South Asia:
Policy Challenges for the U.S.

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Rapporteur’s Summary

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Twenty-one Members of Congress met in Bangalore and New Delhi, India, February 16-24, 2013, to discuss South Asia: Policy Challenges for the U.S. The meetings in Bangalore focused on the historical, political, and cultural evolution of South Asia. Other sessions included meetings with Indian parliamentarians, analysts, business representatives, and writers, and included a visit to the General Electric Innovation Center in Bangalore.

Shuja Nawaz and Kavita Ramdas led discussions on South Asia and Indian historical, ethnic, and religious perspectives in the region. Nawaz pointed out the long documented history of the region that stretches from the South of India, including Sri Lanka all the way into Central Asia and to the west embracing Iran. The linkages between Central Asia, Iran, and South Asia have been apparent for thousands of years irrespective of contemporary boundaries. It is important to acknowledge the influence of religion, particularly Buddhism, on the larger region and beyond. Furthermore the influence of the Hindu culture and Buddhism on Asian Muslim culture is a feature of the region that must be taken into account.

Today, big changes are underway in the region. By 2030, Afghanistan and India will have a youth dividend that must be harnessed. The region has about 20 years to undertake far-reaching reforms before the youth dividend is lost. This means bringing people out of poverty and educating them. In the case of Pakistan, the significant barriers to good governance include the interference of the military. Indian political parties—especially the Bharatiya Janata Party—stir up anti-Islamic feelings. The Muslim community in India is becoming more sophisticated and does not automatically support the ruling Congress Party. The unresolved Kashmir dispute remains the key stumbling block between India and Pakistan; many observers contend that the best solution is probably a combination of independence and autonomy.

Other challenges include the gap between rich and poor, especially in India. While there has been progress on issues such as women’s rights, a key role for expatriates is to support institution building in their native country. The considerable economic contribution the diasporas from India and Pakistan make to their countries of birth is important. Pakistan’s expatriates, for instance, send $14 billion home each year.

There is a huge diversity in India and yet it has uniqueness. Jawaharlal Nehru, the country’s first prime minister, insisted that India, when it became independent in 1947, be called “India” precisely because it has no religious connotations but rather refers to a geographical identity based on the Indus River. India is a country of minorities, and it is very difficult to establish identity alone by religion.
or ethnicity. Both India and its neighbors face major challenges meeting the needs of a growing middle class in India. But in reality, the numbers of people who actually have what could be called “western middle class” purchasing power are quite low, whereas those who aspire to such standards are high. There is an overall belief amongst the newly affluent that consuming “stuff” is equivalent to development, and this is an issue that has to be challenged. In an evening session with young Indian entrepreneurs, one of the challenges noted was that while India has enormous potential, if the young are unemployed and not represented in the political structure, there will be trouble. In India, politics is a profession and most young people do not aspire to this profession, preferring instead to go into business. The hope is that more successful entrepreneurs will move into politics. The problem is that rising politicians in India tend to cater to groups and lobbies rather than to the overall well-being of the Indian state.

These issues were expanded in an evening session with Amir Khan, Kavita Ramdas, and Palagummi Sainath. Healthcare is one of the big challenges for India. While it produces 50 percent of the world’s vaccines, 50 percent of the population is not vaccinated. Many infant deaths are caused by very simple health failings that could easily be solved. Eighty percent of the population has no access to healthcare and nearly 60% of the children are stunted. The United States, through the support of foundations, is helping develop new health techniques that are simple, low-cost, and can help eliminate many of these unnecessary deaths. Although development in India has been fast, the question is for what purpose? After the fall of Communism, most economists argued that quick industrialization was essential for India’s development path. That economic theory is not without challenge as increased consumerism and consumption have also had a cost in environmental degradation and pollution. It is important for the U.S. Congress to think about new models of development.

In 20 years a small proportion of India’s population shared the great successes while the majority of the population has not prospered. For example—in 1991, there were no dollar billionaires in India—now India ranks fifth in the world in terms of billionaires. Nearly half of these billionaires account for 1/8 of the GDP, yet India remains 154th on the United Nations Human Development Index, below Bolivia, and 847 million people survive on less than 45 cents a day. Perhaps one of the biggest crises in India is the collapse of small farmers. Suicide rates among farmers have risen dramatically in the last eight years. Often suicide notes are addressed to the Minister of Finance.

Shashi Tharoor, Indian Minister for Human Resource Development, focused on the potential youth dividend and its importance. The youth must be educated, and providing higher education is very difficult. People are dropping out of school and the government is not spending enough money on the simple effort of trying to keep children in school. If India gets this right, it will be able to exploit its youth dividend to great success. If India gets it wrong, there is nothing more serious than disillusioned youth. In a broader discussion of India’s role in the world, it was acknowledged that the U.S. and India, although friends, have many disagreements because, after all, “democracies bicker.” India has a “proud chip on its shoulder.”

The first plenary session dealt with Military Dimensions and Regional Issues in South Asia and The U.S. Strategic Rebalance to Asia. Arun Prakash focused on the historical legacy of India, and he noted that New Delhi and North India have been invaded many times and the region has been fixated on threats from the hill areas rather than the maritime arena. Now, as the Indo-Pacific maritime arena becomes more important, India must worry about a series of flashpoints from North Korea to Taiwan to Kashmir. There is an arms race, particularly a race to build submarines, which started in China. Ten nations in the region have submarines. China is a growing presence in the Indian Ocean and is paranoid over the security of its sea lines of communication, particularly the tanker and container traffic for energy and exports. China’s official maps
show major claims into India’s territory, and its development of major infrastructure in Tibet is seen as a potential threat. India is much weaker vis-à-vis China in terms of ground presence but is in a stronger position in the Indian Ocean. Concerning nuclear proliferation, China has armed Pakistan with nuclear weapons and this has triggered an arms race on the subcontinent.

Participants addressed the issue of the “rebalance” to Asia and stressed the importance of South Asia as the linchpin between East Asia and the Middle East. Some contended that the U.S. rebalance is about trade rather than military activity. In the coming decades, U.S. success will be tied to the success of Asia. In the past, a strong American military presence has helped economic growth because it has led to economic openness, peaceful resolution of conflict, and freedom of trade. There were differing views expressed about whether the rebalancing at its core is about China, and rebalancing is certainly not about asking India to be a formal ally. So far, efforts to rebalance—including restructuring Guam as a strategic hub, developing Darwin as a training base, and working more closely with Singapore and the Philippines—have been successful. The Indian Ocean has always been vital to maritime security; 50 percent of the world’s container trade and 70 percent of the energy tankers cross its waters.

South Asia still has unresolved disputes, yet India remains a key U.S. partner with military-military relations stronger than ever. Certainly concerning Afghanistan, the U.S. has not sought or assembled permanent bases in Afghanistan. It was argued that the Afghanistan surge was successful. Regarding U.S. relations with Pakistan, 2011 was the most difficult year in the relationship and included the killing of Osama bin Laden on Pakistani territory and errant attacks by U.S. drones on Pakistani civilians. The relationship has been recalibrated and things are back on track.

In the discussion, a question was asked about the lessons India drew from the Mumbai terrorism attacks in 2008 and its impact on decision-making. One reason the attack occurred was that India was not guarding its own long coastline and the attackers came in boats. Kashmir remains the most outstanding flashpoint between India and Pakistan. It was suggested that the India-Pakistan confrontation in the Siachen Glacier region of Kashmir was meaningless, and has been referred to as “two bald men fighting over a comb.”

The issue with Kashmir is that it is the one factor the Pakistan army always raises in any discussions because, once Kashmir is resolved, the army’s own role will be diminished and it will have to focus on the security of Pakistan rather than worrying about the perennial Indian threat. Concerning U.S. policy, some worried that the U.S. will walk out on allies, noting the abandoning of the Shah of Iran and President Mubarak of Egypt. Other discussions noted the U.S. should focus more on nurturing Pakistan’s civilian government rather than the military. It was noted by some that the U.S. Congress should engage Pakistani parliamentarians rather than endless meetings with General Kayani. Some felt that U.S. officials were taken in by the tactical rhetoric of the Pakistani military and that this must be avoided. Nevertheless it was argued that Pakistan would never have gone for the nuclear bomb if not for India’s nuclear test. In the contemporary arena, the development of tactical nuclear weapons by Pakistan is a dangerous development since the doctrines on nuclear employment between India and Pakistan are very different and there is no nuclear dialogue. India will undoubtedly follow with its own tactical nuclear weapons. The introduction of tactical nuclear weapons into the subcontinent could be a “game-changer.” The subcontinent should learn lessons from the U.S., when it was hoped in the 1950s and 60s that tactical nuclear weapons in Europe would contribute to deterring the Soviet Union. Cold War history files prove this was a delusion.

There was much concern about cyber warfare and Chinese attacks not only on the U.S. but also on Indian institutions.

Jairam Ramesh, Indian Minister of Rural Development, contended that the failure of the United States to lead on climate change is the key reason for the lack of meaningful international
agreements to limit carbon emissions. As a consequence, greenhouse emissions continue to rise and the consequences for India are very serious and include radical changes in rainfall patterns, pollution, and water shortages, especially for 500 million people in northern India due to glacial melt in the Himalayas. In addition, 300 million Indians in the coastal areas are threatened by rising sea levels and salt water incursions into farmland. Widespread deforestation adds to these problems.

Two-thirds of India’s 650 million rural residents are dependent upon agriculture for survival, and there is a need to diversify the rural economy. Bringing about this change poses many political challenges. Decentralization and the empowerment of women are keys to future success. For example, the U.S. can help India with rural electrification but the approach of “we can grow first, and pay later” is obsolete. Unfortunately, the consensus among India’s ruling class is that growing first is still the priority. The one really important break-through is that there are now 800 million cell phones in India, which over time can bring about major social change.

Karl Eikenberry led a discussion on Post 2014 Afghanistan: Implications for the Region and the U.S., with comments from Ashraf Ghani, Hussein Haqqani, Ahmed Rashid, and Sima Samar. Eikenberry reflected that the war in Afghanistan has gone through three phases. In 2002, after the initial invasion, there was great optimism that the Taliban had been routed and Al-Qaeda was on the run. By 2005, the policy had deteriorated rapidly, in part because of the deep U.S. involvement in Iraq. In 2009, President Obama authorized the surge and the outcome is yet to be determined. The challenges Afghanistan will face in the future concern whether it will be a sanctuary for terrorists, what the status of Afghani military preparedness will be, what the costs of security will be, and whether the political landscape will be stable.

There remains a serious question about Afghanistan’s economy and how important the drug trade will be as a factor in the GNP. On the political front, reconciliation and good governance is essential. The U.S. has to find the right balance between funding levels and troop strength. The problems remaining are the U.S. has no sense of how to prevent the strategy from becoming an open-ended commitment, and the U.S. is not on the same page with President Karzai in defining the insurgency and what to do about it.

The complexity of Afghanistan has led to uncertainty about its future. Afghans do not know the intentions of the U.S. and they worry about both regional and national lack of consensus. It was argued that the U.S. needs to clearly indicate a policy on the use of force. Depending on that policy, the Afghani response will evolve. Afghanistan is at risk of becoming a national security state, and there is a risk of a coup by the army. Political reconciliation is essential, as is the end of corruption. On the other hand, the decline of foreign aid will force Afghanistan to develop its own economy. Afghans need to work with the region and in particular must work out a relationship with Pakistan. Afghanistan will survive, but the nature of its future leadership is unknown. One key factor is to make sure the 2014 elections are smooth and there is a peaceful transition of power. The social services are in need of revitalization and good governance must be promoted. Support of the social network is necessary and the full participation of women essential. The U.S. should not support warlords.

The war has become unpopular in the U.S. and calls for withdrawal are very understandable. Pakistan is very insecure in the neighborhood. As for the future in Afghanistan, it is unclear what the Taliban wants; it’s not just disaffected Pashtuns who are involved. The problem remains that the Taliban insurgency is a proxy supported by Pakistan for a host of complicated reasons.

Several points were raised in the discussion for the U.S. Congress to consider.

There should be a dialogue with the Taliban to minimize chaos after the U.S. withdraws.

The stability of Afghanistan depends on a free and fair election in 2014 in contrast to what happened in 2009. The U.S. cannot support a rigged
election and it should exercise leverage to help ensure fair elections. The U.S. should help build trust between Pakistan and Afghanistan. Pakistan must abandon its duplicitous policy through which Pakistan remains a threat to Afghanistan. The U.S. Congress should consider continued support for Afghanistan for a transition period of four to five years on the grounds that the U.S. does not abandon its allies. Regional diplomacy must be multinational and include India and Pakistan together on Afghanistan and must also include Iran.

It was suggested that Pakistan itself has to develop a counter-insurgency strategy and a new definition of national security. Some participants felt there would not be an internal war in Afghanistan and that the Taliban may be less powerful than perceived. The people of Afghanistan have experienced the Taliban and have no illusions about what they are about, but the greatest problems are in Pakistan.

There was an overwhelming consensus on the part of the Members of Congress that the United States had run out of patience with both Pakistan and certainly Afghanistan. No matter what the logic of long-term commitments and continued support suggests and how sensible it is, this is not going to happen—given the attitude of the American public. As one legislator put it, “Congressional constituents are the 800 pound gorilla in the room—they are fed up. We are done. We have been in Afghanistan way too long.” There was a general consensus of a need for greater oversight during the drawdown. The use of U.S. aid, and particularly the role of private contractors in Afghanistan, needs far greater scrutiny.

The bottom line from this discussion, which included sophisticated inputs from the South-Asian players, is that the U.S. Congress, while thoughtful and supportive of their concerns, has to reflect the reality that “enough is enough” and that the time to end the deep U.S. involvement is long overdue.

The final session focused on The Challenges of Resource Management: Energy, Water, Climate Change and the Impact on Regional Security led by Brahma Chellaney with commentary by Farahnaz Ispahani. Chellaney stressed that a strategic overview of the resource debate had to take into account three basic factors: natural resource availability, population growth, and new technology. Global supplies of resources include many that come from unreliable sources. Although the United States is well endowed with natural resources, the opposite is the case in Asia. South and Southeast Asia and China contain half the world’s population. While Asia has reemerged as a potent economic force, constraints on development include access to the resources themselves, a deteriorating environment and climate change.

It is against these constraints that one has to pose the question, “Is Asia’s Rise Unstoppable?” The reality is that many future conflicts in Asia will be over access to resources. Only China has a long-term resource strategy, though South Korea has attempted to emulate China by leasing 50 percent of the arable land in Madagascar for agricultural production.

There was considerable focus on the specific issue of Indo-Pakistan’s water agreements and disputes and why managing and updating these agreements have become so important. In the 1960s, the Indus Water Treaty between the two countries was unique and worked well. New disputes need to go to arbitration and China should be urged to join. Unfortunately, Pakistani terrorist groups are constantly arguing that India is violating agreements and stirring up nationalist agitation.

The discussion focused primarily on the shortages of fresh water, especially in India, Pakistan and China. There were two major issues: control of the headwaters of the major rivers of South Asia—most of which rise in the Chinese-controlled Tibetan Plateau; and the gross mismanagement of water distribution. China controls the sources of most of the great rivers of both South and Southeast Asia. It does not belong to any international or regional agreement over sharing water rights and it is building thousands of large dams on these rivers, thus interfering with water flows and mineral content of the water. Most participants agreed that, unless
China is part of the water access agreements with its down-stream neighbors, tension and possibly conflict over water will remain a top agenda item. On the issue of water management, the problem is that 80 percent of all water in Asia is used for farming and the irrigation methods are antiquated and wasteful. One challenge is that more efficient techniques such as drip feeding are not used for the production of the most important crop, rice, which needs a flooded field to grow. For those crops that could benefit from drip irrigation, the constraint concerns the up-front investment costs needed to install the equipment. Most farmers in the region have small acreage and are not equivalent to the huge conglomerates found in the U.S. and Europe. While new technology, such as genetic engineering, can dramatically improve crop yields, a way has not yet been found to reduce dependence of new crops on large amounts of water except by expensive irrigation equipment. It was questioned why India so vehemently rejected efforts by the U.S. Congress to cooperate on resolving the water disputes between India and Pakistan. The answer is that Indians are angry that the U.S. has never taken China to task for its hegemonic water policies.

Another management improvement that some of the largest Asian countries including China, India, Pakistan and Indonesia could develop is the recycling of used water. On this matter Japan and South Korea are far ahead of their neighbors. It was noted that in southern California, where water recycling had initially been rejected as “unhygienic,” it is now young people who are most enthusiastic to see it implemented.

On the more universal issue of climate change there was agreement that glacial melt, rising sea levels, stronger monsoons and more prevalent droughts pose existential challenges for the entire planet. The problems facing California and Texas mirror many of those in Asia. There is particular concern in India over the threat to Bangladesh of rising sea levels and flooding. The special fear is an increase in illegal migration to India. There are already over 11 million illegal Bangladeshis in India and, by some estimates, over 17 percent of the country will be lost to the sea by 2050. This is one clear motivation for the long, expensive and high fence India is building along its eastern border with Bangladesh. While controversial, India considers it a necessary step to prevent already crowded India from being overrun by environmental migrants.

On the equally controversial and urgent need for more electricity generation in South Asia and China, it was noted that India’s power outage in 2012 that put 700 million in the dark is an indicator of the magnitude of the problem. Both India and China have huge coal deposits and China has shale gas potential. In India, the political and environmental costs of coal mining are legion since many of the most lucrative fields are co-located in densely populated areas or remote pristine forest regions. It was suggested that it might make sense for India to import more coal from Australia where the coal mines are far from urban areas. As for China’s shale gas, its extraction requires large quantities of fresh water, which is in short supply in the regions where the shale deposits are most abundant.

The summary discussion covered the wide agenda of the week but the focus was on three recurring themes. First, efforts to “rebalance” U.S. policy towards East Asia must not be seen in primarily military terms. American interests in the region are so large and important that economic development, trade, the environment and creative diplomacy are the crucial elements of American “soft” or “smart” power that would bring the best returns in the long run. The security component is, of course, vital but it must be realized that the American people, after ten years of sustained war in Iraq and Afghanistan, have no interest in further large military expeditions. Local intervention against Islamic terrorism may be necessary but a large American footprint on the landmass of Asia must end. The U.S. should sustain a strong maritime presence but be wary of being drawn into local quarrels, especially those between China and its maritime neighbors. The irony is that as China flexes its muscles and over-reaches its territorial ambitions, local support for a U.S. presence has grown even from former adversaries such as Vietnam.
A second theme reflected throughout the meeting was that the U.S. needs to become much more engaged in the long-term environmental challenges of the region and the planet. As a country the U.S. continues to waste great amounts of food, water and electricity and needs to find ways to reduce profligate consumption while investing more heavily in new research and development to create technologies that can lower carbon emissions while meeting our overall energy needs.

A third recurring issue was the concern over the weakening of important U.S. development institutions such as the Agency for International Development. In the past, trained professionals serving with AID became respected in countries such as Afghanistan. But now AID has become a recruitment agency for contractors whose skills and dedication are suspect and whose personnel never stay on one job or in one area long enough to bond with the local leaders. The massive outsourcing of work to contractors by the U.S. State Department and the U.S. Defense Department is a very troubling development that needs to be addressed.
“China’s friend is our friend, and China’s enemy is our enemy,” said Pakistan’s Prime Minister Yousef Raza Gilani, during a meeting with China’s Executive Vice-Premier in 2012, and added, for good measure, “We consider China’s security as our own security.” These sentiments could be considered an unexceptionable expression of warmth between two friendly nations, and may well have originated from the writings of Chinese Master Sun Tzu; or even from India’s own (4th century BCE) philosopher-strategist, Chanakya. The reason for commencing this essay with Gilani’s quote is to make the point that most issues relating to politics and security in South Asia, inevitably, reflect complex, three-cornered linkages between Beijing, Islamabad and New Delhi; and that bilateral relationships often have a (hidden) third pole. A survey of the military dimensions of South Asia, therefore, calls for an examination of India’s relations with China and Pakistan, as well as a brief look at the mutual relationship of the latter duo. This essay starts with a brief background based on recent history, essentially of unresolved subcontinental conflicts, before proceeding to maritime issues.

The Unresolved South Asian Conflicts: Brief History

The Sino-Indian Equation

In 1950, Indian statesmen viewed China somewhat patronizingly, as a fellow developing nation struggling to find its place in the international order. An idealistic Prime Minister Nehru actively espoused China’s cause in world fora, in the hope that the two nations could form an Asian grand alliance to fight colonialism. The hard-nosed Communist leadership, however, had different ideas. They had obviously taken two crucial decisions; firstly, that China would brook no rival for leadership of Asia, and secondly, that it would acquire nuclear weapons as a first step to parity with the great powers.

When China invaded the independent state of Tibet and incorporated it in 1951 as an autonomous republic, India tamely accepted Chinese suzerainty over Tibet, little realizing that this would eliminate a huge buffer state and bring China right to its northern doorstep. The subsequent grant of political asylum to the Dalai Lama, by India, coupled with a territorial dispute, provoked the Sino-Indian War of 1962 resulting in a humiliating military defeat for India.

Fifty years have seen a drastic change in the relative economic and military strengths of the two large and populous neighbours. While a totalitarian China, steadily surging forward on the back of a burgeoning economy, is now within sight of great-power status, India’s unique brand of democracy has created political conundrums leading to a policy-paralysis, economic slowdown and social unrest which will have long-term repercussions, in many spheres.

Sino-Indian relations seem to have come full circle; with China repeatedly and forcefully reiter-
ating its claims on India’s territory, and assuming postures which hark back to 1962. The current state of Sino-Indian relations can be summed up in a few brief paragraphs.

There is competition in the economic and military spheres. No matter how far India lags behind China, since both are Asian powers, it is inevitable that they will have to compete for the same strategic space. China is in illegal occupation of about 38,000 sq km of India’s territory in the north, and stakes serious claim to the whole state of Arunachal Pradesh (84,000 sq km) in the northeast. With Sino-Indian bilateral trade having crossed the US$70 billion mark, China is already India’s largest trading partner. But trade could become a Trojan horse if it lulls India into complacency.

China has made a conscious effort to encircle India, by providing military and economic aid to countries all around it. In this context, the Pakistani port of Gwadar, situated at the mouth of the Persian Gulf, and Hambantota on the southeastern tip of Sri Lanka are the first two in a chain of ports that China is helping develop in the Indian Ocean Region (IOR).

At US$100 billion, China’s 2012 declared defence budget was more than three times India’s, and next only to that of the U.S. An equal amount is known to be spent secretly on strategic forces and special projects. China’s military expansion and modernization is marked by total opacity of purpose, and there has never been a sincere attempt on its part to rationalize the huge expenditure, or to convey reassurance to its neighbours.

The Indo-Pakistan Rivalry

Pakistan’s deep-rooted hostility towards India has formed the core of its national strategy since birth in 1947, leading to four major wars and many other conflicts, including the ongoing one in Kashmir. Some salient points that may facilitate a better comprehension of this multidimensional issue are highlighted here.

The creation of Pakistan was the fulfillment of separatist leader Mohammad Ali Jinnah’s dream of an exclusive homeland for the Muslims of the subcontinent because it seemed unthinkable for them to live as a minority in a Hindu-ruled India, once free of British rule. This has, subsequently, become the basis of a deep-rooted and fundamental schism between India and Pakistan. While India is a secular democracy which guarantees equal rights to all its citizens, Pakistan, as an Islamic state, enforces draconian Sharia and blasphemy laws, and curbs the rights of non-Muslims and women.

For over a decade in the 1970s and 1980s, Pakistan played the role of a U.S. proxy and conduit for CIA arms supply in the Afghan struggle against Soviet occupation. Post 9/11, despite being the fountain-head of terrorism, Pakistan once again held centre stage in the U.S. strategic calculus, and received substantial economic and military support. Pakistan provided sanctuary to the Al Qaeda chief Osama bin Laden, and has been a fertile breeding ground and nursery for militant Islam. A number of these Islamic groups are provided with weapons, training, and logistical support by Pakistan, enabling them to infiltrate and undertake terrorist activity in India.

The issue of Kashmir remains intractable because it strikes at the roots of India’s secularism, democracy and very existence. Once India accepts that religion should form the exclusive basis of nationhood, its multireligious, multiethnic and multilingual fabric will be rent asunder. Having stood firmly against theocracy in 1947, and paid a tremendous price, there is no reason for India to change now. Pakistan justifies its implacable hostility towards India on the basis of an everlasting ‘existential threat’ from India, because the latter has, allegedly, not reconciled itself to the existence of Pakistan. The fact is that sixty-five years after partition, contemporary India is so preoccupied with its own domestic, economic and political issues that Pakistan tends to fade into the background of peoples’ consciousness. Every sane Indian acknowledges that not only is Pakistan here to stay, but that its integrity and stability are in India’s interest. India’s military planning has never envisaged occupation or Balkanization of Pakistan—only a robust
response to repeated sneak attacks by the latter.

It is obvious that this myth is being assiduously nurtured by Pakistan’s praetorian army, because the possibility of peace and elimination of the Indian bugbear will downgrade its importance, and may even deprive it of its raison d’être. The fiction of an ‘existential threat’ and anti-Indian hysteria will be kept alive by the Pakistan army until such time that, (a) an elected government gathers courage and stops the army meddling in governance, and (b) the U.S. shuts the funding that provides oxygen to this organization. Regrettably, as the U.S. prepares to leave Af-Pak, there is growing evidence that, disregarding every past betrayal, it is going to put its faith (and money), once again, on the Pak army.

The nuclear deterrents of the two adversaries are enveloped in a cloak of opacity, and there is a total lack of bilateral communication. The resultant mistrust and insecurity has fuelled a spiralling arms race. If the growing weapon stockpiles are cause for unease, the doctrinal dichotomy between India and Pakistan should create even greater alarm. How can India’s nuclear doctrine, based on deterrence, no-first-use (NFU) and massive retaliation be reconciled with Pakistan’s undeclared ‘doctrine of ambiguity’ or ‘flexible response’? The Pak logic for creating a stockpile of tactical nuclear weapons (TNW) defies comprehension, when it is clear that the use of even one TNW could elicit an Indian response that vapourizes a Pakistani city.

Given the fiery religious fundamentalism that has permeated the Pakistani armed forces, and the ethnic and sectarian polarization taking place in the nation, the risks associated with a large and vulnerable Pak nuclear arsenal, whose custody and de facto control remains with the army, are too obvious to be mentioned. While the Pak General Staff projects itself as a body of rational and reasonable men, India’s experience of four wars has shown them to be soldiers whose disastrous military adventures have, invariably, been underpinned by misplaced optimism and overconfidence, rather than by sound assessment and professional planning.

**The Sino-Pak Nexus**

Given the disparity in the respective sizes, populations and economies of India and Pakistan, the latter, by itself, may never have amounted to more than a nuisance for India. But by making Pakistan the centrepiece of its anti-India grand strategy, and arming it to the teeth with conventional and nuclear weaponry, China has substantially reduced India’s potential as a rival, and impeded Delhi’s ambitions to be a leading Asian or Indian Ocean power.

The Machiavellian Sino-Pakistani nuclear nexus, which commenced in the early 1980s, is known to have provided Pakistan with technologies, nuclear materials, and most significantly, completed nuclear weapon designs. China also facilitated the clandestine transfer of missile delivery systems from North Korea to Pakistan, in exchange for centrifuge technology. A secret technical assistance pact between China, Pakistan and North Korea was signed in 1994.

This malicious collaboration, without precedent in history, was masterminded by China, with the specific aim of undermining India’s national security and destabilizing the subcontinent. The breathtaking temerity of this three-cornered violation of both the Nuclear Non-Proliferation Treaty (NPT) and the Missile Technology Control Regime (MTCR), becomes obvious when one recalls that the Atomic Energy Act (McMahon Act) of 1946 had forbidden the transfer of such technology by the U.S., even to its allies—Canada and the UK.

Given that China’s own arsenal has remained relatively modest in size, and that its nuclear doctrine pledges NFU, it is significant that it neither attempts to restrain Pakistan’s nuclear ambitions, nor tries to mute its nuclear rhetoric. Pakistan is generating so much fissile plutonium from its Chinese-supplied reactors that it will soon have one of the world’s largest warhead inventories. Pakistan has not just refuted the NFU concept, but reserves the right to escalate a conflict from the subconventional to conventional level and then into the nuclear domain when certain undefined ‘red lines’ are crossed.
Apart from providing nuclear wherewithal, China also sustains Pakistan’s inventory of conventional weapons and missiles. Pakistan obviously constitutes an integral part of China’s foreign and security policies, and acts as a “cat’s paw” on Beijing’s command.

Maritime Security in the Indo-Pacific

Maritime Security Hazards

While China was in the process of rising, Deng Xiaoping had advised his countrymen to maintain a low profile. Having achieved the desired index of comprehensive national power, China has shrugged off any false modesty, and is now an openly assertive maritime power. Today’s People’s Liberation Army (PLA) Navy PLAN is the realization of Admiral Liu Huaqing’s dream of the early 1980s. With a rapidly growing surface ship fleet and its force of homebuilt nuclear submarines (both SSBNs and SSNs), the PLAN is now ready for operational deployment. China’s first aircraft carrier is at sea, and more are probably on the way. The extended PLAN anti-piracy patrols in the Horn of Africa have helped hone its skills and boost its confidence for deployment in distant waters.

As China progressively extends its maritime reach and capability to control, first its near seas and then the larger Pacific, it is bound to challenge the existing order in the Asia-Pacific. How the U.S. manages this power transition will be of great interest to nations of the region, because it will presage the PLAN’s next course of action, i.e., how and when it will head for the waters of the Indian Ocean.

While the international system poses impediments to the use of violence as a policy tool, one cannot overlook historical animosities, territorial disputes and strategic competitions that exist in the Indo-Pacific region, and have the potential for conflict. There are three major areas of sensitivity which impinge upon the stability of the Indo-Pacific region with consequential impact on the freedom of shipping and international trade and energy traffic.

The South China Sea (SCS) has become one of the most volatile flashpoints in the region. China backs its claim to ‘indisputable sovereignty over the islands’ with references to its ‘historical rights’ and ‘areas of core’ interest, but neither of these will stand scrutiny of the international law of the seas.

A second issue which arises from China’s growing assertiveness is the unstated but frenetic naval arms race, which is in progress across the region. Apart from a proliferation of submarines (diesel and nuclear), the waters of the Indo-Pacific are going to see increasing numbers of warships, including aircraft carriers, as well as strike and maritime patrol aircraft. Intense naval activity, especially in an area beset by unresolved maritime disputes, enhances levels of tension and increases the chances of a brush between naval units flaring up into a clash.

A third issue relates to the maritime dimension of the Sino-Indian equation—a relatively new factor. The rapid growth of both Chinese and Indian economies has led to increasing reliance on energy and raw materials, sourced from all over the world and transported by sea. This has focused sharp attention on the criticality, for both economies, of uninterrupted use of sea lanes of communication (SLOCs) for shipping.

In China’s case, the fact that most of its hydrocarbons come home by sea, via the Hormuz and Malacca Straits, is perceived as a strategic vulnerability, and has led it to craft a strategy seeking port access and naval bases along more than 10,000 km of sea lanes running through the Indian Ocean. To Indians it appears that a complementary aim of this strategy is the encirclement of India.

India’s geographic location at the median between Hormuz on one side, and Malacca on the other, will enable it to dominate Indian Ocean trade and energy traffic—if required—and may permit a suitable response to intimidation on the Himalayan heights or in the South China Sea. India’s recently acquired (Russian) nuclear attack-submarine promises to be a game-changer in the maritime context.

America’s Rebalancing to Asia

Recent writings by American authors describe how the era of ‘Western domination of Asia’ is now
in a state of terminal decline, due partly to Europe and America’s economic travails, and partly to the rise of China and India. Also cited are theories of cyclic ‘hegemonic dominance,’ according to which China, with its growing economic influence and military capabilities, may be preparing to step into America’s shoes.

Against this background there is a perception that two costly wars, followed by the worst recession in recent memory, and defense budget cuts are going to see U.S. forces reducing regional commitments. A 2006 U.S. Navy proposal which had sought contributions to a ‘1,000-ship navy’ to form a global maritime partnership seemed to confirm this. For a region which owes its current prosperity to the six-decade-long era of peace and stability, upheld by the U.S. Navy, all this has become cause for serious concern.

The PLAN, earlier seen as an inchoate force pursuing defensive strategies such as ‘anti-access’ and ‘area-denial,’ now seems to be seeking offensive power-projection capabilities in blue waters. Given its past history of muscular interventions in the neighbourhood, China’s military rise is going to constitute one of the most significant challenges facing the Indo-Pacific region.

The U.S. ‘rebalancing to Asia,’ therefore comes at a juncture when there is need to dispel notions about the impending demise of the six-decade-old Pax Americana. The U.S. administration has been at pains to stress that the rebalancing is not about China, and is occasioned by the winding down of combat operations elsewhere, and the growing importance of the Indo-Pacific. However, gestures such as warming up to Vietnam and Myanmar or the positioning of troops in Australia and a warship in Singapore may send the necessary signals, i.e., reassurance for partners and a warning shot across Beijing’s bow.

Prospects for Cooperation

There is an old Malay proverb, ‘When two elephants fight, the mouse-deer in the middle dies,’ which aptly illustrates the geostrategic dilemma that nations of the Indo-Pacific face as they see increasing competition, all round: for energy resources, strategic materials and economic and political advantage. Confronted with difficult policy choices ranging from appeasement and bandwagoning to power-balancing, nations remain undecided on the future course of action. While most accept, with stoic resignation, the rise of China, its recent truculence has caused some nations to look to India as a possible countervailing power. Thinking in terms of ‘containment,’ or of equations that polarise the region may, however, not be a good idea because it would aggravate adversarial relationships and even lead to conflict—something that developing nations can ill-afford.

However, conflict is not inevitable in the Indo-Pacific, provided timely measures are initiated to reduce tensions and enhance confidence levels. The most expedient way of doing this is for nations to come together and form multilateral institutions for cooperative endeavours. While the region has many economic fora, there are no institutions through which countries can settle disputes, build mutual confidence and evolve common approaches for mutually beneficial activities.

The maritime domain presents fertile ground to seek cooperation, especially since globalization has highlighted the vulnerability of growing economies to any disorder or turmoil at sea. One of the priorities should be the constitution of a broad-based forum to discuss and address the causes of insecurity, and define measures to limit maritime capabilities, so that an unbridled naval arms race may be checked.

Whether it is rampant piracy, maritime terrorism, proliferation or interstate tensions, the seas are rife with hazards and uncertainties. Natural disasters and the impact of climate change, too, present a severe threat to coastal nations and low-lying islands of the Indo-Pacific. Although manmade threats and the perils of nature impinge on everyone, the scope of responsibility is so vast that it cannot possibly be shouldered by any single nation. The range and scale of maritime threats to the region are serious enough to warrant collective action, and
the imperatives of interdependence will, hopefully, bring nations together and defuse tensions.

To conclude on a Utopian note, 19th-century Europe, when faced with a similar situation, of competing and overlapping national interests and tensions, formed a Concert of Europe in which the participating nations pledged the preservation of the territorial and political status quo. Asia could also avoid an arms race and conflict by creating an Asian Grand Alliance, in which China, India, Japan, Australia, Indonesia and other nations could share leadership through mutual recognition and acceptance of each other’s concerns and vital interests. Whether the U.S. should participate in it, or support it from outside, would remain moot.
The U.S. Strategic Rebalance to Asia: A Defense Perspective

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(The following is an excerpt from an August 1, 2012 speech by Deputy Secretary Carter, provided by Dr. Peter Lavoy, Principal Deputy Assistant Secretary for Asian and Pacific Affairs)

President Obama announced our new defense strategy in January, at the Pentagon. Since then, the President, Secretary Clinton, and Secretary Panetta have each visited Asia—each, in their own way, to describe the importance of the region to the United States, and the investments of time and resources that the entire U.S. government is making in our relationships in this region.

I went to Asia, at Secretary Panetta’s behest, to make sure our forces and our partners understand that we are not just talking the talk. We’re walking the walk. And tonight I would like to describe to you what we are doing to execute the so-called “rebalance” to the Asia-Pacific region.

Let me start by situating our work within its historical and strategic context.

We in the United States find ourselves today at a strategic inflection point in national defense. After a decade of conflict, one war has ended, in Iraq. The other, in Afghanistan, has not ended, but will transition soon to Afghan lead, thanks to the superb effort of the men and women of U.S. and coalition forces. They’ve done exceptionally well.

But while we’ve been fighting insurgency and terrorism, the world has not stood still. Our friends and enemies have not stood still. And technology has not stood still.

So the time has come for us in the United States to look up, and look around, look out, to what the world will need next—to the security challenges that will define our future after Iraq and Afghanistan.

It is important to note that we would need to make this transition no matter what, but we are subject to a second great current. And that is the need to keep the United States’ fiscal house in order, as outlined in the Budget Control Act, which Congress passed last year.

That act required the Department to remove $487 billion dollars from its budget plans over the next ten years. It also, by the way, threatened a drastic process of sequestration if Congress does not pass a comprehensive and balanced overall budget plan that the President can sign. Sequester—not the subject of this talk, but a very important thing—would be chaotic, wasteful, and damaging to every function of government and should not take place. Leaving aside sequester, our base defense budget will not go down, neither will it continue to go up as it had for the last ten years. That’s the $489 [sic: 487] billion dollar difference.

So these two forces, one of strategic history, and the other of fiscal responsibility, led us to design a new defense strategy for the 21st century, in a remarkable process this last winter steered personally
by the President and Secretary Panetta. It truly was remarkable, and unprecedented in my experience.

We’re building a force for the future. It’s what Chairman Dempsey—our Chairman of the Joint Chiefs of Staff—calls the Joint Force of 2020. And as Secretary Panetta has said, it’s gonna be agile, it’s gonna be lean, it’s gonna be ready, technically advanced, and able to conduct full spectrum operations and defeat any adversary, anywhere, anytime.

Our new strategy has several areas of focus. And the rebalance to the Asia-Pacific is one of the most prominent and important. The logic of the rebalance is simple. The Asia-Pacific region has enjoyed an environment of general peace and security for more than 60 years, allowing Japan to rise and prosper, then Korea to rise and prosper, next Southeast Asia to rise and prosper, and now China, and in a very different way India, to rise and prosper.

And yet none of this was a foregone conclusion, when you consider where the Asia-Pacific region was at the end of World War II. As President Obama, Secretary Clinton, and Secretary Panetta have noted, the security and prosperity of this region was enabled first and foremost by the enduring principles the U.S. has stood for in the region, and that we believe are essential to peace, prosperity, and security.

These principles include our commitment to free and open commerce; a just international order that emphasizes rights and responsibilities of nations and fidelity to the rule of law; open access, by all, to the shared domains of sea, air, space, and now, cyberspace; and the principle of resolving conflict without use of force.

And it has been our strong U.S. security presence and alliances that have allowed these principles to take root among the nations of the region. There is no multilateral organization like NATO in the region. And in the absence of an overarching security structure, the United States military presence has played a pivotal role over those last past sixty years, providing nations with the space and the security necessary to make their own principled choices. We intend to continue to play that role. It’s good for us, and it’s good for everyone in the region.

It is often said that security is like oxygen. When you have enough of it, you pay no attention to it. But when you don’t have enough, you can think of nothing else. So it’s in the nature of things for some in the region to take security for granted. But we can’t afford to make that mistake.

If that security were ever to go away, if old animosities were ever to take root, and conflict to occur, all of the people in the Asia-Pacific region that have been lifted up into prosperity in the post-War period, would be set back significantly. The global economy would be set back significantly. We don’t want that to happen. And that is partly why we are rebalancing our efforts in the region.

The rebalance is not about any single country or group of countries. It is not about China, it’s not about the United States. It’s about a peaceful Asia-Pacific region, where sovereign states can enjoy the benefit of security and continue to prosper.

The rebalance is reflected in the force structure decisions we make and are making—that is, what we keep and what we retire; in new investments we’re making in technology and new weapon systems; in innovative operational plans and tactics; in our posture and presence—that is, where we put things; and in alliances and partnerships in the region.

To those who doubt we have the resources to accomplish all of this, I would to the contrary point out two factors that make it eminently possible, even within the limits of a smaller budget than we anticipated. First, with Iraq behind us and Afghanistan slated to wind down, capacity will be released that can be allocated to the Asia-Pacific region. And I’ll give you examples of that.

Second, to meet our strategic objectives, within the new budget we are prioritizing investments in capabilities that are especially relevant to the Asia-Pacific region, as opposed to, say, counter-insurgency, where we’ve innovated so successfully and so heavily over the last decade. So for both those reasons, we can do this. It’s not a question of our resources.

Let me first offer some examples of how we are shifting our capacity in the Asia-Pacific region. And I will start with the Navy. I was just in Yokosuka a
little while ago. Also Pearl Harbor, and many other places in the theater—Apra Harbor, and so forth, on Guam.

Specifically, the drawdown in Afghanistan will release naval surface combatants, and eventually carriers, as well as naval intelligence, surveillance, and reconnaissance, and processing, exploitation, and dissemination capabilities. EP-3 signals reconnaissance aircraft have already moved from U.S. Central Command (CENTCOM) to U.S. Pacific Command (PACOM).

Two Firescout Unmanned Aerial Vehicles will be released from Afghanistan, and several electronic surveillance aircraft will become available for redeployment. Navy P-3s, a type of maritime patrol aircraft, have conducted maritime surveillance missions in the Middle East for the last decade; now they will return to the Asia-Pacific region. Much more of course is on the way as our presence in Afghanistan is reduced.

We are also shifting our overall naval posture to the Asia-Pacific region. As Secretary Panetta said, we intend to have 60 percent—historic high—of our naval assets based in the Pacific by 2020, a substantial historical shift. We will have a net increase of one aircraft carrier, four destroyers, three Zumwalt destroyers, ten Littoral Combat Ships, and two submarines in the Pacific in the coming years.

For the last decade, destroyers and amphibious ships, moreover, have conducted security cooperation missions in Africa, South America, and Europe. The Navy is fielding new ships now, like the Joint High Speed Vessel and the Littoral Combat Ship, to perform security cooperation missions in those regions. That will free up additional amphibious ships and destroyers to redeploy to the Asia-Pacific region.

And because we’re homeporting destroyers in Rota, Spain, that releases capacity for six destroyers to shift their rotational deployments to the Asia-Pacific region.

So much for the Navy. The Air Force will also shift capacity from Afghan-istan to the Asia-Pacific, to include the MQ-1 Reaper—I’m sorry, that should be the MQ-9 reaper—the U-2 reconnaissance aircraft, the Global Hawk—high-altitude, unmanned reconnaissance aircraft. We’ll retask intelligence assets from the Air Force’s Distributed Common Ground System, which is now currently of course engaged in CENTCOM operations, for the PACOM region.

In addition, the Air Force will be able to allocate space, cyber, and bomber forces from the United States to the Asia-Pacific region with little new investment. As operations in Afghanistan end, for example, B-1s will become available, augmenting the B-52s already on continuous rotational presence in the region.

The Army and the Marine Corps also have an important role to play in our rebalance. The Army and Marines Corps are making the most titanic transitions coming out of Iraq and Afghanistan, because they’ve been so deeply involved in both conflicts.

The Army’s presence in Korea, for example, will be protected from any budget changes. And there will also be no reduction, at all, in the Marine Corps presence west of the International Date Line. In fact, the Asia-Pacific region will see more of the Army and Marine Corps for the simple reason that they will not be in Iraq and Afghanistan any more. They’ll be among other places in the Asia-Pacific region.

Beyond our traditional focus on Northeast Asia, moreover, we are enhancing our presence in Southeast Asia and the Indian Ocean region. We now have Marines rotating through Australia, four Littoral Combat Ships on a rotational basis in Singapore, and forward stationing in Guam. We are working with Australia to establish a rotational bomber presence, building on the success of bomber rotations to Anderson Air Force Base in Guam.

In addition to the capacity released by the drawdown in Afghanistan and Iraq—how about new investments, new defense investments that reflect our needs in the Asia-Pacific region?

We won’t lose the counterinsurgent capabilities we’ve worked so hard to develop in the wars in Iraq and Afghanistan, and we are integrating the lessons we’ve learned there over the past decade. But we are turning the great ingenuity of our department to the Asia-Pacific region, not only in hardware.
and technical investments, but intellectually—in language and culture skills, regional and strategy affairs.

The Department of Defense is making investments in Guam, first, as a strategic hub for the Western Pacific. That’s why we’re forward-stationing Marines there, why we have a continuous rotational presence of Air Force bombers at Anderson Air Force base. We will make significant investments in the naval facility at Apra Harbor. I was just there, a week and a half ago.

And Anderson, we will invest in fuel, maintenance, and other infrastructure at what is a huge base—for those of you who remember Anderson. To support the Marine Corps realignment from Okinawa to Guam and other training needs of our forces and allied forces, we will invest in modern infrastructure and training ranges up the Marianas, Saipan, Tinian, and so forth, as well as Guam.

While we did decide to make some reductions in the Air Force tactical air squadrons worldwide, by removing some of the older or single-purpose aircraft to make way for newer aircraft, like the F-35, we made no changes in the tactical air posture in the Asia-Pacific region—none at all.

We have recently deployed an F-22 squadron to Kadena, which is also the first overseas base to permanently station the F-35 Joint Strike Fighter. In other words, we’re putting our newest aircraft out there.

In addition, we are continuing on, despite the Budget Control Act, with the new stealth bomber, with the KC-46 tanker, and with a host of intelligence and surveillance platforms in the Air Force, all going forward despite the budget environment. That’s what reprioritizing our investments is about.

As part of our new strategy, we are protecting our investments in future-focused capabilities that are so important to the region. For example, cyber capabilities. We will continue our science and technology investments to protect the seed corn of tomorrow.

We will continue to invest in special operations forces, including counter-terrorism, which we’ve gotten good at over the last 10 years, and which we need to keep being good at it, and which are, in fact, relevant to the Asia-Pacific region. We’re protecting all of our major space initiatives, and making significant investments in electronic warfare and radar.

The Navy is investing in the Virginia-class submarine payload module, which will allow our attack submarines to carry up to 40 cruise missiles. That’s a good capability to have.

The Navy will sustain its undersea dominance through continued improvements in anti-submarine warfare, including the Virginia-class submarine—as I just said, the submarine itself, and the payload module—the P-8A maritime patrol aircraft, the MH-60 helicopter.

And the Navy is fielding the Broad Area Maritime Sensor—BAMS, which is a marinized version of the Global Hawk—in fiscal 2016 to expand the range and capacity for intelligence, surveillance, and reconnaissance in the region.

We are focused on delivering capacity, managing resources, and following through on our investments. Secretary Gates and Secretary Panetta both held regular video teleconferences on Iraq and Afghanistan. I’ve been part of them for four years now.

Secretary Gates had them all the time—in Iraq, with first Lloyd Austin, and then Ray Odierno; and Afghanistan, Stan McChrystal, Dave Petraeus and then John Allen—where the commanders and all the key players in the Pentagon would work on those very urgent problems associated with Afghanistan and Iraq.

Given the priority of the Asia-Pacific rebalance, Secretary Panetta has decided to use the same model to provide continuous attention to the region, including Sam Locklear, our Pacific commander.

And to support the Secretary in this, I will convene a series of what I call the Deputy’s Management Action Group, which is the principal management forum of the department, specifically focused on our rebalance to the Asia-Pacific. We are watching every dollar, every ship, and every aircraft to implement the rebalance successfully.

These capacity shifts and new investments in U.S. forces, however, are only a part of our strategy. Following our long historical commitment
to the region, we seek to build partnerships that leverage the unique strengths of our various Allies and partners—to confront critical challenges, and meet emerging opportunities. The security of the Asia Pacific region can only be ensured by shared commitments and shared choices by everyone in the region.

So with our Allies and partners, we are building an architecture for peace and prosperity in the region. To do so, we are taking a strategic and comprehensive approach to our security cooperation in the region.

Our shift in capacity will be reflected in our plans and in our activities. We are also building partnership capacity, improving interoperability, and cooperating with others on capabilities. We conduct a broad range of bilateral and multilateral exercises—on such topics as maritime security, contingency response, and humanitarian assistance.

Our security cooperation in the region includes a range of Foreign Military Sales, Direct Commercial Sales, and technology cooperation. Exports are a “two-fer” for us: They help us build our partners’ capabilities, and they help us economically. We are improving our overall export control system under President Obama’s Export Control Reform Initiative, and taking steps to improve our sometimes cumbersome internal DoD processes.

We’re making our decision process more anticipatory, looking ahead, looking at what partners are likely to want in the future, and beginning our thinking and processes earlier. These reforms should make it easier for us to cooperate with our partners across the region.

To strengthen our regional missile defense posture, we are cooperating with Japan and South Korea on missile defense technologies. We are integrating Japanese sensors into our space surveillance network, and cooperating with Australia on space capabilities.

We are enhancing our access and sustainment across the region. In addition to rotationally deploying Littoral Combat Ships in Singapore, as I mentioned earlier, we are exploring options for increased training with them. With the Philippines, we are exploring options for rotational force deployments in priority areas. We are focused on building the Philippines’ maritime security presence and capabilities, and strengthening their maritime domain awareness.

We are building trust and confidence in the region through bilateral and multilateral relationships. We are advancing roles, missions and capabilities with Japan—a very important initiative—and making progress in the transition to South Korean-led operational control on the Korean Peninsula. We leverage multilateral forums, like the Association of Southeast Asian Nations (ASEAN), to address international law and norms issues, like the excessive claims being made on the South China Sea.

And we are committed to developing a sustainable military-to-military program with China—to improve mutual understanding and reduce risk. We seek to strengthen our very important relationship with China in all ways, and believe that China is key to developing a peaceful, prosperous, and secure Asia-Pacific region.

One of the major purposes of my trip was to strengthen our alliances—with Japan, Thailand, and South Korea—and deepen our partnership with India. With each ally and partner, we are enhancing our defense posture and building capacity.

The U.S.-Japan alliance, take the first, has been the cornerstone of peace and stability in the Asia-Pacific region for over 50 years. In Japan, I held immensely productive discussions with Defense Minister Morimoto, an exceptional thinker and a tremendous partner to the United States. I should mention that Minister Morimoto will be arriving in Washington tomorrow, I believe.

We spoke, he and I, at length about the roles, missions, and capabilities effort. It is clear to me that—just as we are thinking about our rebalance to the Asia-Pacific—Japan is considering itself and its own role in the region.

Japan is assessing its role in regional peacekeeping operations and humanitarian/disaster response, and considering which capabilities it will need for the future. The Japanese are exploring forward stationing of their own forces on Guam, and looking to increase joint exercises.
When in Japan, I met with the sailors of the *USS Blue Ridge*, the Command Ship of the 7th Fleet, which is homeported in Yokosuka Bay. And last year, in Operation Tomodachi, the men and women of the *USS Blue Ridge*, along with thousands of other service members, worked with the Japanese Defense Forces to lessen the suffering caused by the earthquake and tsunami.

I mention that because our men and women in uniform are skilled at interacting with foreign cultures and societies. You don’t find that skill everywhere in the world. We should be very proud of it, as proud as we are of our combat capabilities in our forces. I’m very proud of them.

Like Japan, the U.S.-South Korean alliance is a linchpin of our security in Northeast Asia. In South Korea, I held productive discussions with the South Korean government, visited the demilitarized zone and the Joint Security Area, and spoke with our troops down at Camp Humphreys.

There’s nothing abstract about our rebalance in Korea. Our men and women and our allies have a mission; all you need to do is look north to see what they have to do. It’s been a dynamic time on the Korean Peninsula, and our alliance provides a stabilizing and deterring presence. As we strengthen our own capabilities, we are looking to South Korea to strengthen theirs as well, while maintaining the interoperability we’ve enjoyed for the last 50 years.

Next, Thailand. In 2008, we celebrated, believe it or not, the 175th anniversary of our relations with Thailand. Last week, we pledged to examine new initiatives with Thailand in humanitarian assistance and disaster response, and I personally look forward to continuing my conversations with the Thai ministry of defense. Wonderful visit.

Last, India. India is also a key part of our rebalance, and, we believe, to the broader security and prosperity of the 21st century. The U.S.-India relationship is global in scope, like the reach and influence of both our countries.

And our security interests converge: on maritime security, across the Indian Ocean region; in Afghanistan, where India has done so much for economic development and the Afghan security forces; and on broader regional issues, where we generally share long-term interests.

I went to India at the request of Secretary Panetta, and with a high-level delegation of U.S. technical and policy experts. Our purpose was to work with the Indians on developing a joint vision for U.S.-India defense cooperation. Take it up a level.

Through a series of meetings with Indian government and industry leaders, we agreed to create a continuing working mechanism, with the strategic engagement of National Security Advisor Menon, and myself, to implement that vision.

We believe that the only limit to our cooperation should be our independent strategic decisions—as any two states can differ—not bureaucratic obstacles or inefficient process—procedures. So we are deepening relationships between our defense organizations, from research to defense sales. We are moving beyond purely defense trade, and towards technology sharing, co-production. We are harnessing the potential of our private industries. On the U.S. side, we will be ready to adapt our sometimes inscrutable practices to make a match with India. We see tremendous opportunities here for the future, and I am committed to realizing them.

In conclusion, the United States has been a Pacific power for hundreds of years: since our first treaty, as I mentioned, with the Thais in 1833; since Commodore Matthew Perry landed his expedition near Edo, present day Tokyo, in July of 1853. And our engagement with the region has always been one of partnership and cooperation.

Our goal today remains the same. It is to ensure the security and stability of the Asia-Pacific region so that every state in the region may prosper. We in the Pentagon are investing to sustain peace, and working with our partners every step of the way.
Post-2014 Afghanistan: Implications for the Region and the U.S.

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Introduction

The United States war in Afghanistan, the longest in the nation’s history, is finally drawing to a close. On January 11th of this year, President Obama, speaking at a joint White House press conference with Afghan President Hamid Karzai, said, “By the end of next year, 2014, the transition will be complete. Afghans will have full responsibility for their security, and this war will come to a responsible end.”

This essay is divided into three parts. The first offers context from a U.S. perspective on the war in Afghanistan and its conclusion. The second summarizes the major challenges the Afghan government and international community will face as they together attempt to implement a very ambitious agreed upon transition plan. The third speculates on how America might pursue its long-term interests in the surrounding Central and South Asian region after the conclusion of its combat mission in Afghanistan.

A Context for Transition to Afghan Lead

The logic behind the 2001 intervention into Afghanistan is unassailable. On 9-11 America suffered a devastating attack perpetrated by the al Qaeda criminal international terrorist organization that enjoyed sanctuary and protection inside of Afghanistan. Bush administration efforts to compel Taliban leader Mullah Omar to turn over Osama bin Laden to face justice were rebuffed, and there were no viable alternatives to invading Afghanistan and overthrowing the Taliban regime.

Military successes came swiftly and appeared almost complete. The Taliban and their al Qaeda allies were quickly routed and retreated in disarray across the border into Pakistan. However, they were not totally defeated. Protected by the Pakistan Army and that nation’s intelligence service (the ISI), the Taliban began to reconstitute; and as they had once offered al Qaeda sanctuary in Afghanistan, they now found it offered to them inside Pakistan. On the other hand, the Pakistani government put some pressure on al Qaeda inside of their country, but bin Laden and his lieutenants remained active and their exact whereabouts unknown.

At the same time, with the full support of the United Nations, a new Islamic Republic of Afghanistan was established. It was founded on a progressive constitution, with presidential elections being held in 2004 followed by parliamentary elections in 2005. With the Taliban more of a nuisance than a coherent threat and an optimistic Afghan people still welcoming foreign military forces as liberators, there was great reason for hope.

Yet by 2006-2007 conditions in Afghanistan had begun to deteriorate sharply. Almost imperceptibly at first, and then at accelerating rates, the Taliban began to reassert its presence in the country’s east and south. The Afghan government, not afforded
the breathing space needed to build its own institutional capacity, failed in its own efforts to win the people’s allegiance. The U.S., together with its NATO allies and partners, incrementally increased its troop presence in Afghanistan and overall levels of assistance, but this coalition was reluctant to confront Islamabad about its support for the Afghan Taliban (the higher strategic priority being the war against al Qaeda and the prevention of a nuclear conflagration in South Asia). Additionally, Washington was conflicted in its approach to political and economic reform in Afghanistan and concerned about the growing lack of accountability of the Karzai administration. But Washington was unwilling to allow these issues to compete with military efforts to defeat the Taliban and stabilize the country.

Soon after his inauguration in January 2009, President Obama directed a comprehensive review of the war. The review made clear that the Taliban, enjoying sanctuary in Pakistan, had achieved political and military momentum in Afghanistan. It was also evident that lack of international attention and inadequate resources had made the situation worse. From an American perspective, as the then-U.S. Chairman of the Joint Chiefs of Staff Admiral Mike Mullen said in 2007: “In Iraq we do what we must; in Afghanistan we do what we can.”

So, in late-2009, President Obama ordered a surge of U.S. military forces and civilians to deny al Qaeda a safe haven, reverse the Taliban’s momentum and deny it the ability to overthrow the Afghan government, and strengthen the capacity of Afghanistan’s security forces and government so that it could take lead responsibility for Afghanistan’s future.

Within one year, agreement had been reached between President Karzai and the NATO International Security Assistance Force (or NATO ISAF) Heads of State and Government at the NATO Lisbon Summit to initiate a structured partnered transition process by which the government of Afghanistan would assume full responsibility for the security of its country by the end of 2014. The plan was also sanctioned by the United Nations. Implementation began in the summer of 2011 and by now well over 75% of Afghanistan’s population is under the control of the Afghan National Security Forces or lives in areas where formal transition plans are being carried out.

Transition to Afghan lead does not mean a complete international withdrawal from or abandonment of Afghanistan. It represents a change in the roles and responsibilities of the international community and military forces from one of direct action to one of support. As President Obama said at the NATO Summit in Chicago in May 2012: “As Afghanistan stands up, it will not stand alone.” The U.S. posture and presence in Afghanistan after the completion of the transition are not yet decided, but with last year’s signing of the U.S.-Afghan Strategic Partnership Agreement, joint planning inclusive of the NATO ISAF is underway. It is possible that after 2014, international military deployments to Afghanistan will include a NATO security assistance mission dedicated to the further training of the Afghan Army and Police and a U.S.-led counterterrorist force. U.S. military support elements and infrastructure will be required to enable both operations. The post-2014 aggregate number of foreign troops is unknown at this time, but likely will be under 10,000. Additionally, legal protections for any remaining U.S. and international forces must first be negotiated with the Afghan Government, which could prove a difficult task.

**Transition Challenges**

Achieving the ambitious targets set for Transition will be difficult. There are four major obstacles.

1) **Pakistan:** Islamabad’s apparent unwillingness and perhaps, in some instances, inability, to deal with the sanctuaries Afghan insurgents enjoy in Pakistan increase the risk of the transition. In the absence of Pakistani cooperation, U.S., Coalition, and Afghan costs in terms of casualties and treasure will increase. The Pakistani government’s more recent stated willingness to help facilitate political reconciliation between the Afghan government and Taliban is promising but not yet fully credible.
2) **The readiness of the Afghan National Security Forces (or ANSF—the Army and Police together):** There are several attendant risks which include high sustainment costs—estimated to be over $4.5 billion per year in 2014, the difficulty the Afghans will have in maintaining the complex organizational systems that comprise the ANSF, the political reliability of the Afghan forces’ leadership, and the potential for Afghanistan to become a “national security state” given the huge amount of resources the ANSF is consuming relative to other state agencies and the private sector.

To illustrate—the Afghan National Security Forces number about 350,000, of which 195,000 of this total is Afghan National Army (ANA). By comparison, ANA strength was about 90,000 in 1985 during the Soviet Occupation.

The size of these forces will be reduced after 2014, security conditions permitting, lowering the overall fiscal costs, but this begs the question of how soldiers and police will be seamlessly demobilized in a state in which there are high unemployment and underemployment rates.

3) **The consequences of economic recession as levels of international assistance decline over the next several years:** Currently, the Afghan government is generating revenues of under $2 billion per annum while foreign spending in Afghanistan is perhaps over $8 billion annually.

The Afghan economy is artificially propped up and massively distorted by huge unsustainable foreign cash injections. The second and third order political and security effects of the recession will become more pronounced as Transition proceeds are almost impossible to forecast.

To be sure, there are some mitigating factors. Afghanistan’s urban areas are much more secure and vibrant than at any time in decades and serve as good foundations for commerce. Internal transportation costs in Afghanistan have dropped significantly since 2001. The skill level of the Afghan work force has increased dramatically over this same time period. As well, external labor migration opportunities to Iran, India, and the Gulf, which can increase overseas remittances, may help dampen recessionary effects (although Tehran’s migrant labor policies have been inconsistent, and occasionally hostile, in recent years).

Nevertheless the potential problems stemming from economic decline are daunting.

4) **The staying power of the central government and the political institutions that serve as the basis for its legitimacy:** First and foremost, there are problems of massive rampant corruption. Moreover, Afghan elites are not willing to fully commit to institutions that are heavily supported and subsidized by the international community whose own staying power they question.

Second, there is the first “post-Karzai” Afghan presidential election looming in 2014 with many of the preconditions for success, such as the establishment of national political parties or movements and the initiation of electoral reform, glaringly absent. Successful post-2014 security transition is necessary if the new Afghan state is to survive over the long-term, but is insufficient in the absence of successful post-2014 political transition.

Against this formidable array of challenges, there are four important “positives.”

First, over the past decade, an impressive socioeconomic-political foundation has been established in Afghanistan, including in the domains of education, health, security forces, and governing institutions. The accomplishments are fragile, but bearing in mind the low baseline of late-2001 from which progress must be measured, the results in many instances are extraordinary.

Second, there is no evident winning Afghan political coalition of separatists; indeed, there are no states in the region exerting centrifugal forces on Afghan politics.
Third, Afghan memories are still filled with experiences of the horrors of Soviet occupation, civil war, and Taliban misrule; the elite remain committed to making the new Afghanistan work.

Fourth, in spite of worries about the transition, many Afghans believe that while international support in the coming years will be less robust than it is today, it will still be substantial. However, this confidence will remain contingent upon perceptions of foreign performance and the example set by the Afghan elite.

Therefore, while setbacks and reversals in the coming years are inevitable, there are reasons to be hopeful about Afghanistan’s future.

The United States and South/Central Asia After Afghan Transition

America’s strategy in the surrounding Central and South Asian region will both influence and be impacted by Afghan Transition. The United States has, among others, four enduring regional foreign policy goals that will transcend the end of combat operations in Afghanistan.

First, maintaining U.S. and partner nation capabilities necessary for the continuation of efforts to dismantle and defeat al Qaeda and other terrorist organizations with transnational reach. Great progress has been made in recent years, punctuated by the death of Osama bin Laden in 2011, but the threats have not entirely been eliminated.

Second, ensuring that Iran abandons its nuclear weapons program.

Third, contributing to the maintenance of peace in the region, most especially in South Asia, given the high stakes.

And fourth, facilitating the growth of regional economies and the development of natural resources, especially through the expansion of multilateral and international trade agreements and protocols.

In pursuing these regional policy goals, several factors will decisively shape U.S. ways and means. Most obviously, the significant reduction of U.S. and NATO forces in Afghanistan, which peaked at some 130,000 some eighteen months ago, will have significant consequences. U.S. and NATO military missions in Afghanistan after 2014 will be greatly downsized.

This will mean, on the one hand, less capability, but on the other hand, perhaps diminishing concern about American intentions by regional actors and other relevant major powers. With lower levels of U.S. security investments, there will be much increased pressure among other interested stakeholders to cooperate and commit more of their own resources to fight transnational terrorism and drug-trafficking organizations attempting to use Afghanistan as a base of operations.

Moreover, the downsizing of and change to the U.S. mission in Afghanistan complements the new U.S. defense strategy guidance announced by President Obama at the Pentagon in January of 2012. Some of the relevant aspects include: the prioritization of East Asia and the Asia-Pacific Region as well as the Middle East, an assumption that the U.S. will likely not commit large numbers of ground troops to an extended land campaign in the foreseeable future, that counterterrorist operations will be conducted primarily by U.S. Special Operations Forces, and that a premium will be placed on developing partner capabilities.

Additionally, economic constraints will almost certainly impact U.S. foreign policy ways and means in Central and South Asia. In fact, the aforementioned defense strategy guidance prioritizes the goal of restoring America’s economic health and competitiveness. Fiscal pressure will mean less appetite in the U.S. Congress for military expenditures and development assistance programs. Going forward, American policy makers concerned with the region will perhaps need to draw inspiration from one of Winston Churchill’s more memorable quotes: “Gentleman, we have run out of money. Now we have to think.”

At the same time, U.S. future demand for energy will likely help define American interests in the region. Central Asian states account for some 2.4% of global oil reserves, and more importantly, 4.2% of natural gas reserves. But growing confidence in the economic potential of U.S. shale oil and gas and other Western Hemisphere energy reserves may
attenuate America’s quest for Central Asian energy resources.

Thus, the coming years will likely witness a very noticeable shift from a U.S. policy that is Afghanistan-Pakistan centric to one that better considers the entire region. This trend will, of course, be complemented by parallel steps taken by Pakistan and Afghanistan to diversify their own security partnerships.

The dramatic reduction in the number of U.S. military forces in Afghanistan and the region will make America’s current role as the sole guarantor of Afghanistan’s security diminish over time. On the one hand, this may provide more opportunities for security cooperation between the U.S. and other major powers with regional equities, but it will also lead to a more direct competition between these same powers. The U.S. may be able to serve as a balancer, but it will have fewer resources to commit.

Beyond this, however, the U.S. will stay committed to fighting international terrorism, providing security assistance to Afghanistan, and furthering its strategic partnership with India. It will also seek to foster within the region a more cooperative and collaborative environment for resource development, trade, and investment. A good example of this is the New Silk Road Initiative launched by former Secretary of State Clinton in 2011.

So, in sum, the security and politics of Central and South Asia will remain in some ways problematic in coming years. The region will have to find a new equilibrium less contingent upon a huge U.S. military and diplomatic presence in Afghanistan. Yet, the considerable economic potential of the region, and the significant overlapping common security concerns among the concerned major and regional powers, open possibilities for farsighted diplomats, security strategists, and businessmen to focus on positive versus zero-sum approaches.
The Challenges of Resource Management
Energy, Water, Climate Change, and the Impact on Regional Security

Brahma Chellaney, Ph.D.
Professor of Strategic Studies
Centre for Policy Research, New Delhi

Water, food, mineral ores and fossil fuels like coal, oil, and gas are resources of the greatest strategic import. They hold the key to human development and, in the case of water and food, to even human survival.

Food production is closely intertwined with water and energy, while water and energy, for their part, are closely connected with each other. Water is essential for energy extraction, processing, and production, while energy is vital to treat, distribute, and supply water. Moreover, water and energy are intimately linked with climate change. While the way we produce and consume energy makes up about two-thirds of all human-induced greenhouse gases, the availability of water resources will be directly affected by global warming.

Asia is attracting more international attention than ever before, in large part because of its reemergence on the global stage after a two-century decline. Asia is now the world’s largest creditor and the locomotive of the world economy.

Asia’s rise, however, has been accompanied by an insatiable appetite for natural resources. Unlike North America and Europe, which are well endowed with natural resources, Asia is relatively resource-poor, especially given its size and population. Its resources are also unevenly spread. Its energy resources, for example, are largely concentrated in the desert lands of central and west Asia, while its water resources are concentrated in the mountainous central areas, although 95 percent of Asians live in the plains or coastal regions. Growing populations, rising affluence, soaring consumption, changing diets, and the demands of development are placing growing pressures upon the strategic resources in Asia. This raises the issue as to whether Asia can remain the locomotive of the global economy without mitigating its resource crisis.

Asian economies are seeking to increasingly tap resources in the other continents. But while they can import fossil fuels, mineral ores, and timber, they cannot import the most critical resource for socioeconomic development—water. Water is essentially local and therefore difficult and prohibitively expensive to ship across seas.

In addition to water, Asian economies are facing a new challenge on the food front. The growth in crop yields and overall food production is now lagging the growth in demand. Rising prosperity and changing diets, including an increased preference for animal-based protein, are spurring increased food demand and compounding Asia’s food challenges.

To be sure, Asia has come a long way in addressing its food needs. It was troubled by food shortages and recurrent famines up to the 1960s. Then, on the back of an unparalleled expansion of irrigation, it emerged as a net food exporter, opening the door
to its economic rise. The total irrigated cropland in Asia doubled between 1960 and 2000. Now, irrigation is concentrated in its most-populous subregions. In fact, Asia now boasts 72 percent of the world’s total land equipped for irrigation.

The irrigation-spurred farming boom, however, has come at a high price. Asia now channels 82 percent of its yearly renewable water resources to agriculture. This level of water use is simply not sustainable. The fastest increase in water demand in Asia is now coming not from agriculture but from the industrial sector and urban households. This means Asia must make major water savings in agriculture to allow its booming industries and expanding cities to have more water resources. This challenge is compounded by the slowing crop-yield growth in Asia at a time when food demand, for the first time in decades, is outstripping supply.

As for energy, the imperative to combat global warming goes against the current trend of rising consumption of energy, much of it produced with fossil fuel. The main increase in global energy demand is taking place in Asia, where per capita energy consumption remains low by North American and European standards. Such is Asia’s appetite for energy that its share of global energy consumption is projected to almost double over the next 20 years—to about 54 percent for oil and 22 percent for natural gas. Yet, given its limited oil and gas reserves, Asia is particularly vulnerable to sudden supply shortages or disruptions.

Resource stress and resource insecurity

Pressures on natural resources are increasing in the densely populated subregions of Asia. The demands of economic development, coupled with rising per capita consumption of natural resources, especially energy, water, and food, is bringing resources under strain and creating potential new constraints on rapid economic growth. How Asian economies manage their resource challenges will help shape their internal security and economic trajectory in the coming years.

The single biggest factor behind the resource crisis and resource insecurity is consumption growth. Asia’s overall population growth has slowed, other than in the Af-Pak belt. But its consumption is soaring due to the expansion of its middle class and rising income levels. The average Asian is consuming more resources. This is best illustrated by the way diets have changed in just one generation. In China, for example, meat consumption rose fourfold in a 30-year period—between 1980 and 2010—with the country’s beef sector growing from almost nothing to becoming the third largest in the world. By 2030, Chinese meat consumption is projected to double further. A shift from traditional rice and noodles to a meatier diet has happened in other important Asia economies too. The ecological footprint of the increasing livestock population, in turn, is compounding the environmental and resource impacts.

A further aspect regarding inter-country competition over natural resources is the intensification of resource geo-politics. Europe, for example, has worked hard to shape the direction of some of the Caspian Basin and Central Asian oil and gas pipelines because it has a stake in the issue of the routing. If additional Central Asian and Caspian Sea energy supplies are routed to the European market rather than to the Asian markets, it would help Europe to diversify its imports.

Within Asia, China has emerged as the key player in pipeline geopolitics. Beijing has built its own pipeline to bring oil from Kazakhstan. In addition, Russia’s new trans-Siberian pipeline has a capacity to export 15 million tons of crude oil a year to China, with a second Russian pipeline to supply gas. These pipelines are a linchpin of China’s strategy to diversify its imports away from overreliance on the volatile Persian Gulf region.

In contrast, some of Asia’s other important economies, such as energy-poor Japan, India, and South Korea, do not have a similar option. Lacking geographical contiguity with Central Asia and Iran, these economies will remain largely dependent on oil imports by sea from the increasingly unstable Persian Gulf region.

China, with the world’s most resource-hungry economy, fears that in the event of a strategic confrontation, its economy could be held hostage by hostile naval forces through the interdiction of its oil imports. This concern has prompted Beijing to build a strategic oil reserve, and plan two strategic...
energy corridors in southern Asia (on either side of India) through which it could transfer Persian Gulf and African oil for its consumption by cutting the transportation distance and minimizing its exposure to U.S.-policed sea lanes. One such pipeline through Burma (Myanmar) to southern China is already in an advanced stage of construction. The other corridor—work on which is yet to begin because of the insurrection in Pakistan’s Baluchistan province—will stretch from the Chinese-built port at Gwadar, Pakistan, to Xinjiang through the trans-Karakoram route.

The blunt and incontrovertible truth is that energy demands in Asia are beginning to influence strategic thinking and military planning. For some countries, a rising dependence on oil imports has served to rationalize both a growing emphasis on maritime power and security as well as a desire to seek greater strategic space. Concerns over sea lane safety and rising vulnerability to disruption of energy supplies, however, are prompting some countries to explore avenues for joint cooperation in maritime security.

Water stress presents a unique challenge because water resources cannot be secured through international trade deals. Sustainable and integrated management of water resources at basin and regional level is essential to prevent degradation, depletion, and pollution of water. To meet the gap between supply and demand, water conservation, water efficiency, water recycling, and micro-irrigation would have to be embraced at national, provincial, and local levels.

Much of Asia’s water resources are transnational, making inter-country cooperation and collaboration essential. Yet, out of the 57 trans-boundary river basins in Asia, only four have any water sharing or institutionalized cooperation arrangement. These include India’s water-sharing treaty with Pakistan (Indus Waters Treaty of 1960) and another Indian sharing pact with Bangladesh (Ganges Water Treaty of 1996). The Mekong Agreement of 1995 covers only the lower riparians in Southeast Asia because the dominant upper riparian, China, has refused to join.

The key to establishing rules-based water cooperation and sharing in Asia is to bring China on board. Asia requires such a rules-based system to protect its economic growth and environmental sustainability and to avert resource conflicts. Yet, by unilaterally building a series of mega-dams on international rivers flowing to other countries, China has emerged as a stumbling block.

China does not have a single water-sharing treaty in place with any of its neighboring countries, although it has 13 riparian neighbors, stretching from Russia and Kazakhstan to Vietnam and India. In fact, it rejects the very concept of water sharing. So, the question is how does one bring China on board?

The big issue in Asia is whether China will continue to exploit its control of the Tibetan plateau to increasingly siphon off for its own use the waters of international rivers that are the lifeblood of countries located in a contiguous arc from Vietnam to Afghanistan. Its damming of the Mekong, Salween, Brahmaputra, Irtysh, Illy, Amur, and other rivers does not augur well.

In the coming decades, freshwater could become one of the major factors limiting rapid economic growth in Asia. One can hope that advances in clean-water technologies would materialize before water conflicts flare in Asia and elsewhere. Cost-effective, energy-efficient technologies for treating and recycling wastewater and desalinating seawater could emerge from the scientific progress on nanoparticles and nanofibers and membrane bio-reactors.

Averting resource conflict

Natural resources today are at the center of the various Asian conflicts. The size of the land in dispute is usually secondary in importance to the size of the potential resources at stake. For example, the disputed islands in the East China Sea at the center of the current China-Japan tensions occupy an area of only seven square kilometers, but their surrounding seas hold rich hydrocarbon reserves. The same holds true for the disputes in South China Sea and in southern Asia.

In the past, the conflicts were over land, but now they really center on natural resources. So, the big question is how the sharpening resource competi-
tion can be prevented from becoming a tipping point for overt conflict? In searching for an answer, the following issues must be borne in mind:

1. The distinction between abiotic and biotic resources.
2. The link between territorial and resource disputes.
3. The connection between intrastate and interstate issues.
4. That South, Southeast, and East Asia find themselves on the frontlines of global warming.
5. The critical importance of building norms and institutions to regulate the resource competition.
6. The broader implications of the Asian resource crisis for regional security and stability.

The environmental impacts of the Asian economic-growth story, including on watersheds, riparian ecology, and other natural ecosystems, are becoming increasingly apparent. These impacts are deepening the environmental crisis.

State policies have unwittingly contributed to resource depletion and environmental degradation. Subsidies have compounded the resource challenges. For example, the provision of irrigation subsidies has resulted in water-scarce economies becoming major exporters of food to water-surplus countries. Another example is the provision of subsidized electricity and diesel fuel to farmers in several Asian countries, which has promoted the uncontrolled exploitation of ground-water—a strategic resource that traditionally has served as a sort of drought insurance—and worsened the energy-related challenges.

Another factor contributing to resource insecurity and tensions is the absence of institutionalized cooperation characterizing most parts of Asia. This reality has to be seen in the context of the strained political and inter-riparian relations in most Asian subregions and the broader absence of an Asian security architecture.

Asia is the only continent other than Africa where regional integration has yet to take hold, largely because Asian political and cultural diversity has hindered institution building.
South Asia:
Policy Challenges for the U.S.

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February 16-24, 2013
Bangalore and New Delhi, India

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South Asia: Policy Challenges for the U.S.

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South Asia’s Historical, Ethnic and Religious Context

Shuja Nawaz, Director, South Asia Center, Atlantic Council

India’s Historical, Ethnic and Religious Context

Kavita Ramdas, Representative for India, Nepal and Sri Lanka
Ford Foundation, New Delhi

A Contemporary Perspective on India

Colloquy with Bangalore-based Indian Young Leaders:

Bunty Bohra, CEO, Goldman Sachs Services, India
Yashashree Gurjar, CEO, Avantha Foundation
Ravi Krishnan, CFO, Goldman Sachs India
Manoj Kumar, CEO, Naandi Foundation
Arvind Malhan, Principal, New Silk Route investment firm
R. K. Misra, Founder, Change India Movement
T.V. Mohandas Pai, Chairman, Manipal Universal Learning
Sugata Srinivasaraju, Associate Editor, Outlook newsmagazine

Educational Site Visit to GE Innovation Center

Bangalore is the Silicon Valley of India, and a leading center of innovation. Information technology and biotechnology are two major sectors of 21st century development that have taken place here over the last two decades. The GE Innovation Center exemplifies this trend. Discussion will focus on creative approaches to modern challenges that have implications for the U.S. and the world.

Gopichand Katragadda, Managing Director
GE India Technology Centre
India’s Development Challenges

As the world’s second most populous country with one-sixth of the world’s population, India is home to more poor people than any other country. Forty percent of its population lives below international poverty levels. One in every three malnourished children in the world lives in India, and UNICEF reports that malnutrition is more common in India than in sub-Saharan Africa. One-third of its households lack electricity, two-thirds have mobile phones. India has a literacy rate of 74%, a marked increase from 52% just over 20 years ago. Two-thirds of its population live in villages, yet the trend is toward greater urbanization. Millions of children are in the workforce, and health afflictions such as tuberculosis and other lung diseases (exacerbated by excessive air pollution) and malaria take a high toll. India has a rising middle class, numbering around 300 million. What story do these numbers tell about India’s development and economic challenges and their implications for U.S. policy and the world?

Amir Khan, Deputy Director
Bill & Melinda Gates Foundation, New Delhi

Kavita Ramdas, Representative, Ford Foundation, New Delhi

Palagummi Sainath, author and journalist, The Hindu, Mumbai

U.S. Economic, Political and Strategic Interests in South Asia

Donald Lu, DCM, U.S. Embassy, India (and senior embassy staff)

Evening Discussion on Afghanistan

William Dalrymple, Historian and Author

Remarks by Shashi Tharoor
Minister for Human Resource Development, India

Military Dimensions and Regional Issues in South Asia

There are many unresolved conflicts in Asia. Last year the U.S. announced a “rebalancing” of its strategic interests towards Asia and the Pacific. This session is intended to explore the consequences of this policy adjustment and how the major Asian players are likely to respond.

• What are the current status and the future prospects for military relations between the U.S. and key Asian powers?
• Will the growing importance of maritime security in the Indo-Pacific lead to greater regional cooperation?
• How significant are security challenges such as resource competition, proliferation, terrorism and territorial disputes?

Admiral Arun Prakash, Chief of the Indian Navy (Ret.), Goa

Peter Lavoy, Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs, Washington
Remarks by Jeffrey Immelt
Chairman and CEO, General Electric

Discussions with Indian Parliamentarians

Anu Aga, Rajya Sabha
Kalikesh Narayan Singh Deo, Lok Sabha, Biju Janata Dal
H. K. Dua, Rajya Sabha
Najma Heptulla, Rajya Sabha, Bharatiya Janata Party
B. J. Panda, Lok Sabha, Biju Janata Dal
Hamdullah Sayeed, Lok Sabha, Indian National Congress
Ijyaraj Singh, Lok Sabha, Indian National Congress
Anurag Singh Thakur, Lok Sabha, Bharatiya Janata Party
Shashi Tharoor, Lok Sabha, Indian National Congress
Dinesh Trivedi, Lok Sabha, All India Trinamool Congress
Madhu Goud Yaskhi, Lok Sabha, Indian National Congress
Tarun Vijay, Rajya Sabha

Remarks by Jairam Ramesh
Minister of Rural Development, India

Post 2014 Afghanistan: Implications for the Region and the U.S.

There is great uncertainty as to what will happen when the U.S. and its NATO allies withdraw most of their combat forces from Afghanistan in 2014. It is clear that this war has become very unpopular with the American public, and support to continue funding operations in Afghanistan is diminishing given the U.S. domestic fiscal challenges.

- Is it possible or desirable to strike a deal with the Taliban during this time frame?
- How ready will the Afghan security forces be to take over missions currently assigned to the allies?
- What will be the regional security concerns after 2014?

Karl Eikenberry, former U.S. Ambassador to Afghanistan, Stanford University

Respondents:

Ashraf Ghani, former Minister of Finance and Afghan presidential candidate, Kabul
Husain Haqqani, former Pakistani Ambassador to the U.S. Boston University
Ahmed Rashid, author, Lahore
Sima Samar, Chairperson, Afghan Independent Human Rights Commission, Kabul

Asia, with its huge populations and expanding economies, has an insatiable demand for more energy, more fresh water, more food, and more land use at the very time when global climate change is threatening water and food supplies. Most of Asia’s fresh water comes from the Himalayan plateau which is controlled by China. There are no binding agreements between China and its downstream neighbors over water sharing. Meanwhile, all countries are building more dams to generate electricity to meet their energy needs.

• How can Asia meet its energy needs without dramatically raising carbon emissions?
• Can agreements be reached to allow regional water sharing?
• Will rising seas from climate change spark regional immigration challenges?
• What is the future of nuclear power for electricity generation in Asia, and what is the U.S. role?

Brahma Chellaney, Professor of Strategic Studies, Center for Policy Research, New Delhi

Respondent:

Farahnaz Ispahani, Media Advisor to the President of Pakistan

Additional Resource Participant

David Arnold, President, The Asia Foundation, San Francisco