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South Asia: navigating minefields

Gareth Price

INTRODUCTION

South Asia has presented President Barack Obama with his greatest foreign policy challenge. In both Pakistan and Afghanistan he inherited a situation in which the United States was the most important external actor and enjoyed, superficially at least, good government-to-government relations. But he also inherited a substantial amount of historical baggage that makes many in the region suspicious of US motives and intentions.

The biggest problem any American leader would face is an underlying disbelief in any long-term US commitment to the region. Pakistan’s economic collapse in the 1990s stemmed partly from mismanagement by a succession of short-lived civilian governments. However, many in Pakistan blame the United States for treating its ally during the 1980s period of opposition to the Soviet occupation of Afghanistan almost as a pariah state on account of its nuclear programme (of which many believe the US was aware) as soon as the Soviet Union withdrew and Pakistan’s strategic importance declined. The subsequent drying up of US financial inflows that had kept the country afloat during the 1980s left a strong and lasting impression of US short-termism in Pakistan. Doubts over America’s motivations also stem from its willingness to radicalize Afghanistan and Pakistan’s tribal belt during the 1980s in order to undermine the Soviet occupation. In the early 1980s USAID funded the University of Nebraska-Omaha to produce millions of textbooks ‘filled with violent images and militant Islamic teachings, part of covert attempts to spur resistance to the Soviet occupation’.1 To most in the West, such Cold War stories seem to belong to the distant past. But memories (and textbooks) last longer in South Asia.

Consequently, political elites in Pakistan are polite to their US counterparts, thankful when they provide financial support, but doubtful that the good times (whether as in the 1980s or as in this post-9/11 period) will necessarily last. And the ‘masses’ are simply suspicious. Short-termism has bred short-termism: during the good times, Pakistan’s economy improved, but huge sums were simply co-opted by elites. Under President George W. Bush, there seems to have been little if any accountability in the assistance provided to Pakistan’s military. Here
was a situation that could not continue indefinitely – increasing inequality and visible corruption were working to strengthen the Islamist opposition, not the government, creating instability rather than stability. Yet when President Obama came to recalibrate US policy towards Pakistan it inevitably stirred up animosity among much-needed allies.

An even greater challenge presented itself in Afghanistan. As Obama took office, it was clear that the conflict with the Taliban had reached a stalemate. No obvious solution presented itself and whatever strategy was followed bore the risk of failure. The Taliban were slowly consolidating power in rural Afghanistan, the poor security situation made it difficult for the Afghan government to operate in large parts of the country and there were not enough foreign troops to reverse these trends. With questions looming about whether foreign troops were part of the solution or the problem, President Obama launched a major strategic review of policy towards Afghanistan.

In contrast, with India the Obama administration inherited a rapidly improving relationship. India’s middle class consistently expresses admiration for the United States, and the previous two administrations had worked to ‘de-hyphenate’ India from Pakistan. The Bush administration’s decision to strike a deal with India on supporting its civilian nuclear programme was the most definitive signal of the shift in US policy. Rather than seeing South Asia as a zero-sum region of ‘Indo-Pakistan conflict’, the United States had attempted to improve bilateral relations with India while maintaining a close relationship with Pakistan.

This policy was driven by growing trade links with India, by the growing political influence of the Indian diaspora in the United States and the perception that India (along with Japan and Australia) can become a key buffer against the rise of Chinese influence in Asia. This has manifested itself in an acceptance of India’s dominant position within South Asia, with the United States happy to follow India’s lead in terms of policy towards the smaller countries in the sub-region.

But President Obama came to power just weeks after the terrorist attacks of November 2008 in Mumbai that left almost 200 people dead and India’s relations with Pakistan at their lowest ebb since 2002. This highlighted the difficulty of maintaining the strategy of de-hyphenation at times of heightened tension between India and Pakistan, given the overriding need for a continued good relationship with the latter.

Many in India were already sceptical about the notion of de-hyphenation. Instead, they felt that for the first time the United States was taking India seriously. It was not, they would argue, that India was hyphenated to Pakistan; it was that Pakistan was America’s Cold War ally and India was, to all intents and purposes, sidelined. Such concerns were highlighted by the admission that the majority of US military assistance to Pakistan following 9/11 was used not to undertake military operations against Taliban-linked groups in Pakistan, but to buy armaments intended for war against India. As President Obama noted during a press conference during the official state visit of Indian Prime Minister
Manmohan Singh to Washington in November 2009, ‘There have probably been
times in the past in which we were so single-mindedly focused just on military
assistance in Pakistan that we didn’t think more broadly about how to encourage
and develop … civil society in Pakistan.’

That this was the case was already well known in India. Calling on the
United States to monitor properly its assistance to Pakistan, India’s Minister
of State for External Affairs, Shashi Tharoor, earlier commented, ‘We support
countries helping Pakistan fighting against terrorism, but we do not expect the
aid turned against us.’

While US relations with India remained generally solid in the first year of
the Obama administration, there have been teething troubles. India was initially
offended by the inclusion of Kashmir, along with Afghanistan and Pakistan, in
the US conception of the theatre of war against radical Islamist groups. The
American strategy later morphed into what the US Special Representative to
the region, Ambassador Richard Holbrooke, frequently termed as ‘Af-Pak’.

These teething problems were then exacerbated by the Obama administration’s
early prioritization of its strategic relationship with China, particularly given
that Sino-Indian relations deteriorated (as a result of renewed Chinese territo-
rial claims) during 2009.

**DE-HYPHENATION AND RE-HYPHENATION**

To the extent that the United States has constructed a theoretical prism through
which it conducts policy towards South Asia in recent years, it has been one of
de-hyphenation. The notion of de-hyphenating US policy towards India from
that towards Pakistan was successful in the early 2000s in building up US links
with India, specifically. Economic links grew rapidly, as two-way trade – just $5
billion in 1990 – reached $14 billion in 2000 and rose to nearly $50 billion in
2008, and the United States gave far greater prominence to its relations with
Indian politicians. Yet the ensuing US focus on bilateral relationships in South
Asia appeared to conceal key linkages within the region from the eyes of US
policy-makers. This was most obvious in the time it took the Bush administra-
tion to appreciate the extent of the linkages between developments in Pakistan

Moreover, de-hyphenation only worked when relations between India and
Pakistan were relatively calm. Even then, many in India doubted the extent to
which India had truly been ‘de-linked’ from Pakistan, given how Pakistan used
US military assistance. As the Council on Foreign Relations noted:

In June 2008, the US government reported that nearly $11 billion in military
and economic assistance grants have been delivered since 2002, the vast majority
channeled through Pakistan’s military for security-related programs. A report by
the Center for Public Integrity finds that in the three years after 9/11, military
aid to Pakistan from the Coalition Support Fund – created after the attacks to
assist US allies in the global fight against terrorism – was nearly $3 billion, ten
times the amount received by Poland, the second-highest recipient of cash from the fund. Pakistan has used the money to purchase helicopters, F-16s, aircraft-mounted armaments, and anti-ship and antimissile defense systems – weapons that Indian officials and others have deemed of questionable relevance to the counterterrorism mission.8

While cooperation between India and Pakistan in the aftermath of the November 2008 terrorist attacks in Mumbai has been relatively good, and there have been no significant further Islamist attacks in India since then, India remains acutely sensitive to the ambivalent Pakistani attitudes to the violent Islamists on its soil, notably its failure to prosecute those linked to Lashkar-e-Toiba, responsible for the Mumbai attacks. One further major attack could rapidly scupper relations with Pakistan.

For its part, in the past Pakistan had demanded US and Indian support for a solution to the dispute over Kashmir, arguing that, once this occurred, improved bilateral relations would follow swiftly. India, conversely, suggested that confidence-building measures should be introduced first, to create a more conducive environment for resolving the Kashmir dispute. Since 2002, India and Pakistan have started a ‘composite dialogue’, attempting to address a range of confidence-building measures and the status of Kashmir simultaneously. While this enabled some progress on the confidence-building measures, unsurprisingly the issue of Kashmir remains unresolved. Pakistan halted progress on the other measures because of the lack of movement over Kashmir, refusing to grant India most-favoured nation trading status in 2007, for instance.9 And, following the Mumbai attacks, India has also stalled the process.

For now, positive US relations with the two countries have been helped by India’s reluctance to undermine the new civilian government in Pakistan. But bilateral relations between India and Pakistan remain poor and vulnerable. At the heart of the problem lies the Pakistani government’s need to maintain the support of the military. On the one hand, the military is the main tool with which Islamabad is fighting Islamist militancy. But appeasing the military (by, for instance, releasing Pakistan’s disgraced nuclear scientist, A. Q. Khan, from house arrest in February 2009) brings Pakistan into conflict with both India and the United States. President Obama may find that conducting relations with the countries of South Asia continues to be more zero-sum than win-win.

**Pakistan Moves Up the Agenda**

Throughout 2009, the parlous security situation in Pakistan deteriorated further, raising the spectre of the emergence of a failed, but nuclear-armed, state. This instability was not just dangerous in itself, but directly threatened the US capacity to act in Afghanistan; already, the vast majority of NATO supplies traverse Pakistan’s tribal districts on their way to Afghanistan. Pakistani military operations to keep the supply lines open often appeared to be designed to demonstrate Pakistan’s continued tactical importance to the United States.
rather than to tackle militancy in these areas in a sustainable and successful manner.

That President George W. Bush put too much weight on a personal relationship with General Musharraf is clear. President Obama’s administration stressed that, in contrast to its predecessor, it would work to deal more with institutions rather than individuals in its foreign policy as a whole. This shift was perhaps made easier in Pakistan by the fact that neither of its two dominant political figures – Asif Ali Zardari and Nawaz Sharif – is a particularly attractive ally for the United States. Yet finding the correct institutions with which to deal is easier said than done and the recognition of the limitations of past strategy does not necessarily mean that a better strategy presents itself for the future.

The recent US acceptance that Pakistan’s active cooperation is essential to ensuring security in Afghanistan, coupled with the upsurge of violence within Pakistan itself, has pushed relations with Pakistan to the top of the American policy agenda. However, the limitations of President Obama’s leverage as America seeks to deepen its engagement with Pakistan were revealed by an Al Jazeera-Gallup opinion poll in July 2009. When asked the question ‘Some people believe that the (Pakistan) Taliban are the greatest threat to the country, some believe India is the greatest threat, whereas some believe US is the greatest threat. Who do you think is the greatest threat for Pakistan?’, only 11 per cent answered the Pakistan Taliban. Instead, 18 per cent suggested India and 59 per cent the United States. Equally problematically, Pakistan faces three distinct but interrelated internal threats or challenges, none of which can be solved in isolation and each of which will make the US strategy all the more difficult.

The first concerns the growing threat from the ‘Pakistan Taliban’, relevant to the United States because of the hospitality it shows to foreign fighters and to the leadership of al-Qaeda. Bomb blasts and brazen suicide attacks grew in frequency during 2009. The attack on the army headquarters in Rawalpindi in October 2009 was only the most audacious in a string of attacks that have killed hundreds, with at least 300 dead in that month alone. At the same time, the Pakistan Taliban remain in control of about six out of seven districts in the tribal areas and appear increasingly aligned to various Islamist militant groups based in southern Punjab.

After initially ceding control of Swat to the militants, Pakistan eventually adopted a military approach which appears to have placed the Pakistan Taliban on the back foot, both in Swat and in Waziristan. The extent to which Pakistan’s shift away from making peace deals towards a more kinetic approach stemmed from US criticism, from a realization within Pakistan that the state itself was at risk or from a desire, and need, for financial assistance, is unclear. What is clear is that military action against the Pakistan Taliban leads for the foreseeable future to yet more bomb blasts and suicide attacks elsewhere in the country.

Pakistan’s second challenge is its economic crisis. Insufficient power supplies, insecurity and competition from China, in particular, since the ending of the multi-fibre agreement, have devastated Pakistan’s textile industry, which provides more than half of the country’s foreign exchange receipts. In 2008 unemploy-
ment in Pakistan stood at 13.6 per cent, over double the previous year’s rate, and some observers place job losses in the textile sector alone in the hundreds of thousands. Rising economic assistance from abroad will struggle to counter the continued slump in exports and capital flight, thought to average around $2–3 billion annually, as more affluent Pakistanis transfer their financial assets to more secure environments. One of the few features that sustain the economy is that the worse things get at home, the more Pakistanis move abroad for work. Remittances from Pakistanis living overseas have grown significantly in recent years, propping up the economy. They reached record highs during the second half of 2009, standing at $758.3 million in October alone as workers sent more money home from the United Arab Emirates, United States and Saudi Arabia. While this can be seen as an economic success story, it equally reflects the failure of Pakistan’s domestic economy to support its population.

Pakistan’s third challenge is the fragility of its civilian government. The threat of a military coup hangs over it and were a general election held early in 2010 the current Pakistan People’s Party (PPP) government would probably be ousted by the main opposition Pakistan Muslim League (Nawaz) (PML(N)). Consequently, the PPP government is focusing on constitutional mechanisms and traditional patronage politics as a means to perpetuate its rule, trying to entrench and enrich itself in the process, rather than on implementing policies to meet the more fundamental challenges that Pakistan faces.

The US administration has continued its long-standing, and generally unsuccessful, attempts to influence Pakistan’s domestic political affairs. In May 2009 officials said they had been reaching out to Nawaz Sharif, in the hope that he could work with President Zardari, despite a history of animosity between the two. The hope that a different leader or combination of leaders would work better seems misplaced. Islamabad has been dominated by a similar set of political groupings and machinations (unlinked to the lives of ordinary people elsewhere in Pakistan) for decades, and it seems hard to envisage that an alternative ruler is likely to do anything differently. The history of military coups in Pakistan makes every civilian ruler nervous and forces a focus on the short term. Breaking this cycle will take time, rather than any policy change from abroad.

This disconnection between politicians and people is a major concern, and is reflected in Pakistani concerns about the state of the economy and corruption. It is obvious, and understandable, why the United States sees Pakistan through a security prism. But security remains just one challenge for most Pakistanis as security is linked to more mundane issues such as their economic livelihoods, which in turn relate to overall questions about governance. A survey in late 2007 conducted by the International Republican Institute (IRI) asked Pakistanis what issues would determine their voting intention in the general election. Six per cent of respondents mentioned terrorism, 15 per cent unemployment and 53 per cent inflation. During 2008 the security situation deteriorated, yet when the same organization asked, in March 2009, what respondents saw as the most important issue facing Pakistan, the results were
remarkably similar: 46 per cent cited inflation, 22 per cent unemployment and just 10 per cent terrorism. 19

In the light of these three threats, many of the policies that the Obama administration has adopted in the past year appear sensible. Financial assistance is, in the short term at least, the best method of shoring up the economy. But much of the aid the United States gave to Pakistan following 9/11 disappeared without achieving any long-term impact. 20 Thus, the Obama administration decided to link future assistance to specific conditions. Conditionality and monitoring will be vital adjuncts to future US aid to Pakistan, not just in developmental terms. In the past, inflows of assistance have been squandered by Pakistan’s leadership, either creating asset bubbles, notably in property, or simply lining people’s pockets. As in Afghanistan, radical groups draw support through attacks on government corruption; by inadvertently feeding that corruption, the United States has undermined support for the government – not the Islamists.

Recognizing this dynamic, the Enhanced Partnership with Pakistan Act of 2009 (or Kerry-Lugar-Berman Act), signed by President Obama in October 2009, offers Pakistan $1.5 billion per year in economic assistance provided that the regime works to prevent nuclear proliferation and acts against terrorism, and that the military does not interfere in the political process. The deal was championed by the Zardari government, but the imposition of conditions was taken both by the military (for self-interested reasons as much as any other) and by the PML (N) to be a violation of Pakistan’s sovereignty. A columnist in the Pakistan Observer spoke for many by arguing:

The secretary of state asserted that the legislation doesn’t in any way interfere in Pakistan’s internal affairs or erode its sovereignty. The reality, however, is that the Pakistani–US partnership has for decades been a conspiracy against the Pakistani people, in which Washington has used the Pakistani political and military leadership as linchpin of America’s strategic designs in the Middle East, Central and South Asia. 21

A recognition that 59 per cent of Pakistanis see the United States as the greatest threat to the country should be a vital, if depressing, starting point in US policy-making to Pakistan. The Kerry-Lugar-Berman Act puts into perspective several challenges faced by the West in dealing with Pakistan. Without continuous assistance, the country would rapidly default, causing further economic and political crisis. But Pakistan’s civilian and military elite has come to expect continued disbursements, free from any conditions. While American lawmakers pointed out that Pakistan was under no obligation to accept the funding, Pakistani elites still railed against the infringement of sovereignty, and its military pointed out, not incorrectly, that Pakistan’s army has lost many more soldiers, perhaps around 2,000, in the fight against Islamist groups than the United States and its allies in Afghanistan.

The focus on greater accountability in the use of assistance, and on targeting assistance at economic development rather than the military, puts in place a
pattern which, if sustained in the long term, could begin to alter perceptions of US policy. But the starting point is low, and it is debatable whether focusing energy and US funds in those areas where there is most resentment towards the United States and its policies and which are the most insecure will be an effective approach. It may not make sense, therefore, for the United States to focus its efforts in Pakistan on initiating development projects in the tribal areas, to which few if any of its staff can travel. Just as the International Monetary Fund faces a challenge overseeing the accountability of the Pakistani government from meetings it holds with its officials in the Gulf, additional US development spending in the tribal areas is likely to be misspent without on-the-ground oversight. And were the United States to announce the establishment of ‘Reconstruction Opportunity Zones’ in the tribal areas, and in neighbouring districts of Afghanistan (as the Afghanistan and Pakistan Reconstruction Opportunity Zones Act of 2009 proposes), this would imply that much of the security problem had disappeared. These strategies might make sense in a post-conflict environment, but neither the tribal areas of Pakistan nor Afghanistan are yet in that state.

As in Afghanistan, it would have been encouraging to have seen a debate on whether development assistance is best spent on those areas where security is greater and more can be achieved, or on those areas where insecurity is greatest. In Afghanistan, the concentration of development assistance on the South had two negative impacts. First, it alienated many in the North who wondered whether they would receive greater attention if they were to take up arms. Second, because of the difficulties and high cost of carrying out development activity in the South, opportunities for misappropriation of funds were greater. Many Afghans see the current military intervention to be a means for the West to exploit them, and feel more alienated than placated by claims of assistance that appear to be intangible.

In retrospect, it might have been wiser to concentrate assistance in the north of Afghanistan and wait for positive messages to drift into the South. While this could have risked intensifying a Pashtun sense of victimization, it might at least have produced some results. If assistance to Pakistan is concentrated on the tribal areas, this same pattern could be replicated. Shoring up the more secure heartland of Pakistan – Punjab and Sindh – is a strategy at least deserving of greater US assessment.

Another aspect of US policy towards the tribal areas during the Obama administration’s first year that would benefit from careful review is the increased use of unmanned aerial vehicles, or drones, targeting al-Qaeda or Taliban militants in the tribal areas. There may well be a strong military and counter-terrorism case for such attacks, but the downside for US policy in Pakistan is huge. It is not simply that the death of civilians as the collateral victims of such attacks adds another wider familial group to those willing to take up arms against the United States. Preserving the territorial integrity of Pakistan is also considered paramount to most Pakistanis, who have been brought up in permanent fear of Indian aggression. In the March 2009 IRI poll, 72 per cent of those
surveyed opposed US military incursions into the tribal areas. The drone attacks reinforce underlying distrust of American motives which then permeates into attitudes to more positive US policy shifts towards Pakistan.

This puts the United States’ Pakistani interlocutors in a very difficult position, forcing them to use double-speak with their population about the strength of the bilateral relationship. Criticizing the United States in public but supporting it in private makes the wider Pakistani population distrustful of their leaders, and in turn creates a situation in which the ‘narrative’ provided by radical Islam makes more sense than that provided by their leadership. While President Zardari and Pakistan’s Chief of Army Staff, General Ashfaq Parvez Kayani, may genuinely want to halt the spread of militancy across the region, they are aware that they have to present themselves as more distant from the United States than did General Musharraf, whose alliance with that country alienated him from both extremists and moderates.

In turn, successive governments in Pakistan have sought to limit their reliance on the United States (not least because of the belief that US support may be transitory). Thus Pakistan is studiously attempting to diversify its sources of external political and economic support. Its links with the Gulf states are long-standing. Following the US imposition of sanctions through the 1990s, Saudi Arabia stepped in with its Saudi Oil Facility, later converted to a cash grant. Individuals from the Gulf have also provided funding for the plethora of madrassas that have emerged, notably in the Northwest Frontier Provinces. And Pakistan’s most enduring ally remains China; Chinese funding of the construction of the blue-water port at Gwadar leading out to the Arabian Sea is the most notable example of the close relationship which works to dilute US leverage over Pakistan in the longer term.

BUILDING ON THE LEGACY OF THE NUCLEAR DEAL

President George W. Bush was held in relatively high regard in India, not least because of the bilateral agreement on civil nuclear cooperation. However, the country has yet to fully embrace President Barack Obama. While the general trend of closer cooperation between the United States and India has continued, a number of specific challenges have arisen in the bilateral relationship.

First, and potentially most damaging, has been the seeming priority that the Obama administration has given to its relations with China, especially in the wake of the global economic crisis that turned China into the world’s market ‘of last resort’. Fear of Chinese expansion into the Indian Ocean – into Burma, Sri Lanka and Bangladesh, as well as Pakistan – has grown in Indian policy consciousness in recent years.

India’s relations with China deteriorated during 2009, and the Indian media have been ferocious in their criticism of China’s strategy towards the disputed Indian state of Arunachal Pradesh that is adjacent to Tibet. These concerns intensified following the publication of an article in China entitled ‘China can Dismember the So-called Indian Union with One Little Move’, and other
unofficial Chinese statements which accompanied the Dalai Lama’s visit to the state in November 2009.

Arunachal Pradesh may appear remote, but this small state in northeastern India may yet affect the dynamics of US relations with China and India. President Obama faced some criticism in the United States for failing to meet the Dalai Lama in October 2009, ahead of his own visit to China in November. Conservative opponents claimed it was a sign of weakness. But some Indian observers have also suggested that the United States is veering towards a policy of neutrality on Arunachal Pradesh. India’s concerns about the sanctity of its borders were revealed in relation to Kashmir. That same sensitivity relates to Arunachal Pradesh.33

Under President Bush, the United States and India had held talks about conducting searches for the bodies of US airmen lost in Arunachal Pradesh during the Second World War. Progress in these talks appears to have slowed since the new administration took power. For the United States, either India or China will have to be offended in relation to Arunachal Pradesh, and, at present, it appears to be India that is taking offence.

Such concerns also undermine attempts to bring India into a semi-formal relationship, along with Japan and Australia, as key buffers against US perceptions of Chinese expansionism. While there is little support within India for a formal alliance with the United States, President Obama’s language during Prime Minister Manmohan Singh’s state visit to the United States in November 2009 was positive: his call for a ‘global strategic partnership’ and his acknowledgment of ‘shared values’ (in unstated contrast to those of China) went down better in India than might have been expected.34

Second, India was quick to criticize apparently protectionist measures built into President Obama’s 2009 economic stimulus package, fearing that increasing numbers of skilled Indian workers would fail to get visas to work in the United States and that India’s IT industry, much of which works on office functions outsourced from America firms, would suffer. While these concerns have dissipated somewhat, they dampened expectations at the very start of the Obama administration.

Third, regardless of President Obama’s victory, American legislators have become more concerned about the lack of religious tolerance within India in recent years. The Chief Minister of Gujarat, Narendra Modi, has been barred from entering the United States because of alleged complicity in a pogrom against Muslims in 2002. In August 2009, the US Commission on International Religious Freedom, a bipartisan advisory panel, placed India on its watch-list, citing violence against Christians in Orissa and against Muslims in Gujarat. In October 2009, 21 American legislators wrote to the Chief Minister of Orissa calling on him to do more to prosecute those responsible for the deaths of more than 100 Christians in riots in 2008. India condemned the suggestion that its independent judiciary and media would not challenge and investigate any threat to the country’s official secularism.

Fourth, even before President Obama was formally inaugurated, India’s
concerns grew that US policy would ‘re-hyphenate’ India to Pakistan, and indeed to Afghanistan as rumours spread that Richard Holbrooke, with his reputation for aggressive crisis management, was to become the US special envoy to South Asia.

While the dispute in Kashmir is clearly connected to radical Islamist movements in Pakistan and Afghanistan, Indian sensitivity to the internationalization of Kashmir is well known. And although the Obama administration quickly adjusted its position and made Holbrooke its envoy to Afghanistan and Pakistan only, damage had already been done within India.

Despite these upsets, the general functioning of the US–Indian relationship remains sound: Secretary of State Hillary Clinton has described India as a global partner for the United States, and the first state visit to Washington of the Obama presidency was made by Prime Minister Singh in November 2009, relatively soon after his re-election.

Most substantively, the key drivers behind the rapprochement between India and the United States remain in place. The greatest asset of the United States in engaging with India (compared with the EU in particular) is that its model of development is more easily understood among elites in India than, for instance, the focus on human security that has characterized much of the EU's discourse with India. This has been reinforced by extensive US–India business links, built mainly around the outsourcing of various back-office functions, most notably IT, to Indian firms.

The linkages have been further strengthened in recent years as Indians have found it more attractive to study in the United States than (as in the past) in the United Kingdom. These ‘people-to-people’ linkages are a significant asset to the United States in dealing with India. The Indian diaspora in the United States is almost three million strong, and is the wealthiest single ethnic community. Until the last decade, apart from remittances to family members who remained in the home country, the diaspora in the United States was somewhat cut off from India itself. Rising economic opportunities within India, however, have changed the picture. Many US-educated Indians are now returning to India, taking business practices learnt in the United States back with them.

Partly as a result, concerns about possible American protectionism early in the Obama administration appear to have dissipated. Business support in the United States for outsourcing, coupled with the strength of the India caucus in Congress, seem to have limited any potential hindrances to Indian firms. The American strategy of engaging with a range of Indian professionals (rather than with a few super-rich oligarchs or self-appointed ‘community leaders’, as has been the case in the United Kingdom) appears to have paid dividends.

The 2009 Pew Global Attitudes poll suggests that 76 per cent of Indians had a favourable opinion of the United States. While the polling is biased towards urban Indians, this goodwill felt towards the United States among India’s middle class is a powerful tool for the Obama administration, and one which is unlikely to fluctuate dramatically despite the not insubstantial hiccups in the political relationship described above.
Underlying this goodwill is the US–India nuclear deal, which for many Indians has demonstrated that the United States is more astute than the EU in focusing on its own and its partners' main strategic interests. The Obama administration has remained committed to the landmark agreement, despite internal and external opposition, and has argued that it contains sufficient safeguards even though India has not signed the Nuclear Non-Proliferation Treaty.

In October 2009, the United States and India held their biggest-ever joint war-games exercise. Whatever the recent tensions in the two countries' bilateral relations, they share a strategic concern about the rise of China, while India continues to seek US support to force Pakistan to take more steps to tackle militants operating in Kashmir and India itself. In turn, as the United States has begun to examine the regional dynamics in Afghanistan, it has recognized that rivalry between India and Pakistan in Afghanistan threatens its own stabilization efforts in that country.

While there are widespread and strengthening commercial links between the United States and India, therefore, the bilateral relationship has taken on more of a politico-military hue since the signing of the nuclear deal in 2008. In July 2009, for example, the two countries struck a deal allowing American companies to enter India's defence market. The subsequent war games provided an opportunity for these companies to showcase their wares.

The other driver of increased cooperation is that India clearly wants to be seen as a global player: as an investor in other countries and as a donor rather than a recipient of aid. Its improving economic position has given it a confidence and self-assuredness in global forums that had previously been lacking. Thus far, much of this has focused on trying to gain the facets of a global power – nuclear weapons, a space programme and a permanent seat on the UN Security Council. But Indian ambitions are in flux, and the United States can use the experience of the nuclear dialogue to engage with India on other issues of common concern.

Seeking support for a changing US policy towards Burma fits within this context. With Burma, as with North Korea and Iran, the United States has moved from isolation towards engagement. The United States has also recognized that it is not the prime actor in relation to Burma; dialogues with India, as with ASEAN (the Association of South-East Asian Nations) and China, are necessary in an attempt to effect change.

The civil nuclear deal was the first in-depth US–Indian political interaction. The United States should have noted that India's political system is slow and, at times, appears to act against its better interests as it tries to gain support from as many constituencies as possible. India is a democracy, and opposition parties, of whatever hue, will attack the government for any perceived diminution of sovereignty. This should serve to emphasize the need to maintain the diverse interactions that currently reflect relations between the two countries: India's slow-moving political class should not be the only point of interaction.

But this caveat aside, the nuclear deal should have demonstrated to the US government that, if it is patient, agile and determined, it can achieve results
in partnership with India. The process by which the nuclear deal was resolved should be used to set a benchmark for future cooperation in other areas and issues – whether Burma, Afghanistan, UN reform or climate change.

With forethought, the challenges that India will present to the United States should not be insurmountable. India’s politicians often seek electoral support at the level of the lowest (and most populist) common denominator. But, when in power, they act in the interests of India’s businesses and its growing middle class, all of which want to strengthen ties with the United States. If the United States can apply the positive lessons from the nuclear deal to other areas, more constructive engagements may result.

Having largely ignored India throughout the Cold War in favour of military-dominated Pakistan, the United States should accept the fact that it is still the object of a persistent underlying suspicion in India. It also needs to accept that, although India is clearly flattered by the greater US attention it now receives, it is not currently willing to move towards becoming a fully-fledged ally of the United States or of the ‘West’. Its policy towards China, for example, is nuanced and while many in India are concerned about the future dynamic of Sino-Indian relations, most hope to balance expanding trade links with China against their ongoing strategic concerns.

India’s approaches towards other challenges of common interest will continue to be driven by pragmatic concerns about its national interests rather than by the desire to conform to the norms of a US-led, Western democratic club. When these interests diverge, an increasingly assertive India is unlikely to acquiesce to American wishes. But, one year into the Obama administration, there are more synergies than rivalries between the two countries.

The Biggest Challenge: Afghanistan

Afghanistan is where the interests of India, Pakistan and the United States diverge, and it is also President Obama’s most urgent foreign policy challenge. While there has been valid criticism of the time taken by the administration during its first year to complete its various reviews of US strategy towards Afghanistan, some of the implicit conclusions drawn demonstrate a better understanding of the complexities of the country and the limitations of US leverage despite the numbers of American troops present within it.

As with India and Pakistan, however well-intentioned current US policy may be, history for Afghans did not begin on 9/11. That event merely marked the latest stage in a civil war that had already run for two decades. And while most Afghans were pleased to see the departure of the Taliban, they remained cognizant of prior US support for the anti-Soviet mujahideen, parts of which subsequently morphed into the Taliban.

More concerning, however, was that few had seen the fruits of the claimed investment in Afghanistan from the West since the toppling of the Taliban. Distrust of both the Afghan government and the motives of the West had increased substantially in the subsequent seven years. After 30 years of conflict,
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most Afghans had grown accustomed to sitting on the fence. This failure to back the government in turn makes the reconstruction effort harder.

Two central conclusions have evolved from the strategy review. The first is that the primary actor in Afghanistan is not the US-led military force. Instead, the success of the mission to stabilize Afghanistan will stem from the impact and effectiveness of the government. This observation brought into greater focus the importance of the legitimacy of the presidential election process, and the pervasive impact of corruption. The latter did not just hinder attempts at development, but played directly into the rhetoric of the Taliban whose religious message, such as it is, focuses on the need to create some form of ‘pure’ and incorrupt society.

The second conclusion relates to the possible role of Afghanistan’s neighbours in the conflict. However, as Afghanistan’s neighbours primarily focus on their own divergent and mutually exclusive interpretations of national interest, the difficulties of such an approach are immense. Any ‘regional solution’ would have to surmount the challenge of forcing India and Pakistan to forge a common position on Afghanistan. The likelihood of this is close to non-existent.

America’s recognition of the obstacles it faces in Afghanistan and of the need to win Afghan hearts and minds is positive, but it leaves some fundamental questions unanswered. Many Afghans have a trust deficit towards both their government and the Western forces, stemming from what they perceive as broken promises. Whether this trust can be regained is uncertain. Moreover noting, for instance, that there is widespread corruption in Afghanistan is not the same as preventing it.

The Taliban have been quick to exploit any disconnection between Western policy and practice. Following Barack Obama’s appointment of Gen. Stanley McChrystal as the Commander of United States Forces in Afghanistan,25 the US military has stressed the need to avoid civilian casualties; yet the more it claims to be avoiding accidental civilian deaths, the more forceful is the Taliban’s claim of hypocrisy whenever civilian casualties do occur. The greater the number of Western troops sent to Afghanistan, the greater will be the likelihood that civilian casualties will continue, if not increase. The need to avoid civilian casualties has been noted frequently in the past few years. But avoiding civilian casualties in a climate of tribally motivated misinformation is easier said than done, particularly given Western governments’ desire to minimize casualties among their troops.

The Taliban have also grown increasingly sophisticated. Whereas the threat in Pakistan is from terrorist-style bomb attacks, in Afghanistan the Taliban are reported to have produced a handbook for their soldiers aimed at not alienating local populations. As the conflict has continued, the Taliban have been able to tap into Afghan nationalism, particularly among the Pashtun population, and they have a range of tools – such as suicide bombers – with which they are trying to drive a wedge between foreign troops and the local population. It is imperative that the US-led coalition appears to be on the side of Afghans, and not an occupying force, but with public opinion turning against the conflict in
both the United States and Europe, this will provide yet another challenge for President Obama.

Even without sophisticated Taliban propaganda, many Afghans now simply disbelieve claims made by the West. In more secure parts of the country many of the minority groups – Tajiks, Uzbeks and Hazaras – question why they have not benefited from the aid that has been pumped into Afghanistan. In the less secure, predominantly Pashtun areas, Pashtun nationalism is growing, a trend not assisted by the American notion of an ‘Af-Pak’ strategy. In this context, though expediting the development of the Afghan National Army (ANA) makes sense, the process adds a further complication if the army increasingly appears to be one of Tajiks and Uzbeks, rather than a truly ‘national’ army.

TO TALK OR NOT TO TALK?
The shift in the United States towards an acceptance of the likelihood of talks with ‘moderate’ Taliban appears profound and clearly reflects a more pragmatic approach that will frustrate proponents of improved women’s rights and other core tenets of a more tolerant and democratic Afghanistan. But it also implies a strategy that may become a means of enabling an early exit by US and other Western forces.

A number of questions arise from this policy shift, the answers to which are likely to emerge in 2010–11. First, does the notion of ‘moderate Taliban’ make sense? A temporary shift in allegiance to the Kabul government by local-level commanders who are then ready to transfer allegiance back to the Taliban hardliners as soon as foreign troops have left would make little sense.

Second, is there any likelihood that the Taliban leadership, the so-called Quetta Shura, would consider holding talks? At present, the answer appears to be no. But, should a surge in foreign troops and increased ANA activity put it on the back foot, its interest in talks may well increase.

Third, the absolute minimum for any Western compromise with the Taliban would have to be their agreement to oust foreign fighters from Afghanistan. On this issue the evidence from Pakistan is not positive. There, successive governments signed a range of peace deals with Islamist groups in the tribal areas. Yet each deal collapsed as those groups involved in ceasefires would allow their territory to be used by groups from areas where ceasefires were not in force.

Many Pakistanis would argue that their cultural awareness of the tribal areas makes Pakistan better suited than the United States to tackle the problem of dealing with the demands of radical groups. The government in Pakistan would clearly prefer to negotiate with radical groups, believing that greater use of force leads to greater alienation. The IRI survey in March 2009 suggested that 72 per cent of Pakistanis supported a peace deal with the extremists. Since then, the greatest factor galvanizing Pakistani public opinion against the Taliban was their brief but memorable period of misrule in Swat which triggered the military campaign against them first in Swat and subsequently in South Waziristan. The shift in Pakistani policy stemmed less from US pressure than
from an acceptance that the groups were so well entrenched that a military solution was inevitable.

Should Pakistan's military gain the upper hand, it is likely to press the government to shift back towards a policy of talks with militants. Pakistan's military has been quick to deny rumours of mutinies among troops refusing to fight fellow Pakistanis, but it is clear that the Pakistan military sees fighting against its own citizens as a last resort.

If the United States allows the Afghan government to talk to ‘moderate elements’ in the Taliban, many in Pakistan will claim that the United States has simply adopted its own long-standing policy. Despite clear differences between the Afghan Taliban and the range of groups that comprise the Pakistan Taliban, unless there is a shared strategy on both sides of the Durand Line (the de facto border between Afghanistan and Pakistan), it is unlikely to be successful. Past crackdowns in one area of Pakistan and Afghanistan have simply forced militants to relocate to safer havens. Pakistan has undertaken military action in the tribal areas, and simply shifted the centre of insurgency, and the military action by ISAF (the International Security Assistance Force) in Helmand province has led to rising militant activity elsewhere in Afghanistan.

RECOMMENDATIONS FOR FUTURE US ENGAGEMENT

Recognition of the limitations of US leverage – and of the limitations of US allies, whether Western partners in Afghanistan or the governments of Afghanistan and Pakistan – may appear a sign of weakness. But a more honest assessment of the starting point shows the way towards a more effective and realistic policy. In Pakistan and Afghanistan the most important actor is the national government. Without the active support of the government, both at a strategic level and in terms of being able to implement policy on the ground, the likelihood of US policy objectives being met is minimal.

The fact that almost 60 per cent of Pakistanis view the United States, rather than India or the Pakistan Taliban, as the main threat to their country ought to be uppermost in American minds. In the past there has been a tendency to privilege interlocutors who advance their own interests by telling the administration what it wants to hear, which may or may not reflect realities ‘on the ground’. If the United States is to come to be seen as an ally of Pakistan (and not just the friend of its military and a small coterie of politicians), it will need to broaden its range of contacts to include those who disagree with its policies. And, in the first instance, it will have to review whether the military utility of drones in the tribal areas outweighs the negative impact on public opinion and on consequent steps by the Pakistani government.

One fear is that the United States will repeat in Pakistan errors made in its earlier Afghanistan strategy. One of the notable complaints by Afghans is that they have not seen any return from the billions that have been spent in their country. This is partly explained by the cost of security and the demand for high returns. But it also stems from corruption. The role of corruption as a driver of
rejection of central government control and, ultimately, of radicalization and recruitment for Islamist groups (both in Afghanistan and in Pakistan) cannot be overestimated.

Providing the Pakistani government with unconditional assistance has been a proven failure, fuelling corruption, increasing inequality and consequently increasing support for those who oppose the state. The shift towards conditionality has caused resentment within Pakistan, and some level of corruption will be impossible to prevent. But the United States should make it a priority to ensure that as wide a public as possible in Afghanistan and Pakistan benefit from development assistance. Encouraging the national governments to shift from a top-down to a bottom-up approach – asking people in the tribal areas or in Afghanistan to prioritize those issues from which they believe they would most benefit – could help gain local buy-in, when security conditions allow. And development assistance should be used to shore up those parts of Pakistan and Afghanistan that remain vulnerable to a rise or return to conflict but where, for ethnic reasons, there is little love lost for the Taliban.

Rebuilding President Hamid Karzai’s relationship to the people of Afghanistan is another priority following the election débâcle, with widespread reports of electoral fraud and malpractice. The United States should support his efforts to convene a meeting of tribal elders and, potentially, to rewrite Afghanistan’s constitution. While the last and current US administrations may traditionally have preferred the notion of a strong central leader, in multi-ethnic Afghanistan a centralized system is bound to create strains.

The current constitution has been shown to contain a number of flaws: parliament is frequently circumvented and itself comprises a number of former warlords and other flawed individuals whose role as lawmakers makes stability less, not more, likely. Afghanistan’s constitution should not be held as a sacred relic but amended as required, with as much Afghan ownership as possible. If Hamid Karzai can be encouraged to decentralize power, the war may yet be won.

The need to move towards decentralization is a corollary of the lesson that should have been learned about the danger of focusing US bilateral relationships in the region on individual relationships between leaders. Under President George W. Bush, US relations with Pakistan were focused on the President’s personal relationship with his counterpart, Pervez Musharraf. The failings of such an approach became apparent after Musharraf’s party was almost wiped out politically in the 2008 general election. Subsequent revelations regarding the lack of accountability in US aid disbursements to Pakistan demonstrate the leeway that Musharraf had been given by the US administration.

Long-standing American concerns regarding President Zardari may make it easier to avoid a close president-to-president personal relationship but, even so, most institutions in Pakistan are weak. The United States could work to enhance the status of the prime minister vis-à-vis the president and army chief, and with institutions that uphold the rule of law, most obviously lawyers themselves. The media, and notably the vernacular media, in Pakistan are not averse to expressing virulent hostility towards the United States, as well as publishing a range of
conspiracy theories. Rather than seeing such groups as enemies, US interests would be best served by engaging with them. Introducing a major programme allowing Pakistani journalists to visit or even receive private training in the United States could be a start.

During her October visit to Pakistan, Hillary Clinton said that America wanted to build a broad and deep partnership with Pakistan and expand ‘official and people-to-people relations’ between the two countries. Increased financial support will help to do this, presuming it is spent wisely. Combating the tendency of US administration officials (whatever legislators and the media may choose to do) to question domestically whether US interests would be better served should the current (or future) leadership of Pakistan be replaced would also help shift the focus away from personalities. It should be for the people of Pakistan to determine whether or not President Zardari is deemed a success or a failure.

On the surface, the Obama administration’s appointment of Richard Holbrooke as Special Envoy to Pakistan and Afghanistan has implied a return to diplomatic leadership by the State Department under Hillary Clinton. Ambassador Holbrooke has underscored since his appointment the importance of development assistance and improved political governance rather than an emphasis on military solutions. However, Holbrooke, nicknamed by some ‘the bulldozer’, has a personalized style of diplomacy that may yet lead to a re-centralization of US decision-making alongside certain favoured Pakistanis if the political situation in Pakistan continues to deteriorate.

India should prove to be the easiest relationship for the Obama administration to manage among these three counties. The lingering concern in India that it risks being sidelined by the focus on Afghanistan and Pakistan in some ways highlights the importance India currently attaches to its bilateral relationship with the United States. Unless US protectionist impulses take more concrete form, it is difficult to envisage that the appeal of the United States to India’s emerging middle class will be derailed.

The challenge with regard to India will be less about the bilateral relationship than about engaging India on third-party issues. The United States would prefer India to lead international policy should challenges arise within the smaller countries within South Asia – Nepal, Sri Lanka and Bangladesh – but historical distrust can reduce India’s leverage over its neighbours. As China plays a growing role in the Indian Ocean, India’s smaller neighbours now have an alternative to accepting Indian patronage and direction. This has created an emerging vulnerability within India, exacerbated by China’s renewed border claims. This should help consolidate the US relationship with India, with one proviso: it remains inconceivable that India would consider any explicit or even seemingly formal alliance with the United States.

An informal strategic rapprochement between India and the United States will not necessarily translate to a more amenable India in relation to global issues, such as climate change or trade. India feels it deserves recognition as a key international actor, whether through a permanent seat on the UN Security
South Asia

Council or through emerging institutions such as the G20. The greater role that it plays will be avowedly in its national interest. India is a ‘rich/poor’ country, and will position itself as one or the other as it sees its interests best served. India’s agreement in international forums will stem from finding win-win solutions to global challenges. It will be imperative to persuade India that it will be affected worse than most by many emerging challenges, such as climate change.

The United States needs to keep its agenda open, engage inclusively and not become a tool in the hands of limited local interests in Washington or in South Asia. Such an approach would make it apparent to the politically astute people of South Asia that the United States has a longer-term commitment to building and reforming institutions, development and democracy, rather than a cynical short-term interest in getting what it wants out of South Asia. If President Obama can change that perception then he will have surpassed expectations.

NOTES

2 Under the deal India agreed to separate its civil and military nuclear facilities, and to place civilian nuclear facilities under International Atomic Energy Agency (IAEA) safeguards. In return, the United States agreed to full civilian nuclear cooperation with India.
6 In March 2008 Holbrooke noted: ‘First of all, we often call the problem AfPak, as in Afghanistan Pakistan. This is not just an effort to save eight syllables. It is an attempt to indicate and imprint in our DNA the fact that there is one theater of war, straddling an ill-defined border, the Durand Line, and that on the western side of that border, NATO and other forces are able to operate. On the eastern side, it’s the sovereign territory of Pakistan. But it is on the eastern side of this ill-defined border that the international terrorist movement is located.’ Quoted in http://www.worldwidewords.org/turnsofphrase/tb-ap1.htm.
7 http://www.reuters.com/article/topNews/idUSTRE5AN0PD20091124.
8 http://www.cfr.org/publication/16644/.
12 The Pakistan Army is currently fighting the Pakistan Taliban in South Waziristan; see http://www.longwarjournal.org/multimedia/maps/FullImageWrapperLatestFullImage.php.
13 While the US has offered to bring down tariffs on cotton-product exports from Pakistan, the industry’s problems run much deeper.
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20 Between 9/11 and 2009, the United States provided Pakistan with around US$9bn in military assistance and a further US$3.6bn for economic and political support.
21 http://pakobserver.net/200911/07/Articles03.asp.
23 China’s claim to Arunachal Pradesh is based on the borders of Tibet. A visit by the Dalai Lama to Arunachal Pradesh in late 2009 could be seen as recognition by ‘Tibet’ that the region is now part of India, causing consternation in China.
25 In addition to his role as Commander ISAF (International Security Assistance Force).