists. Some 18,000 US-led coali-

tion combat troops have cooperated closely with 9,000 NATO-led International Security Assistance Force (ISAF) peacekeepers, including US soldiers.<sup>1</sup> ISAF stands out as an example of the new roles for old allies envisaged by US defense transformation planners, although Washington has been disappointed by NATO's unwillingness to take over combat operations in Afghanistan, which would free up more US forces to conduct counterterrorism sweeps in Afghanistan and to go to Iraq.<sup>2</sup>

Afghanistan, however, also epitomizes the long-term challenges of addressing the presumed socioeconomic root causes of terrorism and denying terrorists their base of support. There have been improvements in some areas under ISAF protection, notably the Shomali Plains,<sup>3</sup> but security remains an obstacle to building infrastructure as well as new institutions in many parts of Afghanistan.

The Karzai government faces numerous longer term threats as well. In the east and south, remnants of the ousted Taliban have re-coalesced into an insurgency, drawing on support from fellow Pashtun tribesmen on both sides of the border with Pakistan. While some have seen the Taliban's failure to disrupt the October 2004 national election as evidence that the insurgency is losing steam, others believe that the group can command thousands of Pashtun fighters when it deems the time ripe.<sup>4</sup> That time could come when western forces are drawn down, if not before.

A second and more intractable menace to the establishment of both order and democracy in Afghanistan is the resurgent drug trade, which again dominates the economy.<sup>5</sup> Afghanistan is in danger of becoming a "narco-state," according to Antonio Maria Costa, Executive Director of the U.N. Office on Drugs and Crime.<sup>6</sup> Poppy cultivation is once more a mainstay of Afghan farmers, and "high-end" drug processing and trafficking reportedly account for a growing share of drug revenues in Afghanistan.<sup>7</sup> Senior officials of the Karzai government, warlords, the Taliban, and Al Qaida are said to be profiting from the trade.<sup>8</sup> The United States—leery of involving its troops in counternarcotics operations for fear of diluting the security mission and alienating Afghans—and its British allies are attempting to buttress local anti-drug enforcement capabilities in the face of massive narco-corruption.<sup>9</sup> An even greater challenge will be to reduce Afghan citizens' economic stake in the narcotics industry without gutting their hopes of prosperity and self-sufficiency.

Third, warlords and local militias continue to defy the authority of the national government. It remains to be seen whether President Karzai's electoral mandate will give him the leverage needed to subordinate warlords and to disarm local militias or absorb them into Afghanistan's new security forces.<sup>10</sup> The warlords are variously using their ties to or roles in the national government and revenues from drug trafficking to maintain primacy in their regions and ethnic groups. President Karzai has ranked the independent militias as Afghanistan's premier threat,<sup>11</sup> and the International Crisis Group (ICG) has flagged the influence of these militias in Afghanistan's ethnically polarized political process as a serious obstacle to parliamentary, provincial, and district elections scheduled for April 2005.<sup>12</sup>

A fourth challenge is the potential for renewed meddling by neighboring countries, which historically have played out their rivalries in Afghanistan. At various times and to varying degrees, the players have included Pakistan, Iran, the Central Asian states, Russia, and India.<sup>13</sup> Some Afghan warlords retain ties to Pakistan and Iran in particular. Any significant revival of such competition among outside powers on Afghan soil would further damage Afghanistan's prospects.

These challenges make it premature to draw lessons from Afghanistan for future US counterterrorism and nation-building efforts. It is not yet clear to what extent humanitarian efforts will reduce local support for or tolerance of terrorism. Moreover, Afghanistan is still lawless enough to offer potential havens for further terrorist activity, even with international troops in the country. Drug trafficking has funded terrorist operations in the past and appears to be doing so again.

Decisions about how long to keep American troops in Afghanistan and when to declare the military task done will affect US relations with Pakistan and India, as well as Central Asia, China, and Russia. While Pakistan and India each have reasons to want US troops gone, both also have a stake in a secure Afghanistan. If Afghanistan slides back into anarchy despite the presence of ISAF soldiers, the international community, including the United States, will face new dilemmas about the nature and duration of its commitment.

### **Pakistan: Struggling With “Front-Line” Status**

#### Turbulent Ties

The US-led “war on terrorism” has affected Pakistan as much as Afghanistan—but Pakistan presents even tougher challenges to US security policy. Since 9/11, the United States has moved from a strategy of containing Pakistan to one of re-engagement. Despite Washington’s efforts to broaden the basis of the alliance, it remains narrowly anchored in counterterrorism.

Pakistan’s cooperation with the United States has grown steadily since Islamabad became the charter member of what E.J. Dionne has called the “coalition of the not-so-willing,”<sup>14</sup> in response to an ultimatum to join the war on Al Qaida and the Taliban, or risk becoming a target. Under US pressure, President Musharraf dumped the Taliban, which had been viewed for years by successive Pakistani governments as its best hope to ensure a friendly government on its western border so it could focus on India to the east. Also under US pressure, Islamabad clamped down—although intermittently and incompletely—on Islamist militant groups based in Pakistan. The United States had worried well before 9/11 about these groups, some of which have links to Al Qaida and/or support remnants of the Taliban. These organizations have variously attacked Indian interests in reprisal for India’s continued “occupation” of Kashmir; targeted westerners; and fomented Sunni-Shia violence in Pakistan. Some, however, also have served for years as Pakistan’s means of pressing India to settle the Kashmir issue, a fact that has made many Pakistanis ambivalent about reining them in.

Musharraf’s cooperation with Washington has brought Pakistan important gains. It ended the country’s international diplomatic isolation, the result of past sanctions. It also brought desperately needed international aid from the United States, Japan, Europe and international financial institutions. Whereas US humanitarian aid before 9/11 had been viewed partly as a means to keep Pakistan from becoming a “nuclear basket case,” the theme after 9/11 was terrorism prevention, including the provision of alternatives to anti-Western madrassah-based education that has been widely blamed for stoking jihadism.

Pakistan's military hopes that former Secretary Powell's declaration of Pakistan as a major non-NATO ally (MNNA) in March 2004 will open the way to significant US military sales to Pakistan. Islamabad has a long shopping list that includes American F-16s; a deal for the purchase of F-16s was put on ice in the early 1990s after Washington imposed nuclear sanctions on Pakistan. Since most US sanctions were lifted after 9/11, many of the US military supplies flowing to Pakistan have been counterterrorism-related.<sup>15</sup> The Bush Administration has notified Congress of its plan to sell Pakistan \$1.2 billion worth of sophisticated weapons by mid-2005,<sup>16</sup> to India's displeasure.<sup>17</sup> Lobbying by Indians and opposition by members of the "India caucus" in the US Congress seem likely to limit actual sales to Pakistan, however. New Delhi's protests already have quashed a proposed three-way agreement that would have resulted in the sale of F-16s to Pakistan by Belgium.<sup>18</sup>

Many western observers worry that these "bennies" have strengthened Musharraf's political position at home at the expense of democracy. His decision in late December 2004 to retain his military as well as his civilian leadership role, despite an earlier promise to give up the position of Army Chief, has intensified these concerns among domestic opponents as well.<sup>19</sup> Certainly, all of Pakistan's key institutions remain firmly under military control.

Whatever the gains, Pakistanis also see a host of interrelated costs to lining up with the United States on counterterrorism. First, despite US assurances, Pakistanis fear that they are again tethered to the United States in a single-issue alliance, and will find themselves out in the cold when Washington's priorities change—as they did after the Soviets pulled out of Afghanistan.

Second, the war on terrorism has now moved to Pakistani territory. Military sweeps in Afghanistan have pushed Taliban and Al Qaida escapees across the porous frontier into semi-autonomous tribal regions in northwestern Pakistan side, where they have found sanctuary.

The shift to Pakistani territory has had several major consequences. One has been to bring Pakistani forces into conflict with tribal populations in regions traditionally off limits to Pakistani officials. Pakistan reluctantly launched military operations there in response to US pressure but intensified them only after several assassination attempts on President Musharraf in December 2003. Concern about keeping the peace is one reason for the severe limits imposed by Pakistan's military on US intelligence collection and counterterrorism operations in these border regions, a source of frustration to the American officials involved.<sup>20</sup> Islamabad's recent claims of success in halting foreign militants in the border tribal region of Waziristan may be laying the groundwork to wind down these controversial operations and free up Pakistani forces for duty elsewhere.

The concentration of militants in Pakistan also threatens its domestic stability and risks making it the new regional center for terrorism. Terrorism and Islamist factional violence in Pakistan, of course, predated 9/11, but the war on terrorism evidently has spurred new cooperation there between domestic Islamist groups and foreign terrorists, a trend almost certainly exacerbated by the partial closure to Pakistanis of the "safety valves" of militant activities in Afghanistan and Kashmir. Graduates of terrorist training camps now operating on Pakistani territory may be starting to turn up *outside* the region—in Australia, for example.<sup>21</sup> This development mirrors a trend evident in Southeast Asia toward the internationalization of local extremist causes.<sup>22</sup>

Third and related, anger among ethnic Pashtuns about Islamabad's about-face on the Taliban and counterterrorism operations in the border areas has renewed Pashtun chauvinism. Pashtun sentiment historically has had a separatist dimension; any hint of separatism has been anathema to most Pakistanis since East Pakistan seceded in 1971 and formed the nation of Bangladesh. Pashtun chauvinism, in turn is fueling recruitment to the "new Taliban" on both sides of the border with Afghanistan, a threat to US as well as Pakistani counterterrorism operations in Pashtun-dominated areas.

Fourth, Musharraf since 2001 has faced a broad-based political backlash against his counterterrorism cooperation with the United States and his backpedaling, under US pressure, on support for anti-Indian militants operating in Kashmir.<sup>23 24</sup> The backlash is linked to broad public concerns about Pakistani sovereignty but complicated by resentment at Musharraf's political maneuvering. Nationalist concerns sparked by the perception that Washington is calling the shots apparently prompted some otherwise "secular-minded" Pakistanis to vote in October 2002 for the coalition of religious parties that now governs Pakistan's Northwest Frontier Province and co-governs Baluchistan.<sup>25</sup> The coalition condemns the war on terrorism as an attack on Islam.

Domestic controversies over Musharraf's regional policy shifts reportedly also have encouraged some parts of the Pakistani establishment to keep Islamabad's options open by discreetly retaining ties to Taliban remnants and to militant groups that operate in Kashmir, and to turn a blind eye to activities by all these elements in Pakistan.<sup>26</sup> A comment by President Musharraf in August 2004 in an interview with a Pakistani newspaper that the Kashmir militant groups would not "pack up" until India and Pakistan reached a settlement on Kashmir hinted at high-level sanction for at least some of these clandestine ties.<sup>27</sup>

More broadly, the pressures on and in Pakistan have given radical Islamists increased credibility at the expense of the religious moderates who traditionally dominated there.<sup>28</sup> As one seasoned Pakistani political observer commented privately a few months ago, "The middle ground is nearly gone now."

Fifth, the war on terrorism has made Musharraf himself a target—and not just of attacks by Al Qaida. In March 2004, Pakistanis heard radio broadcasts, reportedly sponsored by Al Qaida, urging Musharraf's overthrow. In May, General Musharraf acknowledged that dissident junior military personnel had played a part in assassination attempts against him the preceding December.<sup>29</sup> Their involvement—although probably linked to anger about Musharraf's policy shifts—also raises questions about whether radical Islamism has seeped into the armed forces, Pakistan's most coherent institution, despite senior commanders' conviction that they have successfully weeded out any zealots.

Sixth, Pakistan now worries about the security of its western flank. President Musharraf officially supports the United States-backed Karzai administration, but relations between Kabul and Islamabad remain tense. Many Pakistanis distrust this Afghan government, which is dominated by officials associated with "the other side" in Afghanistan's civil war. They fear that Kabul's shaky control of Afghan territory augurs renewed meddling by Afghanistan's neighbors, at Pakistan's expense. Pakistani concerns about Iran's intentions probably have grown in recent months; some Pakistanis believe Iran is aiding Baluch separatist rebels. The rebels have been attacking government targets there, including gas pipelines and other energy-related facilities.<sup>30</sup>

Seventh, the war on terrorism has put the United States and Pakistan somewhat at odds on Kashmir, whose liberation from India remains a rallying cause for Pakistanis. For decades, Washington avoided taking sides on Kashmir—but, after militants with links to Pakistan attacked India’s Parliament in December 2001, Indian officials charged the United States with practicing a double standard on terrorism. Washington now describes militant violence against Indian targets as part of global terrorism, much to Pakistan’s chagrin.

Several Pakistan-based organizations waging war on Indian rule in Kashmir were added to the United States State Department’s list of terrorist groups. In 2003, 11 young Muslims in the Washington area were charged with belonging to one of these recently listed groups, Lashkar-e-Taiba (LeT), which is linked to multiple terrorist attacks on Indian targets.<sup>31</sup>

Eighth, Pakistan worries about the effects of post-9/11 US security policy toward India, its long-time adversary, and China, Pakistan’s staunchest ally since its independence and a key source of security assistance. Pakistani officials are especially anxious about military sales by the United States and its allies to India—a by-product of growing US-Indian security ties spurred by common concerns about terrorism. Islamabad warned in October 2003, for example, that US approval of Israel’s sale to India of Phalcon AWACS systems would worsen conventional military imbalances in South Asia and increase the risk of war. India’s air superiority has long been a sore point for Pakistan, one of the reasons Pakistan is so eager to acquire F-16s.

Pakistani officials worry, too, that the United States will help India develop a missile defense system, which could neutralize the value of Pakistan’s nuclear missiles as a deterrent against any Indian attack.<sup>32</sup> A concern for Washington is whether an acutely anxious Pakistan will be more prone to over-react to perceived threats from India. Some Pakistanis reportedly fear that the United States’ “doctrine” of preemption could spark US efforts to destroy Pakistan’s nuclear weapons, either to keep them from falling into the wrong hands or to prevent further proliferation to other countries.

Pakistan also keeps a close eye on both US and Indian cooperation with China. After 9/11, China joined the United States in pressing Pakistan to end its support for the Taliban. China’s decision to join the Nuclear Suppliers’ Group (NSG) and interest in Missile Technology Control Regime (MTCR) may portend further shifts away from earlier aid to Pakistan’s nuclear and missile programs. Pakistan is leery of China’s warming ties to India, as well—a trend under way since well before 9/11. Beijing is increasingly acting as a “balancer” between India and Pakistan, rather than as Islamabad’s ally.

Ninth, the war in Iraq and its aftermath—widely viewed by Pakistanis as anti-Islamic—have raised concerns in the Pakistani establishment about adverse effects on US aid to Pakistan and on US attention to the resolution of Kashmir, a top priority for Pakistan. Although the Bush Administration has echoed its predecessors’ unwillingness to mediate the Kashmir dispute, many Pakistanis see US attention as vital to progress on this issue.

## Potential Collisions Ahead

The US-Pakistan counterterrorism partnership is vulnerable to a variety of potential setbacks. First, Pakistan's discomfort with the externalities of that relationship has the potential to constrain or derail the partnership. Anti-Americanism in Pakistan appears to have soared, according to a number of public opinion polls. Washington needs to keep a close eye on how divisive cooperation with the United States is proving to be within Pakistan's military, as well as how other Pakistanis view the US provision of new security hardware to the military. Musharraf's successor, whether military or civilian, may assess the political costs of operations along the Pakistan-Afghanistan border to be too high and further restrict such operations or try to halt them.

US concerns also could drive changes in the partnership. For example:

- Any future terrorist attacks on US targets that emanated from Pakistan could spur pressure in Washington for direct US operations on Pakistani soil. The very subject of hot pursuit by US forces based in Afghanistan is already a political “hot potato” in Pakistan.
- Any evidence of systematic support by Pakistani officials for the “new Taliban” would cause great tension with Washington.
- US budget concerns and/or foreign policy shifts might prompt a future American administration to reduce US expenditures on and exposure in Pakistan, disappointing Pakistani expectations.
- Clear evidence of wider Pakistani government complicity with A.Q. Khan's proliferation activities would force a US reassessment of relations with Pakistan, as would substantiation of, say, a secret Pakistani-Saudi nuclear weapons technology-for-oil deal. Allegations about such a deal, published in the *Washington Times* in October 2003<sup>33</sup> and elsewhere in preceding years, have been denied by both governments and questioned by senior US officials.
- Another conflict between India and Pakistan—which remains possible, despite their encouraging dialogue—would divert official US attention from counterterrorism, as it did in 2001-2002; could disrupt anti-terrorist operations; and might force on Washington unpalatable choices between the two sides at the expense of US ties to both. The bottom line is that US relations with Pakistan will continue to require hard work and hard choices in Islamabad as well as in Washington.

## **India—A “Natural Ally”?**

### The Current Thrust

The 9/11 attacks—after initially diverting Washington from establishing a “strategic partnership”<sup>34</sup> with India—ultimately helped to advance and reshape the relationship. New Delhi was indignant when 9/11 prompted a US about-face in relations with Pakistan and skeptical when Washington declared separate partnerships with both India and Pakistan. The then-Hindu-nationalist-led government's focus on security and on “Islamist terrorism,” however, dovetailed neatly with post 9/11 US

concerns. Since late 2001, the US-India relationship has grown steadily though lopsidedly, missing hardly a beat when the Bharatiya Janata Party (BJP) and its allies were replaced by a Congress Party-led coalition in May 2004.

With the expansion of US-Indian economic relations largely dependent on the respective private sectors, the big growth area in the official relationship has been military-to-military ties—including high-level contacts, joint training, joint patrols, and a variety of exercises. Among the security concerns shared by the two sides is the protection of sea lanes carrying vital oil shipments and other sea-borne trade.<sup>35</sup>

The anticipated bilateral defense supply relationship has not yet flourished, however. Russia and Israel are the major beneficiaries of India's huge military modernization purchasing binge.<sup>36</sup> US sanctions have been lifted, but Washington's technology transfer policies and India's worries about the reliability of US supplies remain constraints. US arms sales decisions still hinge partly on the anticipated effects of military sales on regional stability, specifically the India-Pakistan military balance. The Vajpayee Administration's decision to take Indian-Israeli relations out of the closet 11 years after the two countries established diplomatic ties reflected a desire for high-technology defense items that were unavailable from the United States or its allies because of nuclear sanctions, as well as pricing considerations.<sup>37</sup>

#### Issues From the US Side

Even assuming that US military sales to India pick up, it is doubtful that the current tactical security relationship will blossom into a strategic partnership. From the US side, the positive bilateral trend of the past four years has broad—though not deep—roots. These include the influential Indian-American diaspora; recently realized economic complementarities between the two countries, including India's cheap, highly skilled English-speaking labor force and its potential as a market for US goods; the appeal of a relatively stable country in an unstable region; and, of course, shared democratic values. The bipartisan congressional "India caucus" is one reflection of India's growing salience in US policymaking.

An important uncertainty from the US side is whether Washington's current relaxed position on India's nuclear weapons program—a key contributor to New Delhi's good will toward Washington—will persist. Anticipation of this relaxed posture spurred the BJP-led government to woo incoming Bush Administration officials in 2001 with approving comments about missile defense. The Pentagon has since discussed Indian participation in a US-sponsored Asian missile shield,<sup>38</sup> although India reportedly had not decided whether to take part as of September 2004, in part because of misgivings about China's reaction.<sup>39</sup>

Nuclear issues could again become divisive if a future US administration revives criticism of India's nuclear weapons program and renews pressure on New Delhi to join international restraint regimes. India remains unlikely to compromise what it views as sovereign national decisions on security and probably will continue to resist "discriminatory regimes," instead favoring general nuclear disarmament. An Indian decision to conduct more nuclear weapons tests could cause friction even with a

relatively laissez-faire US administration. Some in the Indian nuclear establishment have argued that India will need to test again to demonstrate that it has a credible thermonuclear weapon.<sup>40</sup>

### Indian Concerns

While US enthusiasm about expanding security ties to India remains high, Indians generally evince more skepticism about the future of the relationship. There seem to be several immediate reasons for this. First, many Indians do not like what they see as Washington's unilateralism or the ways in which it is using its overwhelming military advantage, for example in Iraq. Second, the United States is seen as failing to meet some short-term Indian litmus tests for the relationship—specifically, on the transfer of advanced technologies and India's quest for a permanent United Nations Security Council (UNSC) seat.

Holdups in the transfer of US technology to India remain a sore point with India's defense and business communities, as well as a dampener on bilateral trade. US transactions are still constrained by nuclear dual-use concerns, despite continuing discussions with Indian officials about easing guidelines. In September 2004, Washington relaxed restrictions on the supply of equipment and technology for India's space and nuclear programs before a meeting between Prime Minister Manmohan Singh and President Bush and removed India's space research organization from a list of organizations barred from receiving any US technology. Decisions will now be made on a case-by-case basis, and export licensing is to be eased to permit expanded bilateral cooperation in commercial space programs—but the US is further tightening export control laws to guard against nuclear proliferation.<sup>41</sup> India's drive to develop civilian nuclear energy remains a sensitive issue for Washington in part because heavy water supplied by the US to India's CIRUS reactor under the "Atoms for Peace" program played a part in India's 1974 nuclear test and in its weapons program.<sup>42</sup>

While Washington and New Delhi are working to ease the transfer of US technology, India is beginning to close the technology gap with the United States. Michael Wynne, Acting Undersecretary of Defense for Acquisition, Technology and Logistics, pointed out in May 2004 that the quality of information technology in India, Japan, and Singapore is already higher than that of US companies, and that the United States is losing technical expertise to overseas firms, partly because foreign-born engineering graduates are increasingly returning home.<sup>43</sup> In time, India may well become a competing exporter of advanced technologies and of sophisticated equipment, as India's precision manufacturing skills grow.

Another longtime Indian grievance has been the failure of the United States to press for a permanent UNSC seat for India.<sup>44</sup> India has equated US backing on this issue with recognition of India as a fellow great power. The question of a UNSC seat for India has now become caught up in a larger debate about UNSC enlargement, diluting the US-India aspect of the issue.

Beyond these immediate concerns, India—irrespective of changes in its leadership—sees itself as a great power with distinct interests and an expanding sphere of influence. New Delhi is just beginning to work out how its growing military power will mesh with its economic ambitions. It remains watchful of US activities in its neighborhood, including aid to Sri Lanka in the wake of the late-December 2004 tsunami.<sup>45</sup> Indians point with pride to an economic growth rate and high tech skills

that are closing on China's—but they also have long joked that the “Indian Ocean” was named so for a reason. The presence of US troops in South and Central Asia since 9/11, although consistent with current Indian concerns about the growth of Islamist radicalism, could become a sore point over the long haul.

India's pride in maintaining an independent foreign policy and “strategic autonomy” also seems likely to set limits on bilateral security cooperation. India continues to spearhead opposition to US positions in multilateral forums, particularly on environmental and on trade issues. Moreover, New Delhi has systematically kept its options open with diverse nations—Russia, the European Union countries, Central Asian states, Iran, Israel, and Persian Gulf Arab nations, for example—reflecting its sense of a unique destiny and prickliness about US pressure, as well as a desire to ensure energy and military supplies and to checkmate China's and Pakistan's foreign relations.

As a result, New Delhi often does not have the same “enemies list” as Washington. India has strong relations with Iran, for example, and it does not see eye to eye with the US on Iraq. A potential concern for New Delhi is whether the Bush Administration in its second term will press India to reduce its energy dependence on Iran—a move India is likely to resist, in part because of broader sensitivity about US strong-arming. The Congress Party during the election campaign in the spring of 2004 criticized the BJP for hewing too closely to the US line.

The US and India also still differ on Pakistan. Despite Washington's effort in recent years to break a longtime pattern of balancing between the two antagonists, many Indians still measure US policy by its impact on the India-Pakistan seesaw. Some saw the US removal of sanctions from Pakistan in 2001, in tandem with lifting those on India, as an affront to India's counterterrorism concerns, given Pakistan's failure at the time to close down militant operations against India.<sup>46</sup> New Delhi got the United States to acknowledge Kashmir-related attacks on Indian interests as international terrorism, but the coalition led by BJP Prime Minister Vajpayee was offended when former Secretary Powell abruptly declared Pakistan a major non-NATO ally in March 2004, and the current Manmohan Singh administration has protested Washington's reported plans to sell weapons to Pakistan.<sup>47</sup> These issues will become even more contentious if and when Indo-Pakistani tensions grow again.

Washington's and New Delhi's China policies differ as well. India still suffers from some “China envy” but will continue to sidestep US suggestions that it serve as a counterweight to China. New Delhi's finely tuned “balancing” policy includes Japan and Southeast Asia as well as the US and China. In fact, New Delhi may be using its warming ties to China to balance the United States, while also strengthening relations with Japan and Southeast Asia as insurance against Beijing's “encirclement strategy.” Although Indians worry about China's military activities in neighboring Burma and Tibet as well as its support to Pakistan, India and China are negotiating their border disputes and conducted their first joint naval exercises in November 2003. India is doubtless mindful of China's fear that any joint US-Indian patrols of the Malacca Straits—such as the US proposed in the context of the war on Iraq—could impinge on its oil shipment routes, even if such patrols are motivated by concerns elsewhere.

## Prospects

As in the past, US-Indian counterterrorism cooperation will continue to be constrained by these foreign policy differences; it may also be limited by differences in focus. India now identifies terrorism—particularly by militants linked to Pakistan—as its top security challenge, according to a recent report by the Ministry of Defense. Much of the terrorism preoccupying India—notably that in the northeast—is generated by home-grown separatist or ideologically-based groups, however, not by Islamist militants. These groups’ use of neighboring countries for sanctuary has prompted India to press, with a degree of success, the governments of Myanmar, Bangladesh, and Bhutan to help curb cross-border transfers of rebels and weapons.<sup>48</sup> Meanwhile, India’s two main Maoist rebel groups—which have ties to the burgeoning Nepalese insurgency—may have recently joined forces to oppose the Indian government all the way from the borders with Nepal down into southern India. Indian police sources have credited the Central Intelligence Agency (CIA) with providing key information on the merger and on ties between India’s Naxalite groups and a worldwide Maoist umbrella group.<sup>49</sup> The State Department has since placed one of the Indian groups on the US terrorist organization list.

India’s internal politics may shape cooperation with the United States in other respects, as well. Broader bilateral economic ties could help cushion policy differences between the US and India on other issues, as has occurred between the United States and China. A *sine qua non* for expanded US private investment in India will be continued economic reforms by successive Indian governments. Populist economic policies would pose one sort of challenge to the reform process. Alternatively, if India were to move toward the “Italian model” of rapidly cycling coalition governments, this could paralyze its economic reforms as well as foreign policy. The current government, the latest in a series of coalitions, has a sufficiently slim parliamentary margin to warrant considering such a scenario.

The US-India relationship holds considerable promise, despite the constraints on a broad international partnership. Among the potential growth areas are cooperation in science and technology, expanded trade and investment, a shared interest in safeguarding sea-borne commerce, and, to a lesser degree, counterterrorism. As Foreign Secretary Shyam Saran told a group of foreign business executives and policy makers in December 2004, “We have today come to a point where in India-U.S. relations there is a certain degree of predictability and stability” after years of Cold War animosity.<sup>50</sup> Many Indian officials, however, remain mistrustful of US intentions, extraordinarily secretive about India’s national defense preparations, and leery of western “big brotherism”—all factors in New Delhi’s refusal to let even western NGOs provide relief to the stricken Andaman Islands after the Indian Ocean tsunami in December 2004.<sup>51</sup> Washington will need to step carefully and knowledgeably around India’s evolving sensitivities, priorities, and domestic realities to bolster a strong, growing India’s inclination toward cooperation rather than rivalry with the United States.

### **Balancing India, Pakistan, and Afghanistan**

Indo-Pakistani tensions will continue to constrain US security ties to both countries, despite Washington’s determination to use counterterrorism cooperation to develop independent bilateral relationships with each. Maintaining Pakistani cooperation while cultivating India as a US “strategic partner” will remain difficult, whether current Indo-Pakistani talks end in a breakthrough or a breakdown.

India similarly will remain skeptical of US intentions if Washington proceeds with arms sales to Pakistan, even if the impact on the military balance is minimal.

Despite Islamabad's and New Delhi's doubts about Washington's regional policies, both seem likely to count on the United States to keep future confrontations from spiraling into conflict, a pattern reinforced by US diplomatic intervention in the 2002-2002 face-off between Indian and Pakistani forces. As US attention and security forces continue to shift from South Asia to other regions in coming months, Washington will need to ensure that dangerous gaps do not emerge between the level of monitoring assumed by Pakistan and India and the amount of attention that is actually being paid by senior US officials.

In addition, balancing US ties to Afghanistan and to Pakistan may well become a problem again. Washington will need to watch Pakistan's relations with Afghanistan, especially if countries like Iran step up activities there and tempt Islamabad to wade back in.

The regional approach to counterterrorism and other security issues espoused in President Bush's September 2002 national security strategy is far off. The South Asian Association for Regional Cooperation (SAARC)<sup>52</sup> has adopted a counterterrorism protocol similar to that of the UN<sup>53</sup>—but trust among South Asian nations is particularly low on counterterrorism issues. Indo-Pakistani tensions have eclipsed past efforts by SAARC to pursue even limited economic cooperation.<sup>54</sup> Even if India and Pakistan make peace, both may choose to put their international chips into other games.

The United States will continue to benefit by working with China and Russia, as well as with more traditional allies, to keep Pakistan motivated to tamp down militant attacks while pressing India to give Pakistan some gains to show at home. In either case, some militant groups could try to play a spoiler role. At a time when the United States is taking heat for being insufficiently collegial in its foreign policy, it seems likely that South Asian issues will continue to generate more collaboration than animus among a host of partners outside the region.

## Endnotes

Polly Nayak, now a consultant for diverse private sector and government clients, retired in 2002 from the Central Intelligence Agency as a Senior Executive. She headed up the South Asia analytical effort and was the Intelligence Community's senior expert on the region. Earlier in her career, Ms. Nayak also worked on Africa and on Latin America and served as a President's Daily Briefer. In 2001-2002, she was a Federal Executive Fellow at the Brookings Institution in Washington DC.

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