

South Asia: A New Strategy

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KEY TAKEAWAYS

Given vital U.S. interests in the region, the U.S. government must develop a coherent and coordinated strategy for South Asia and the Indian Ocean Region (IOR).

Though the region has not received sufficient attention from policymakers, its growing importance is undeniable and it is a new theater of competition with China.

The U.S. strategy must prioritize protecting the homeland; preserving U.S. military access; strengthening India-U.S. ties; and countering malign Chinese activity.

The U.S. government should develop a coherent and coordinated strategy for South Asia and the Indian Ocean Region (IOR). The United States has a number of vital interests at stake in the region that includes Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, Sri Lanka, and the vast Indian Ocean. Perhaps most important, the region has become an increasingly vital theater of competition with China, which poses a direct threat to the security and prosperity of the United States and our allies. In recent years, Beijing's expanding footprint in the region has been a cause for growing alarm and a catalyst for the transformation of U.S.-India ties and the revival of the Quad group joining Australia, India, Japan, and the United States. Preventing China from asserting hegemonic influence over South Asia and the IOR represents a vital interest of the United States.

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Over the past decade, Beijing's growing military and economic reach into South Asia and the IOR has undermined democratic governance and burdened countries with unsustainable debt. Its aggressive maneuvers along its disputed border with India, new claims on Indian and Bhutanese territory, and deadly clashes with Indian soldiers in 2020 have stoked the China–India rivalry.

Meanwhile, the threat of terrorism in the region remains acute. The withdrawal of U.S. troops from Afghanistan after a 20-year military campaign there has created new challenges and provided an opportunity to reset the deeply troubled U.S.–Pakistan relationship and reassess U.S. counterterrorism strategy in the region. The long-standing nuclear-tinged India–Pakistan rivalry and tensions over the disputed territory of Kashmir continue to pose risks to regional stability.

On the positive side, U.S. engagement with the region has grown substantially since the turn of the century. The maturing U.S.–India relationship, in particular, is reshaping the regional balance of power and opening new opportunities for deeper U.S. engagement with the rest of the region. India's economy, with a gross domestic product of roughly \$3 trillion, is now the world's fifth-largest. It is now among America's top 10 trading partners, while the United States is India's top trading partner overall. India's over \$70 billion defense budget is now the third-largest in the world.

This report will review the major trends, challenges, and opportunities confronting the United States while advocating for a new strategy to advance U.S. interests in the region. Namely, Washington should allocate resources and attention toward its three vital national interests at stake in South Asia and the IOR: (1) protecting the U.S. homeland from regional terrorist threats (which requires revamping its approach to Pakistan); (2) preserving U.S. military access and freedom of movement; (3) and preventing any hostile hegemon—in this case China—from dominating the region. Achieving the latter requires further developing the robust U.S.–India strategic partnership and maintaining a balance of power favorable to the Indo–Pacific democracies.

Meanwhile, the United States has several important and peripheral interests in the region, including promoting economic freedom and U.S. trade and investment opportunities, supporting political freedom and human rights, and developing stronger ties with the smaller countries of the region.

Background

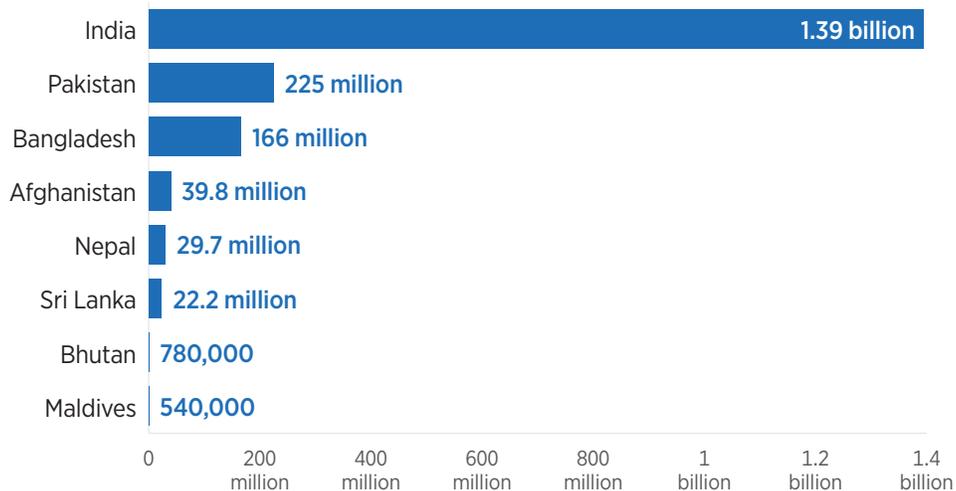
South Asia is a remarkably diverse region, comprising the Hindu-majority states of India and Nepal; the Muslim-majority states of Afghanistan,

MAP 1

Nations of South Asia



POPULATION



SOURCE: The World Bank, "Population, Total," <https://data.worldbank.org/indicator/SP.POP.TOTL> (accessed August 15, 2022).

Bangladesh, the Maldives, and Pakistan; and the Buddhist-majority states of Bhutan and Sri Lanka.¹ Today, South Asia is home to nearly 2 billion people, or almost one in every four persons on earth. India will replace China as the most populous country in the world in the coming years, if it hasn't done so already.

As South Asia's population has grown exponentially since the turn of the century, so too has its economic importance. The 2019 Department of Defense *Indo-Pacific Strategy Report* noted that the IOR "is at the nexus of global trade and commerce, with nearly half of the world's 90,000 commercial vessels and two-thirds of global oil trade traveling through its sea lanes. The region boasts some of the fastest-growing economies on Earth."²

The U.S. strategy toward South Asia and the IOR should prioritize America's three vital national interests at stake in the region: protecting the U.S. homeland, preserving U.S. military access, and maintaining a favorable balance of power in the region. Throughout the Cold War, these interests were served by pursuing a close relationship with Pakistan, which assumed the role as an anti-Soviet, pro-U.S. bulwark in the region in the 1950s. Among other things, the two countries collaborated closely to support the Afghan mujahideen after the Soviet invasion of Afghanistan in 1979.

America's partnership with Pakistan, and its opening to China in the early 1970s, left India and the United States estranged, prompting New Delhi to pursue a defense pact with the Soviet Union in 1971. The collapse of Soviet Union in 1991 and the 9/11 terrorist attacks a decade later rearranged the geopolitical chessboard. India and the United States began to develop a strategic partnership after signing a 10-year defense pact and civil nuclear deal in 2005. Meanwhile, Pakistan's support for the Taliban after the 2001 invasion of Afghanistan alienated the U.S. and soured bilateral ties.

By the early 2010s, the U.S. government grew increasingly concerned about China's expanding diplomatic, economic, and military footprint in South Asia and the IOR, a concern shared by an Indian government increasingly clashing with China at their disputed border. China's push into the region, aided by its multi-billion-dollar Belt and Road Initiative, and the growing interconnectedness of South and East Asia eventually contributed to a government-wide re-conceptualization of the region. During the Donald Trump Administration, the U.S. government recast America's "mental map," effectively merging South Asia, East Asia, the Indian Ocean, and the Western Pacific into a super-theater known as the Indo-Pacific.

This rebranding was paired with an articulation of America's strategic vision for the region, a "free and open Indo-Pacific," that was enshrined in the "U.S. Strategic Framework for the Indo-Pacific in 2018"³ and in the

renaming of U.S. Pacific Command (PACOM) to U.S. Indo-Pacific Command (INDOPACOM).⁴ The Pentagon⁵ and the State Department⁶ subsequently released Indo-Pacific strategy documents. This free and open Indo-Pacific framework was largely retained by the Biden Administration⁷ and has been embraced by U.S. partners and allies in the region, including Australia, India, and Japan.

Today, the U.S. government finds wrestling with the aftermath of the Afghan war and the terrorist threat there, navigating a troubled relationship with Pakistan, and striving to further develop the U.S.–India strategic partnership and the Quad grouping to grapple with China’s expanding influence and destabilizing activities in the region.

Afghanistan and Regional Terrorism

After a 20-year U.S. campaign in Afghanistan following the September 11 terrorist attacks, a rapid military offensive brought the Taliban to power in Kabul in August 2021 amid a chaotic U.S. withdrawal from the country.

The U.S. government has yet to formally recognize the Taliban government in Kabul and has frozen government assets and limited diplomatic interactions with the government. It has condemned the Taliban’s gross human rights violations, repression of women and minorities, and links to international terrorist groups such as al-Qaeda. In late 2021, the Biden Administration assessed that al-Qaeda and the Islamic State were both operating in Afghanistan and could generate the capability to attack the United States in as soon as six months.⁸

Of particular concern is the prominent role the Haqqani Network is now playing in the Afghan government and the Taliban leadership structure. A loyal proxy of Pakistan’s Inter-Services Intelligence (ISI), the Haqqani Network was responsible for many of the worst terrorist attacks on U.S. and Afghan government targets during the Afghan War, including the U.S. embassy and a U.S. military base. Haqqani Network leader Sirajuddin Haqqani is now in control of internal security in Afghanistan. In August 2022, a U.S. drone strike killed notorious al-Qaeda leader Ayman al-Zawahiri who was discovered by U.S. intelligence to be located in a Haqqani Network safe house in the Afghan capital, Kabul.

Meanwhile, a wide variety of terrorist and extremist groups continue to operate from within Pakistan, many with the sanction and support of the ISI. Complicating matters, Pakistan faces elevated security risks from the Pakistani Taliban and other anti-state extremist groups, whose activities have increased since the fall of Kabul. Pakistan has accused

the Taliban government in Afghanistan of complicity. These attacks risk destabilizing Pakistan even further and raise the possibility that Islamabad will again seek some form of peace deal, providing temporary relief while allowing the militants to maintain their safe havens in Pakistan's tribal areas.⁹

Beyond Afghanistan and Pakistan, Bangladesh, India, and the Maldives each face modest threats of domestic terrorism that are largely contained by the state but capable of surges of violence. Sri Lanka suffered its first major terrorist attack by an Islamist extremist group on Easter Sunday 2018, though to date it has proven an isolated incident.

Pakistan's Double Game

The war in Afghanistan put tremendous stress on the U.S.–Pakistan relationship. On one hand, Pakistan provided the United States limited but important counterterrorism assistance as well as vital air access and ground lines of communication into landlocked Afghanistan while receiving over \$30 billion in U.S. aid from 2001 to 2020. Islamabad even offered the United States access to Pakistani military bases to launch drone strikes against Taliban and al-Qaeda targets in Afghanistan and Pakistan before it evicted the United States in 2011.¹⁰

On the other hand, throughout the course of the war in Afghanistan, U.S. officials regularly criticized Pakistan's notorious ISI for practicing a "double game," as it covertly provided support and safe haven to the Taliban and Haqqani Network. In 2011, al-Qaeda leader and 9/11 mastermind Osama bin Laden was discovered in a safehouse less than one mile from a prominent Pakistani military academy in Abbottabad, further straining bilateral ties. Pakistan-U.S. ties were also strained by the nuclear proliferation activities conducted by Pakistani scientist AQ Khan in the 1990s, when he helped transfer nuclear technology to Iran, North Korea, and Libya. The Pakistani government refused to allow U.S. or international investigators access to Khan after he publicly confessed to his proliferation activities.

U.S.–Pakistan relations were downgraded substantially during the Trump Administration. On New Year's Day 2018, President Trump announced that the United States was suspending billions of dollars of aid to Pakistan, claiming, "The United States has foolishly given Pakistan more than 44 billion dollars in aid over the last 15 years, and they have given us nothing but lies and deceit."¹¹ U.S. officials also bemoaned Pakistan's growing economic and defense ties with China, particularly after the announcement of the multi-billion-dollar China–Pakistan Economic Corridor in 2015.¹²

The Trump Administration was more forceful in demanding that Islamabad abandon support for terrorist groups, in sponsoring international sanctions on several Pakistan-based terrorist groups, and supporting efforts to have Pakistan “grey-listed” at the Financial Action Task Force, an international terrorism finance watchdog.¹³ It also placed Pakistan on the State Department’s Special Watch List for religious freedom violations.

U.S.–Pakistan relations have remained comparatively frosty since the election of President Joe Biden, who refused to engage in direct communications with former Prime Minister Imran Khan. “We don’t see ourselves building a broad relationship with Pakistan. And we have no interest in returning to the days of hyphenated India-Pakistan,” a senior Biden Administration official explained on a trip to Pakistan in late 2021.¹⁴

Defining the U.S.–India Partnership

Countless speeches and strategy documents issued by the U.S. government in recent years have identified India as the cornerstone of U.S. policy in the region. “A strong U.S.-India partnership is vital to the U.S. Indo-Pacific vision,” declared the State Department in 2019.¹⁵

Since signing a 10-year defense partnership framework and a civil nuclear deal in 2005, India has imported roughly \$30 billion in U.S. military hardware. The pace of strategic and defense cooperation accelerated after India was named a “Major Defense Partner” of the United States in 2016. Since then, the two sides signed three important and once-contentious “foundational” military agreements covering everything from logistics support to encrypted communications and geospatial intelligence-sharing. Cooperation was particularly robust during the Trump Administration, which found an increasingly willing partner in a Narendra Modi–led government in New Delhi enmeshed in an escalating rivalry with China.

In 2017 the Quad grouping was revived.¹⁶ In 2018 India and the United States inaugurated a new “2+2” dialogue, and the Trump Administration granted India Strategic Trade Authorization Tier 1 status, easing regulatory burdens for U.S. high-tech defense and aerospace exports.¹⁷ Meanwhile, India and the United States have begun “sharing of information regarding Chinese maritime movement in the Indian Ocean.”¹⁸ When a crisis erupted at the disputed China–India border in 2020, the United States rushed support to India in the form of intelligence-sharing, cold-weather gear, and advanced drones. A U.S. Senate resolution condemned “the People’s Republic of China’s use of military aggression to change the status quo at the Line of Actual Control.”¹⁹

U.S.–India cooperation now spreads far beyond the defense and security arenas, however. People-to-people ties are particularly robust: There are over 3 million persons of Indian origin and over 1 million non-resident Indians in the United States,²⁰ including over 450,000 Indian students studying in the United States. Additionally, between 1.5 million and 2 million Indians visit the United States annually.

The United States is now the second-largest supplier of liquefied natural gas to India and the fourth-largest supplier of oil.²¹ Additionally, there are U.S.–India health care partnerships, trade-policy forums, counterterrorism working groups, humanitarian aid coordination, maritime-security dialogues, information-sharing arrangements, defense-technology initiatives, and space- and satellite-cooperation mechanisms. India and the United States are working together to combat COVID-19 and provide affordable vaccines, improve cybersecurity, provide sustainable infrastructure in third countries, and promote student-fellowship programs.

China Enters the Region

One of the more consequential trends reshaping the geopolitics of South Asia—and raising alarm bells in Washington and New Delhi—is China’s expanding footprint in the region. China has enjoyed strong economic, political, and military ties to Pakistan since the 1960s, serving as Islamabad’s patron at the United Nations Security Council and a key supplier of military equipment, aiding the country’s nuclear weapons program, and providing billions of dollars in economic aid and investment.²²

Beyond Pakistan, however, China’s footprint in the region was quite limited for most of the 20th century. China was constrained by its own limited ambitions and its long-standing rivalry with the regional hegemon, India. That began to change in the late 2000s. China began operating an anti-piracy naval task force in the Indian Ocean in 2008 and began routine nuclear and conventional submarine patrols in the Indian Ocean in 2013 and 2014. In 2015 it opened its first naval base in the Indian Ocean at the Port of Doraleh in Djibouti, and Chinese entities assumed control of operations at Pakistan’s Gwadar port.

In the Maldives, Nepal, and Sri Lanka, China found three democracies in turbulent political transitions or civil conflicts. Each carried some historical resentment toward India and a desire for Chinese investments and patronage. While China did bring capital and infrastructure to these countries, its engagement also raised concerns about commercially questionable and strategically suspicious investments. Its activities in these countries have repeatedly drawn charges of secrecy, corruption, and espionage.

In India, China's expanding military and diplomatic footprint in the region has fueled concerns about strategic encirclement and aggravated the long-standing China–India rivalry. However, nothing has done more to sour bilateral ties than the increasingly tense situation along the disputed China–India border, over which the two countries fought a brief war in 1962.

A series of border crises at the Line of Actual Control (LAC) beginning in 2013 foreshadowed a substantial deterioration of ties under the administrations of Modi and Chinese Communist Party Chairman Xi Jinping. Two unprecedented border crises—one on the Doklam Plateau in 2017 and one in the Galwan Valley in 2020—plunged bilateral relations to new lows. The latter produced the first casualties from hostilities at the disputed border in over 40 years. Meanwhile, in 2020 China announced new claims on territory in eastern Bhutan, and satellite images have revealed the construction of Chinese villages inside both Bhutanese and Indian territory.

The Galwan crisis provoked an unprecedented response in India, including a surge in anti-China sentiments, the canceling of Chinese investments and banning of dozens of Chinese apps (including TikTok), and new military deployments to the disputed border. Since then, the Indian government has consistently signaled that bilateral relations cannot return to normal without a withdrawal of Chinese forces to pre-crisis positions. While the two sides did reach agreements to de-escalate and withdraw forces behind buffer zones at some contentious standoff sites along the LAC, thus far, Beijing has shown no willingness to budge at other standoff sites.

U.S. Engagement with the Rest

U.S. diplomatic engagement in South Asia remains heavily tilted toward Afghanistan, India, and Pakistan. It is telling that no U.S. President has ever visited Bhutan, the Maldives, Nepal, or Sri Lanka while in office. By contrast, there have been seven visits to India, five each to Afghanistan and Pakistan, and one to Bangladesh.

Similarly, while America has enjoyed robust defense ties with India and Pakistan—and gifted or sold the Afghan government billions of dollars in defense equipment during its 20-year military involvement in the country—U.S. defense sales to the rest of the region remain marginal. Since 2010 the United States registered no arms sales to Bhutan or the Maldives and sold or gifted only a small number of military platforms to Bangladesh (four aircraft engines, two offshore patrol vessels, and 50 second-hand armored personnel carriers), Nepal (two turboprop engines and one light helicopter), and Sri Lanka (two helicopters and one offshore patrol vessel).²³ The United States does,

however, conduct various forms of defense diplomacy with most capitals in the region, including bilateral and multilateral military exercises, port calls, training programs, and visits by senior Pentagon and INDO-PACOM officials.

While starting from a low base, U.S. diplomatic, economic, and strategic engagements with the rest of South Asia have nevertheless been expanding in quantitative and qualitative terms, aided in part by America's warming ties with India.

Bangladesh. Over the past decade, Bangladesh, a Muslim-majority country of over 160 million that gained independence from Pakistan in 1971, has enjoyed favorable and gradually improving ties with the United States. The government, led by Prime Minister Sheikh Hasina and her Awami League party since 2011, have moved to improve ties with the United States, including enhancing counterterrorism cooperation. The two sides signed a Counterterrorism Cooperation Initiative in 2013, and Bangladesh participates in the State Department's Antiterrorism Assistance Program.²⁴ Despite credible charges of election fraud and human rights violations, Washington has applauded several moves Dhaka has taken to prove itself a responsible actor on the international stage, including using international legal arbitration tools to settle a maritime boundary dispute with India in 2014. One year later, it signed a historic land border swap agreement with India, ending an acrimonious dispute between the two neighbors. More recently, the U.S. government commended Bangladesh for serving as a refuge for over 1 million Muslim Rohingyas fleeing ethnic cleansing in neighboring Myanmar.²⁵ However, the United States also has concerns about the human rights situation in Bangladesh, issuing sanctions on the country's paramilitary Rapid Action Battalion in 2021 over accusations of extrajudicial killings of political opponents, among other things.²⁶

Bhutan. A small Buddhist kingdom situated in the Himalayas, Bhutan has no formal diplomatic relationship with the United States and largely defers to India on foreign policy and defense-related matters. Informal ties between Bhutan and the U.S. nevertheless remain warm. Bhutan's permanent mission to the United Nations in New York enjoys consular jurisdiction in the United States, and America's ambassador to India serves as America's informal U.S. diplomatic interlocutor with Bhutan, making periodic courtesy calls to Bhutan's capital, Thimphu, to meet the prime minister.²⁷ Bhutan receives U.S. Agency for International Development (USAID) funds to support disaster management as well as energy security and clean-energy access and State Department assistance to support technical training and to counter human trafficking. Bhutan also sends military officers and officials to attend courses at a Pentagon-affiliated think tank in Hawaii.²⁸

The Maldives. A 1,190-island archipelago in the western Indian Ocean, the Maldives boasts a large exclusive economic zone encompassing over 325,000 square miles across some of the world’s most vital shipping lanes. In 2007, a referendum transformed the country’s political system, heralding its first transition to genuine democratic elections the following year. After a soft coup in 2012 ousted the country’s first democratically elected president, Mohamed Nasheed, concerns mounted about democratic backsliding and the new government’s embrace of China. The next two governments, led by Presidents Mohamad Waheed and Abdullah Yameen, reoriented the Maldives away from its traditional patron, India, and toward China. They welcomed an influx of Chinese loans and investments that later drew charges of corruption and predatory lending. In the 2018 presidential elections, President Yameen was upset by presidential candidate Ibrahim Mohamed Solih, an ally of former President Nasheed, whom the Trump Administration described as “a reform-oriented leader committed to rebuilding the country’s democratic institutions.”²⁹ In September 2020, the Maldives and United States signed a new “Framework for a Defense and Security Relationship,” setting forth “both countries’ intent to deepen engagement and cooperation in support of maintaining peace and security in the Indian Ocean.”³⁰ The two sides also agreed to begin holding a new Defense and Security Dialogue. *The Hindu* reported that the Indian government had been shown a copy of the document and “welcomed” the agreement. This marked a break from the past: India objected to the Maldives signing a proposed status of forces agreement with the United States in 2013.³¹

Nepal. A small Hindu-majority nation wedged between China and India in the Himalayas, Nepal witnessed the end of a brutal Maoist domestic insurgency in 2006 and began a prolonged, oft-troubled transition to democracy replete with a new constitution enacted in 2015. Nepal also suffered a devastating earthquake in 2015 that killed over 8,000 Nepalis, prompting the U.S. to offer considerable aid and assistance while granting Nepali goods exports special trade preferences.³² USAID remains the largest bilateral donor in Nepal. In 2017, then-head of PACOM Admiral Harry Harris visited Nepal for a U.N. peacekeeping exercise. The same year, the U.S. Millennium Challenge Corporation signed a \$500 million compact with Nepal investing in roads and power transmission projects. One point of potential friction lies in China’s expanding influence in Nepal over the past decade. This has coincided with a crackdown on Tibetan refugees living in Nepal. U.S. lawmakers successfully warned Nepal against signing an extradition treaty with China in 2019, and a bill introduced in the Senate

in 2019 encourages the Nepali government to “provide legal documentation to longstaying Tibetan residents in Nepal who fled a credible threat of persecution in Tibet.”³³

Sri Lanka. Sri Lanka, an island nation off India’s southern coast, was destabilized by a decades-long counterinsurgency conflict against the Tamil Tigers. A terrorist group claiming to defend the rights of the country’s Hindu Tamil minority, the Tigers led the world in suicide bombings from 1980 to 2003. A brutal but effective military offensive against the group in the late 2000s by President Mahinda Rajapaksa’s government resulted in accusations of human rights violations and sanctions by the United States. Subsequently, President Rajapaksa oversaw a dramatic expansion of Chinese aid and investments in the country, including the construction of the controversial Hambantota Port. U.S.–Sri Lanka ties improved substantially following the 2015 national elections in which Rajapaksa was unseated by President Maithripala Sirisena. That year, Sri Lanka welcomed its first visit by a U.S. Secretary of State in 30 years. In 2017, a U.S. aircraft carrier visited Sri Lanka for the first time in over three decades, and Sri Lanka endorsed the U.S. vision for a “free and open Indo-Pacific region.”³⁴ In 2018, the Trump Administration provided \$39 million under the Bay of Bengal Initiative “to support Sri Lanka’s coastal maritime radar system, to provide training and equipment for improved surveillance response and interdiction.” Notably, in 2018 and 2019, the United States used Sri Lankan ports to resupply U.S. Navy vessels in the Indian Ocean under a new government-to-government arrangement. The election of Gotabaya Rajapaksa, Mahinda’s brother, as Sri Lanka’s president in late 2019 slowed momentum in U.S.–Sri Lanka ties. The second Rajapaksa government canceled a nearly complete \$480 million Millennium Challenge Corporation compact that would have funded infrastructure improvements in Sri Lanka. Talks on a U.S.–Sri Lanka status of forces agreement were also frozen with President Rajapaksa signaling a determination to again court Chinese investments. In the summer of 2022, popular protests forced President Rajapaksa to resign and flee the country, producing an interim government led by former prime minister Ranil Wickremesinghe and prolonging an extended bout of political instability.

A New South Asia Strategy

At the core of any regional strategy is an articulation of U.S. national interests at stake. The U.S. government should prioritize those interests in an environment of limited resources and competing requirements, goals,

and budgetary demands. The vast expanse of the Indian Ocean, the limited U.S. military presence, and the prevalence of U.S. commitments elsewhere makes burden-sharing with regional partners a growing priority—if not an absolute necessity.

Any strategy for South Asia and the IOR should recognize the resource constraints relative to other vital theaters for U.S. foreign policy. East Asia, Europe, and the Middle East continue to occupy a significantly larger share of America’s strategic attention and resources. East Asia and Europe host America’s top two peer competitors, China and Russia, both engaged in increasingly destabilizing behavior in those theaters. Both regions also host multiple U.S. treaty allies and myriad U.S. military bases. There are more than 100,000 U.S. military personnel combined in Korea and Japan, and there are roughly 90,000 U.S. military personnel in Europe.³⁵

The Middle East still hosts more than 50,000 U.S. military personnel, including roughly 13,000 in both Qatar and Kuwait. While the U.S. commitment has declined in relative terms, it still has several vital partnerships in the region, including Israel, as well as several regional conflicts, Iranian intransigence, and numerous terrorist threats to manage.

South Asia and the IOR, by comparison, host relatively few U.S. military bases and personnel. There are no U.S. treaty allies and no U.S. security commitments in the region, although the U.S.–India strategic partnership has arguably assumed even greater significance than some of America’s legacy alliances.

Nevertheless, the United States does have a variety of vital, important, and peripheral interests at stake in South Asia. First, the U.S. government should prevent any hostile power—namely, China—from asserting hegemonic influence over the region. China’s aggressive foreign policy is now widely viewed by the U.S. government as a key global threat, and South Asia and the IOR are increasingly emerging as a key arena of competition. To do so, the United States should pursue a balance of power favorable to itself and like-minded democracies committed to a free and open Indo–Pacific. In South Asia and the IOR, this requires further development of the U.S.–India strategic partnership and the promotion of India’s rise as a regional counterweight to China. Doing so will necessitate the continued “de-hyphenation” of America’s approach to India and Pakistan—that is, abandoning attempts to limit engagement with India in deference to Pakistan. It also requires the continued development of the Quad grouping.

The second and related vital interest at stake in South Asia and the IOR is preserving U.S. military access and freedom of movement, primarily through sustaining its sole military base in the region at Diego Garcia.

The third vital U.S. interest is defending the U.S. homeland from terrorist threats emanating from South Asia. The risks have diminished since the 9/11 attacks and U.S. invasion of Afghanistan, but the Taliban takeover of the country in August 2021 has altered the terrorist landscape and presents U.S. counterterrorism strategy with new challenges. Over the long term, combating the terrorist threat from South Asia will require fundamental changes in Pakistan and a new chapter in U.S.–Pakistan relations.

The United States also has several important and peripheral interests in the region. It has an abiding interest in preventing inter-state conflict, particularly escalation between nuclear-armed rivals India and Pakistan, though its ability to help resolve their long-standing dispute over Kashmir remains limited. The United States also has an interest in promoting economic freedom as well as trade and investment opportunities for U.S. firms and enterprises. And the United States has an ongoing interest in promoting political freedom and human rights. Finally, the United States has an interest in expanding diplomatic, military, and economic engagement with other regional capitals.

Vital Interests

Countering Regional Terrorism and Resetting U.S.–Pakistan Relations. Though it has receded from the headlines, the threat of terrorism emanating from Afghanistan and Pakistan remains an acute concern for the United States. The 20-year U.S. war effort in Afghanistan significantly degraded the capabilities of al-Qaeda “central,” but the unceremonious withdrawal of U.S. forces in August 2021 left the country ruled by the Taliban and the Haqqani Network. Al-Qaeda and the local affiliate of the Islamic State are also now operating out of the country, and in late 2021, the Biden Administration assessed that both groups had the intent to launch attacks against the United States and could generate the capability to do so in as soon as six months.³⁶

U.S. counterterrorism strategy in the region now confronts a paradox. On one hand, U.S. short-term counterterrorism goals require enhanced access to landlocked Afghanistan. However, among Afghanistan’s neighbors there are few good options for counterterrorism partners: U.S.–Iran relations are too strained to contemplate cooperation, and Russia has prevented former Soviet Central Asian republics from working more closely with the United States. That leaves Pakistan.

Nevertheless, the United States should avoid a replay of the Faustian bargain that ultimately contributed to the Taliban’s victory in Afghanistan:

pursuing limited tactical cooperation with Islamabad while ignoring or condoning Pakistan's support for the Taliban, Haqqani Network, and other terrorist groups. The United States should be prepared to trade short-term access to Afghanistan for long-term change in Pakistan.

It is time to open a new chapter in the troubled U.S.–Pakistan relationship. The U.S. government should be prepared to wield more potent carrots and sticks to persuade Pakistan to abandon its support for terrorist groups. So long as the Pakistani military-intelligence complex remains wedded to these extremist groups, there is a constant risk that a terrorist attack originating in Pakistan—whether in Kashmir or Mumbai or on the U.S. homeland—could produce catastrophic results. Pakistan's embrace of these radical groups is also preventing any progress in the paralyzed diplomatic relationship between Islamabad and New Delhi. Finally, the policy is also beginning to generate blowback at home, with the Pakistani Taliban and other anti-state militant groups turning their guns inward in recent months and again launching attacks against the Pakistani state and its citizens.

The United States should create a road map for progress with the Pakistani government, outlining the necessary and verifiable steps Pakistan must take to definitively break with these terrorist groups. It should be prepared to impose sanctions on the Pakistani military leadership if it fails to do so.

This can start with targeted sanctions on key military leaders and their families and assets abroad, as well as state-wide sanctions, including designating Pakistan a state sponsor of terrorism and supporting the “black-listing” of Pakistan at the Financial Action Task Force. On the other hand, the U.S. government should be prepared to reward Pakistan with greater diplomatic and economic engagement if it finally and genuinely confronts and dismantles these extremist networks, which could open unprecedented opportunities for a Pakistan government isolated internationally and under economic duress.

Preserving U.S. Military Access and the Base at Diego Garcia. In contrast to the expansive U.S. military presence in East Asia, Europe, and the Middle East, the only substantial U.S. military presence in South Asia and the IOR is the U.S. Navy Support Facility on the British-controlled atoll of Diego Garcia in the southern Indian Ocean. The U.S. military is currently operating on a lease from the U.K. that expires in 2036. (The original 50-year lease the United States signed in 1966 was extended for 20 years in 2016).

The facility's mission is to “provide critical support to U.S. and allied forces forward deployed to the Indian Ocean, while supporting multi-theater forces operating in the CENTCOM, AFRICOM, EUCOM, and [INDO]

PACOM areas of responsibilities in support of overseas contingency operations.”³⁷ The United States maintains several thousand soldiers on the island (British military personnel rotate through the “joint facility”) and an unknown number of platforms on the island, which was used as a staging ground during U.S. military operations in Iraq and Afghanistan. Critically, Diego Garcia has hosted nuclear-capable U.S. bombers, tenders and support ships for U.S. nuclear submarines, and a wharf and facilities suitable for an aircraft carrier.

Arguably the greatest threat to U.S. access at Diego Garcia is the intensifying dispute over sovereignty of the islands. In 1965 the U.K. granted former colony Mauritius independence but retained control of the Chagos archipelago, including Diego Garcia, paying 3 million pounds to Mauritius for this new “British Indian Ocean Territory.” In recent years, Mauritius has escalated its attempts to reclaim sovereignty of the atoll from the U.K., winning favorable opinions at the International Court of Justice, an International Tribunal for the Law of the Seas, and in votes at the U.N. General Assembly.

Mauritian officials suggest they have no intention of evicting the United States should their sovereignty over Diego Garcia be recognized, even offering to lease the island base back to the United States for 99 years. Some U.S. officials are nevertheless concerned that Mauritian sovereignty could complicate U.S. operations there, given the country’s opposition to the presence of nuclear weapons and the potential application of numerous international conventions and treaties that could impose constraints on U.S. operations and activities there. The United States would also likely face increased lease-rent payments.³⁸

Publicly, Indian officials have cautiously supported Mauritius’ sovereignty claims, though privately many prefer to see the United States retain some presence in the Indian Ocean to balance the growing presence of the Chinese navy there. The U.S. government should pursue creative solutions to the problem, including potential arrangements in which the U.K. and Mauritius adopt a “co-management” arrangement without prejudicing their respective sovereignty claims. Any arrangement, however, should avoid compromising the U.S. military’s access to the atoll.

Preventing Chinese Hegemony and Taking U.S.–India Relations to New Heights. Successive U.S. governments have identified China as America’s top strategic threat and India as one of its most promising emerging partnerships. China’s escalating rivalries with both democracies are increasingly reshaping the geopolitics of the region.

As China has sought to challenge India’s long-standing dominance in the region, the two have engaged in an intensifying strategic tug-of-war

in battleground states such as the Maldives, Nepal, Bhutan, and Sri Lanka, and, to a lesser extent, Bangladesh. Meanwhile, the long-standing border dispute between the two countries has reached a volatile new stage after a prolonged standoff devolved into hostilities and casualties in 2020.

Over the past decade, China has been willing to accept more risk to advance its claims in the East and South China Seas, militarizing artificial islands in the Spratlys, and encroaching in disputed waters and airspace around Japan and Taiwan.

Of all China's anxious neighbors, India has offered the stiffest resistance. In 2017 it militarily intervened when Chinese forces began extending a road into Chinese-claimed territory in Bhutan, halting work on a road that would have placed the People's Liberation Army on strategic heights overlooking Indian territory. Under threat of war, Indian forces remained forward-deployed until a mutual disengagement agreement was reached, though China continues to build new infrastructure and claim new territory in other parts of eastern Bhutan.

During the Galwan crisis of 2020—which saw a series of flashpoints erupt along multiple points of the disputed border in Ladakh—China gained first mover advantage along several critical junctures. However, India reinforced its positions and later flanked the Chinese along the banks of Pangong Lake. India has consistently demonstrated the will and capabilities to resist Chinese attempts at territorial coercion.

As the region's dominant economic and military power, a fellow democracy, and a country increasingly at odds with Beijing, India rightly constitutes a cornerstone of America's free and open Indo-Pacific strategy. It has arguably been one of the most significant and sustained bipartisan U.S. foreign policy successes of the 21st century, but there is more the United States can do to develop this vital partnership.

Build a “Non-Alliance” Alliance Model for U.S.–India Relations.

India is unique among U.S. strategic partners. It is not a formal treaty ally—and does not desire to be one—but the quantity and quality of strategic engagements and convergence exceeds that of some of America's existing treaty allies. Rather than trying to fit the relationship into the mold of past treaty alliances, the United States should continue to construct a new model of strategic partnership with India.

That means accepting that India and the United States will diverge, sometimes widely, on geopolitical flashpoints—especially those outside the Indo-Pacific. India's relatively neutral approach to the Russia-Ukraine crisis served as a prominent example. India and the United States also diverged in their approaches to the coup in Burma and will continue to have very different voting records at the United Nations.

It is nevertheless vital that the two sides recognize there are pragmatic rationales for these policy differences and they do not diminish the considerable shared interests the two do have in the Indo–Pacific. As Heritage Vice President Jim Carafano has argued: “What’s needed is a common security framework that doesn’t require a formal alliance and does allow for common operational capabilities. At the same time, it must also let India ‘unplug’ to deal with its own regional security concerns.”³⁹

Waive CAATSA Sanctions on India. A vital part of forging a new model of strategic partnership with India is recognizing when coercive efforts will prove counterproductive. For a variety of reasons—including India’s colonial past and its contemporary emphasis on strategic autonomy—the Indian government and public are particularly sensitive to perceived dependence on, or coercion from, foreign powers.

The United States has spent decades building trust in U.S.–India ties, convincing New Delhi that a closer partnership with the United States would not come at the expense of its autonomy. Legislation such as the Countering America’s Adversaries Through Sanctions Act (CAATSA) undermines these objectives. While Congress’s intentions were noble when it drafted CAATSA—determined to punish Russia for meddling in America’s democratic process—in practice it could threaten U.S. interests in the Indo–Pacific if the executive branch does not exercise its waiver authority.

India is already weaning itself off Russian military hardware and should be encouraged to continue doing so. But it would be unreasonable to demand that India halt defense trade with Russia immediately and indefinitely. For an Indian government already shifting away from Russia’s orbit on its own, punitive CAATSA sanctions from the U.S. could actually make Russia’s “hands-off” approach look more attractive while aggravating long-held concerns in New Delhi about America’s reliability as a strategic partner. CAATSA was designed to punish Russia. Instead, it could end up providing Russia with a victory and driving a wedge between the United States and India. Washington should grant India a waiver and, longer term, reform or re-write the CAATSA legislation.

Amend the Arms Export Control Act. In 2016, the U.S. government labeled India a “major defense partner,” a designation enshrined into law in 2017. To fully realize this vision, the U.S. Department of State, which has authority over arms-export regulations, should also recognize India as a unique partner deserving of special treatment. In particular, Congress should amend the Arms Export Control Act to include India among a special group of NATO and non-NATO partners and allies deserving of preferential treatment alongside Australia, Israel, Japan, New Zealand, and South Korea.

Adding India to this category would reduce regulatory burdens on arms exports, including easing congressional notification requirements. Several attempts have been made to insert such an amendment into the National Defense Authorization Act, but on each occasion it was stripped from the bill during committee negotiations. Congress should pass the amendment.

Create a New “Wish List” for U.S.–India Defense Ties. The U.S.–India relationship is becoming a victim of its own success. The alphabet soup of “wish list” items long promoted by advocates of the relationship have been realized in recent years, including all four “foundational” military agreements and roughly \$30 billion in arms sales. Looking ahead, the two should create an ambitious new wish list and a 10-year road map to advance bilateral ties.

India desires U.S. assistance with technology transfer and developing its own domestic defense industry. It is seeking technologies and platforms that will help it grapple with the China challenge, including along their disputed border. Aside from its most sensitive technologies, such as nuclear propulsion and jet engines, the United States is well positioned to assist India.

As a recent report from the Stimson Center argues, the United States should consider leasing and/or selling India excess defense articles such as Global Hawks, A-10 Warthogs, minesweepers, and helicopters.⁴⁰ The two sides can explore a Strategic Tech Alliance and a Joint Intelligence Assessment Center at INDO-PACOM. The United States also needs to clearly articulate what it hopes to see from the relationship over the next 10 years and how India can help with burden-sharing in promoting regional stability and advancing their joint vision for a free and open Indo–Pacific.

Operationalize the DTTI. The Defense Technology and Trade Initiative (DTTI) was established in 2012 as a “joint endeavor that brings sustained leadership focus to the bilateral defense trade relationship, creates opportunities for U.S.–India co-production and co-development, and fosters more sophisticated science and technology cooperation, all while ensuring that bureaucratic processes and procedures do not stand in the way of...progress.”⁴¹ Initial attempts at promoting co-development of defense systems at the private-sector and government-to-government levels proved unsuccessful. During the Trump Administration, the DTTI was reorganized, with its eight functional working groups pared down to five. In 2019, the two sides identified the potential for future cooperation on unmanned aerial vehicles, lightweight small arms, and aircraft support systems. In 2021, India and the United States signed a new agreement to co-develop Air-Launched Unmanned Aerial Vehicles (ALUAV) under the DTTI, including collaboration on “design, development, demonstration,

testing, and evaluation of systems to co-develop an ALUAV Prototype.”⁴² After a decade of failed attempts at operationalizing the DTTI, it is vitally important for the two sides to produce a win and pave the way for more advanced co-production and co-development initiatives in the years ahead.

Set an Agenda for the Western Indian Ocean and Middle East.

Indian officials have long argued that the Western Indian Ocean and West Asia are areas of neglect in U.S.–India relations. Looking west, New Delhi sees threats from piracy, a hostile Pakistani navy, and a new Chinese military base in Djibouti on the east coast of Africa. It also has a large diaspora population in the Middle East and is a major importer of energy from the region.

In recent years, U.S.–India cooperation has gradually shifted in that direction. The Trump Administration expanded its geographic definition of the Indo–Pacific to the east coast of Africa, encompassing the Western Indian Ocean. It also welcomed an Indian liaison officer now embedded at U.S. Naval Forces Central Command in Bahrain after years of minimal interactions between CENTCOM and India.⁴³ On his trip to India in 2021, Defense Secretary Lloyd Austin underscored that the two sides would discuss the “Western Indian Ocean Region” in their vision for a free and open Indo–Pacific.⁴⁴

Another important development was the creation of the “West Asian Quad,” or “I2U2,” an informal grouping joining India, Israel, the United Arab Emirates, and the United States. Meanwhile, India, Israel, and the United States are now discussing ways to collaborate in the development of 5G technologies,⁴⁵ and India is evaluating a U.S. offer for a trilateral venture with Israel to develop futuristic combat vehicles. They should develop the grouping into a proper mini-lateral coalition and expand its agenda. As America continues pivoting assets and attention away from the Middle East and toward the Indo–Pacific, growing peace and cooperation among all four parties contributes to stability while India’s growing influence in the region helps to counterbalance China’s expanding footprint there.

Encourage Continued Indian Engagement on South China Sea Issues. In recent years, India has become an increasingly vocal advocate for freedom of navigation, especially in the South China Sea. It has declared its support for a 2016 Permanent Court of Arbitration tribunal that deemed several of China’s South China Sea claims, including its ambiguous Nine Dash Line, to be illegal and invalid.⁴⁶ In the past, Indian firms have ignored Chinese calls to withdraw from energy exploration projects off the coast of Vietnam.⁴⁷ And the Indian navy has become more active in the South China Sea, conducting port calls with friendly countries and an unprecedented joint sail through the disputed waterway with Japan, the Philippines, and the United States in 2019.⁴⁸

Prime Minister Modi, President Biden, and the leaders of Japan and India in 2021 jointly declared that the Quad would “continue to prioritize the role of international law in the maritime domain, particularly as reflected in the United Nations Convention on the Law of the Sea (UNCLOS), and facilitate collaboration, including in maritime security, to meet challenges to the rules-based maritime order in the East and South China Seas.”⁴⁹ The United States should encourage India to continue to exercise its right to freely navigate the South China Sea, conduct lawful energy exploration activities, and condemn China’s illegal claims and attempts to restrict navigation there.

Open the Andamans. Long neglected, India’s Andaman and Nicobar Islands are a strategic asset. Located at the mouth of the vital naval chokepoint at the Strait of Malacca, they watch over some of the world’s busiest commercial and military sea lines of communication. India has begun to develop its military capabilities on the islands.⁵⁰ After decades of resistance, the Indian government has also slowly grown more comfortable with a U.S. presence on and around the islands. In October 2020, a U.S. P-8 maritime surveillance aircraft was refueled for the first time at an Indian military base in the Andamans.⁵¹ The United States should encourage India to host exercises at its Andaman and Nicobar Command, potentially to include the quadrilateral Malabar naval exercises. Given their shared use of the P-8 platform, they could even consider running joint operations from the Andamans to conduct maritime surveillance in the Indian Ocean, where they are already sharing intelligence.

Continue to Back India at the Border. After a few decades of relative peace and stability, the China–India border dispute has again become a volatile flashpoint. The United States has a history of backing India on this border dispute, rushing military supplies and aid to India when New Delhi requested support during the 1962 China–India border war. At the time, the U.S. government also recognized Indian sovereignty over Arunachal Pradesh in the “Eastern Sector” of the border dispute, where China claims some 50,000 square miles of Indian territory. Similarly, when the Galwan crisis of 2020 erupted, the United States favorably met an Indian request for cold weather tactical gear and advanced drones. Administration officials and Members of Congress condemned China’s actions at the border, though the U.S. government avoided becoming too publicly involved at New Delhi’s request. The United States should continue to offer diplomatic and military support for India as it resists Chinese coercion at the LAC while taking cues from New Delhi on the pace and character of that support.

Continue Developing the Quad to Maintain a Favorable Balance of Power. The Quad grouping has made tremendous progress since its

revival in 2017. It has added regular meetings at the foreign-minister level and new-leader level annual Quad summits. The four countries have also begun conducting quadrilateral naval exercises again after Australia was invited to rejoin the U.S.–India–Japan Malabar exercises in 2020. The Biden Administration has wisely remained committed to the Quad, though it has tried to shift the organization’s focus to delivering public goods, including humanitarian aid and disaster relief, combating climate change, and providing affordable COVID-19 vaccines and pandemic relief.

While these initiatives help demonstrate a “softer side” of the Quad to regional capitals—and allay some fears that the Quad is aggravating a security dilemma by pursuing a containment policy vis-à-vis China—it would be inadvisable for the Quad to completely abandon a security agenda. The group was formed on the basis of four countries with shared visions for a free and open Indo–Pacific and shared concerns about China’s increasingly assertive behavior. They are uniquely positioned, in terms of military capacity and political will, to resist Chinese coercion and territorial aggression. In the spirit of “hope for the best, prepare for the worst,” the Quad should continue to pursue opportunities for contingency planning, joint intelligence and threat assessments, and enhanced operational experience, including through tabletop war games and joint military exercises.

Important and Peripheral U.S. Interests

Promoting Economic Freedom and U.S. Economic Opportunities.

While U.S. economic engagement with the region, and India in particular, has grown exponentially since the turn of the century, in 2019 South Asia still accounted for less than 3 percent of total U.S. external trade.⁵² By comparison, U.S. trade with Southeast Asia that year was nearly three times greater, at \$300 billion, despite the region having only one-third of South Asia’s population.

Successive U.S. Administrations have failed to offer a compelling economic strategy for South Asia and the IOR. The United States currently has no free trade agreements with any of the countries in South Asia,⁵³ and in recent years both India and the United States opted out of joining multilateral trade agreements. Despite leader-level commitments in both capitals, and multiple rounds of negotiations, India and the United States were unable to secure even a modest settlement of differences on trade during the Trump Administration.

Though ostensibly all free-market economies, regional capitals have struggled to liberalize markets and remove barriers to trade and investment.

Every economy in South Asia was designated as “mostly unfree” by The Heritage Foundation’s 2021 *Index of Economic Freedom*.⁵⁴

The latest (and largely underwhelming) attempt to offer an economic strategy for the region is the Biden Administration’s “Indo-Pacific Economic Framework.” The full framework has yet to be released, but the Administration has committed to establishing “modules” covering fair and resilient trade, supply-chain resilience, infrastructure, and tax and anti-corruption measures. It has been described as an “administrative arrangement” that will not include market access commitments.⁵⁵

This is insufficient. However, the reality is Washington has abandoned support for large multilateral trade frameworks such as the Trans-Pacific Partnership and Regional Comprehensive Economic Partnership. In this environment, negotiating mutually beneficial, high-standards bilateral trade and investment deals remains the best option. There is appetite abroad. Other major economies in the Indo-Pacific are striking new trade deals every year. Virtually every country in the world wants to do more business with the United States. Failing to operationalize these opportunities—as China forges ahead signing new trade and investment deals—would represent a significant strategic error.

Promoting Political Freedom and Human Rights. The United States should continue to promote the spread of political freedom and human rights in the region. Democracies make better partners, are less prone to conflict with other democracies, and less liable to trample on the rights of their citizens. However, the U.S. government should recognize the limitations on its capability and responsibility to intervene in the domestic politics of regional countries.

There are few beacons of Western liberal democracy in the region. Since the Taliban and Haqqani Network takeover of Afghanistan in 2021, Kabul has been governed by terrorist groups with known ties to al-Qaeda. Pakistan’s civilian government is subservient to a military and intelligence complex that uses terrorism as an extension of its foreign policy.

Bhutan has been a representative democracy only since 2011. Sri Lanka recently witnessed a popular coup deposing a family widely accused of nepotism, human rights abuses, and autocratic instincts. Nepal, whose governing coalition includes former armed Maoist insurgents, has been mired in political gridlock for over a decade. The Maldives’ first legitimate elections were held in 2008, and the young democracy has already been tested by at least one coup. Bangladesh’s last national election faced widespread accusations of fraud, with the ruling party winning over 90 percent of the popular vote and much of the political opposition imprisoned. Even the

Indian government has been accused by critics of promoting majoritarian politics, mistreating religious minorities, and imposing an illiberal security regime in Kashmir.

China's entry into the region as a major diplomatic, economic, and military power complicates matters further, providing some regional capitals with alternatives. When India and the United States sanctioned the Sri Lankan government for human rights violations during the war with the Tamil Tigers, Colombo embraced China, welcoming billions of dollars in investments and debt and a new patron unconcerned with democratic backsliding.

Most regional countries are unlikely to meet Western standards of liberal democracy and human rights for the foreseeable future. At times, the U.S. government will have to strike a delicate balance between holding governments accountable for democratic backsliding and advancing its other strategic interests.

Smartly Engage with the Rest of the Region. With the smaller countries of South Asia, the United States should continue to expand U.S. trade and investment opportunities, improve defense cooperation, and promote political and economic freedom. It should also be cognizant that regional countries are wary of being seen as pawns in a larger geopolitical struggle between the United States and China. They will resist being drawn into any confrontational balancing coalition. However, many will—or already have—endorsed America's vision for a free and open Indo-Pacific.

In terms of infrastructure and other investments, America should continue to work with India and other partners such as Australia and Japan to provide superior alternatives to what China is offering. It can also help to shine a transparent light on China's activities in the region, helping them to evaluate the long-term costs, debt implications, and non-financial ramifications of Chinese proposals.

The Indo-Pacific Maritime Security Initiative—which is designed to “develop partners’ abilities to conduct maritime security and maritime domain awareness operations without necessitating U.S. involvement while still advancing interoperability with U.S. forces in the region”—can aid Bangladesh and Sri Lanka with maritime security assistance and training.⁵⁶ It “involves training, exercises, equipment, and necessary sustainment parts and maintenance instruction as well as helping partners strengthen their maritime institutions, governance, and personnel training.” The United States should also help to equip Bangladesh, the Maldives, and Sri Lanka to help them “safeguard strategic lines of communication, combat human trafficking, prevent illegal fishing, disrupt drug smuggling and respond to natural disasters.”⁵⁷

Conclusion

Promoting and defending U.S. interests in a region that is under-resourced relative to other theaters will require greater burden-sharing with like-minded partners. As the above recommendations show, developing a new South Asia Strategy will also require some difficult trade-offs.

First, the U.S. government will have to accept that not all of its partners in the region will be shining beacons of liberal democracy. Promoting U.S. interests, including counterterrorism and countering China's malign influence, will require working with imperfect democracies. Second, the United States will have to prioritize the long-term development of the U.S.-India partnership over short-term tactical considerations, including managing differences over Russia and the Ukraine crisis or the issue of CAATSA sanctions. And third, to truly address the persistent threat of terrorism and extremism in South Asia, the United States will have to prioritize long-term, fundamental change in Pakistan over the pursuit of immediate counterterrorism goals, avoiding the same vicious cycle that has helped to perpetuate the Pakistani military establishment's links with extremist groups.

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