Introduction

As American involvement in South Asia enters a new phase after Washington’s impending military withdrawal from Afghanistan, much uncertainty prevails with respect to the most appropriate strategy for maintaining stability in the region. Domestic political instability in Pakistan—an important American ally—continues, cross border tensions rage between India and Pakistan, and terrorism continues to threaten civilian life in Pakistan, India, and in the Xinjiang province of China. All this further enhances concerns about the nature and character of the regional strategic environment in the coming years. This paper examines the strategic future of South Asia in the wake of the U.S. drawdown from Afghanistan through three key research questions: first, how does the U.S. drawdown from Afghanistan affect the regional security and economic interests of India, Pakistan, and China? Secondly, what kinds of responses to terror attacks by India, Pakistan and China could further destabilize the region? Thirdly, what key steps can the United States take to prevent further instability in this context? This paper's research methodology involves the use of relevant secondary sources and interviews of strategic experts based in think tanks and federal agencies based in Washington, DC.

The paper is divided into six sections: the first section introduces the U.S. drawdown strategy from Afghanistan. It is followed by three sections addressing how the U.S. drawdown will affect the security and economic interests of Pakistan, India, and China. The fifth section examines possible crisis scenarios involving Pakistan, India, and China in Afghanistan and their impact on regional stability. The final section underlines future projections and policy recommendations.

I. U.S. Drawdown from Afghanistan: 2014 and Beyond

The Enduring Strategic Partnership Agreement (SPA) is a legally binding executive agreement between the United States and Afghanistan signed on May 01, 2012. After two years of negotiations, a framework was developed to define the future of the relationship between the United States and Afghanistan. The agreement aimed to ensure American support to facilitate a peaceful transition in Afghanistan following the complete drawdown of U.S. forces. According to the SPA, state parties to the agreement agreed to the following: a) protecting and promoting shared democratic values, b) advancing long-term security, c) reinforcing regional security and cooperation, d) social and economic development, and e) strengthening Afghan institutions and governance.

The new Afghan unity government of President Ashraf Ghani and the Chief Executive Officer Abdullah Abdullah signed the Bilateral Security Agreement (BSA) on September 30, 2014, marking their first executive decision in the new power-sharing arrangement brokered by the United States. The BSA, which entered into force January 1, 2015, will remain in force until 2024 unless terminated by either party with a two-year notice period. The agreement will allow the United States to maintain approximately 9,800 military personnel in 2015, further reducing the number by the end of 2016 along with an additional 2,000 non-combat NATO forces. According to the agreement, U.S. and NATO forces will advise, train, and equip Afghan national security forces for counter-terrorism and prevent the resurgence of the Taliban. Additional provisions of the BSA allow the United States to maintain a long-term regional presence to ensure security by retaining operative bases.

1 Enduring Strategic Partnership Agreement between the United States of America and the Islamic Republic of Afghanistan, 2014. www.whitehouse.gov/sites/default/files/2012.06.01u.s.-afghanistanspasignedtext.pdf

II. Pakistan’s Security & Economic Interests in Afghanistan

Pakistan welcomed the formation of the new unity government in Afghanistan and the signing of the BSA with the United States. However, Pakistan remains cautious about the implications of the BSA for its own security given the long-term presence of U.S. forces in Afghanistan (even in a non-combat mode), and joint U.S.–Afghan counter-terrorism operations. Counter-terrorism training and operations against Al-Qaeda and the Taliban in the coming years will demand extensive intelligence sharing between the United States, Afghanistan, and Pakistan with probably continued U.S. reliance on drone warfare inside Pakistan’s tribal belt. Pakistan itself has been pursuing domestic counter-terrorism operations since June 2014 through Operation Zarb-e-Azb to combat local and foreign Taliban forces operating from North Waziristan. However, the United States has been wary of the objectives and successes of this operation. In this air of continuing mistrust, future intelligence sharing between Pakistan and the United States could be affected, especially because renewed drone strikes on militants inside North Waziristan could be viewed by Pakistan as inimical to its own fight against domestic terrorism.

For decades, Pakistan viewed Afghanistan as an important part of its sphere of influence, shaping its intrusive foreign policy towards Afghanistan. However, there has been a “strategic shift” in Pakistan’s policy towards Afghanistan in recent years driven by three considerations. These are, namely, “the rise of domestic instability and terrorism, which is now its top priority; its longstanding rivalry with, and suspicion of, India; and its desire to avoid a surge in Pashtun nationalism among its own large Pashtun population.” Pakistan’s attitude towards Indian presence in Afghanistan has also changed in recent years from that of insecurity to reconciliation. However, it remains cautious such that Afghanistan “does not provide India the space to pursue security-driven agendas against Pakistan.”

On the economic front, Pakistan has been pursuing economic cooperation with Afghanistan for decades and bilateral trade has been mutually beneficial. Current bilateral trade between Pakistan and Afghanistan stands at $2.4 billion with the potential to double in coming years. In 2010, Pakistan and Afghanistan

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signed an Afghan-Pakistan Transit Trade Agreement (APTTA), which now allows Afghan trucks to carry Afghan products to China and India via ports in Karachi and Gwadar. The two countries have also held consultations about various projects to facilitate trade. Some of these projects include: a) opening the Kunar River hydroelectric dam, b) Central Asia South Asia Electricity Transmission and Trade Project (CASA-1000) for transmission of electricity from Kyrgyzstan and Tajikistan to Afghanistan and Pakistan, c) the Turkmenistan, Afghanistan, Pakistan, India Pipeline (TAPI), d) extension of Pakistan Motorway to Afghanistan, from Peshawar to Jalalabad and from Chaman to Spin Boldak, and e) the 32-country Asian Highway Network project in collaboration with the EU to facilitate trade. However, it is to be remembered that the precondition to any economic trade between the two countries is security along their common border. This has proven to be their biggest challenge and will probably remain so in the coming years given the nature of the political instability in both countries.

III: India’s Security & Economic Interests in Afghanistan

In a speech at the 2014 BRICS Summit, Indian Prime Minister Narendra Modi once again reaffirmed India’s commitment to Afghanistan in the following words: “India will continue to assist Afghanistan in building its capacity; in governance, security and economic development.” India–Afghanistan relations since the overthrow of the Taliban in 2001 have been cordial and strategic. While it often felt sidelined by NATO planners in Afghanistan—who were concerned that deeper Indian involvement would stoke Pakistan’s ire—India has pursued robust relations with Kabul and the latter has been responsive.

India is the first country with which Afghanistan signed a Strategic Partnership Agreement, in October 2011, thus indicating Kabul’s intentions of enhancing relations with the world’s largest democracy. New Delhi has played a major role in the Istanbul Process launched in November 2011, and its core focus has revolved around investments in infrastructure, mining, education, and small-scale industries. India has about $2 billion in investments in Afghanistan, compared to China who has around $3 billion, and is the fifth largest donor to Kabul after the United States, United Kingdom, Japan, and Germany. In other words, India has limited its efforts in Afghanistan to providing humanitarian assistance including food aid, infrastructure development, and capacity-building, including providing scholarships to Afghan students to obtain education and training in India.

In the security sector, New Delhi has provided training in India to Afghan security personnel. Yet, when in December 2013 the Afghan president sought military heavy equipment from New Delhi, India did not signal interest. Indian ambivalence most likely stems from concerns that any defense-related transactions with Kabul would provoke a violent Pakistani response. India has a deep interest in a stable Afghanistan which does not harbor anti-India terrorist groups.

Even before Narendra Modi was sworn in as India’s prime minister in May 2014, Afghan president Hamid Karzai held a couple of phone conversations with the former, expressing hopes of strong relations between the two countries. During his visit to India in December 2013, Karzai had requested greater defense and security cooperation between Kabul and New Delhi. However, India has not responded to Karzai’s call for

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a strong defense partnership. This is because India has been cautious about any defense-related transactions with Kabul, owing to two key reasons: a) the strains it could cause to New Delhi’s relations with Islamabad, and b) New Delhi fears that things could become counterproductive, especially in light of its experience in Sri Lanka, i.e. the IPKF debacle in the 1980s. As a result, India’s focus has been on infrastructure development, capacity building, and trade, without a robust defense relationship with Afghanistan.

IV: China’s Security & Economic Interests in Afghanistan

China’s interests in Afghanistan are tied to its economic investments in the country, and concerns that instability in Afghanistan will embolden separatists in its western Xinjiang province. Some evidence suggests that the Uighur-separatist group ETIM has been trained, armed, and sheltered by Al-Qaeda and the TTP. As China pursues an enhanced economic presence in Afghanistan it is concerned about a simultaneous increase in attempts by these terrorists to sabotage Chinese investments. Likewise, Beijing has signaled concerns that ETIM terrorists could traverse the mountainous Sino–Afghan border to launch attacks in Xinjiang and elsewhere. Therefore, China’s economic development strategy is directly linked to stability in Afghanistan. China, however, has been reluctant to play a military role in Afghanistan despite requests by NATO countries. Nevertheless, Beijing may have to rethink strategies to safeguard its own interests once American forces withdraw from the region in 2016.

China has pledged increased economic and development assistance to Afghanistan post-transition and has also agreed to play a role in promoting political reconciliation in Afghanistan. China views Afghanistan as a bridge for increased economic influence in the Central Asian region and has planned to develop the Silk Road Economic Belt linking China to Europe through Central Asia and the Middle East. The New Silk Road initiative could expand China’s economic footprint in Afghanistan beyond its current investments in mining and raw materials. According to the newly appointed special envoy for Afghan affairs, Sun Yuxi, Chinese aid for Afghanistan in future will be “split into two parts—one for the government and the other for competitive enterprises,” and China will “invest in commercial ventures to help them develop.”

China, however, has been criticized for free-riding on the security environment that has been taken care of by U.S. and ISAF forces over the past fourteen years without Beijing having to contribute directly military forces.

equipment, or training of Afghan national forces. As the United States plans its troop withdrawal, China will need to collaborate with neighboring Pakistan and India in order to ensure strategic stability in the region.

V. Crisis Scenarios and Regional Strategic Instability

Different crisis scenarios involving India, Pakistan, and China in Afghanistan, and possible state responses that could destabilize the region further follow:

Scenario A: Indian Response to Terrorist Attack on Indian Assets in Afghanistan

Prime Minister Narendra Modi is widely expected to conduct a more muscular foreign policy than his predecessors. While his assertive and nationalistic reputation may give him space to act more cautiously in foreign affairs, it might also create incentives to use force during a crisis. A crisis could ensue if a large terrorist attack were conducted on an Indian facility in Afghanistan and the attack were linked to Pakistan's Inter-Services Intelligence. The intensity of the crisis would increase depending on:

a) whether it was a hostage situation and if so, the number of hostages and the conditions of their treatment,

b) the number of eventual casualties involved on the Indian side, and

c) the nature of media visibility of the plight of the hostages and its resultant impact on public opinion and on domestic political constituents.

Possible responses by New Delhi that could further destabilize regional dynamics are:

1. The supply of heavy military equipment to Afghanistan on the grounds of helping Kabul to secure itself, enhancing Pakistan's sense of insecurity and thereby contributing to instability in the region.

2. Covert arming of anti-Pakistan elements within Afghanistan, thus enhancing Pakistan's insecurity. Revisionist tendencies by Islamabad in retaliation, e.g. increased cross-border insurgencies in Kashmir, could contribute to increased instability in the region.

3. In addition, New Delhi might cooperate with Tehran to support terror groups within Afghanistan antagonistic towards Pakistan's military-political establishment and the Taliban. An Indo-Iranian axis would largely destabilize the region because it would pose a direct challenge to Pakistan's position in the region, but probably also to the U.S. role in the Afghanistan conflict.

For obvious reasons, no Indian troop deployment in Afghanistan is foreseen. Overall, if the crisis were to escalate, depending on the nature of Pakistan's response, it could lead to tension and instability. In all probability, China would at best remain an observer to what it would regard as a largely India-Pakistan crisis.

Scenario B: Pakistani Response to Lashkar-e-Taiba (LeT) Attack on Indian Assets in Afghanistan

On May 23, 2014 four gunmen attacked the Indian consulate in Herat, Afghanistan and were gunned down by Indo-Tibetan Border Police (ITBP) and Afghan security forces. No diplomatic staff was injured in the attack. Afghan President Hamid Karazi blamed the Pakistan-based LeT for the attack on the Indian consulate. However, neither the Afghan Taliban nor the LeT have claimed responsibility for the attack to date. A crisis between India and Pakistan could quickly unfold if (according to Scenario A) an attack took place

17 Erica Downs, “China buys into Afghanistan,” SAIS Review, Vol. XXXII, No.2 (Summer-Fall 2012)

against Indian assets in Afghanistan, diplomatic staff were taken hostage by LeT terrorists with links to ISI, and a high death toll included Indian diplomats, their family members, and officers of ITBP. Given this scenario, Pakistani responses to a crisis would have the potential to escalate and destabilize the region if:

a) Pakistan did not comply with the Indian government’s demands to hand over members of the LeT organization responsible for the attack on its consulate. This action would invite assured punitive action by the Indian government. Both militaries could face a standoff similar to that of the 2001-02 crisis – only now with a right-wing party determined to punish Pakistan in power and a Pakistan confident in facing India with tactical nuclear weapons in its inventory.

b) As analyzed in Scenario A, in the long-term, the Indian government might decide to increase its security presence in Afghanistan. These moves could include providing heavy military equipment directly to Afghanistan to signal Indian resolve to develop a strategic partnership with Afghanistan and to strengthen Kabul’s hand against Pakistan. Any such strategy, brining India strategically closer to Afghanistan, would have disastrous consequences for stability in the region since Pakistan’s largely unsecured western border with Afghanistan is its Achilles heel. Such a scenario could lead to an upsurge in terrorist activity against joint Indo–Afghan assets in Afghanistan by LeT or Afghan Taliban sympathetic to Pakistan.

Scenario C: Terrorist Attack on Chinese Commercial Assets in Afghanistan by Pakistan-based terrorists

A crisis could unfold between China and Pakistan if Pakistan-based terrorist groups directly threatened Chinese economic interests inside Afghanistan. China is eager to invest heavily in Afghanistan to exploit the latter’s various natural resources, build development infrastructure, and develop trade transit routes. As the United States prepares for withdrawal, China is well positioned to augment its commercial and security interests in the region. However, the nexus of Al-Qaeda–TTP–ETIM has an interest in sabotaging any prospective Chinese investments in Afghanistan and could pose credible security threats to Chinese investments in the region.

If Afghanistan stabilizes, there will be an increased presence of Chinese engineers and development workers. Chinese companies, which have bribed Pakistani tribes in FATA for protection, would likely pursue a similar strategy to protect its citizens in Afghanistan. If this strategy fails, various terrorist groups and Afghan factions could target Chinese workers, causing an acute regional security crisis and sabotaging Chinese investments. Chinese reactions to such acts of terrorism could carry the risk of provoking unprecedented responses. Terrorism, therefore, could be a major game-changer for the China–Pakistan relationship if Chinese commercial and security interests in Afghanistan were threatened by terrorist groups.

VI. Future Projections and Policy Recommendations

Based on the preceding analysis, the future regional strategic environment could be characterized by the following:

1. As the United States draws down from Afghanistan, it will be less bogged down in military tactics, but have the scope for a larger strategic engagement in the region. Maintaining a large number of military advisors in key volatile locations along with a large amount of funds being injected would give U.S.

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19 Authors’ interview with a Washington-based Chinese expert.

20 Some of the interviewees autonomously opined this viewpoint, while some others seemed to agree when it was suggested. As long as the threat of Islamist terrorism remains to the United States, Washington cannot completely withdraw from a region that is a hotbed for such terror networks. The Obama administration’s concerns about the Islamic State in Iraq and Syria are a case in point. See David Ignatius, “Obama faces growing pressure to escalate in Iraq and Syria,” Washington Post, Oct 14, 2014 http://www.washingtonpost.com/opinions/david-ignatius-obama-faces-growing-pressure-to-escalate-in-iraq/2014/10/14/28b2ae56-53e1-11e4-809b-8cc0a295c773_story.html
engagement a different character but may not amount to complete disengagement.

2. Regional fragmentation of Afghanistan may occur, given the nature of political tensions that manifested until the national unity government was formed in September 2014. If the political tensions take on ethnic and Islamist colors and spread to the Pashtun belt of North Waziristan through groups like the TTP and the Afghan Taliban, it could massively destabilize Pakistan.

3. An unstable Pakistan would only precipitate a further destabilized Afghanistan whilst having security implications for India, China, and the international community.

Given the potential future direction of the regional environment, some risks could be addressed by robust engagement by the regional stakeholders (i.e., India, Pakistan, and China) facilitated by the United States. This idea comprises our key recommendations for U.S. policymakers, which are presented as follows:

1. Washington could encourage a trilateral counter-terrorism mechanism with bilateral negotiations on the side (e.g. U.S.–China, China–Pakistan, India–Pakistan, and China–India, where the United States plays mostly the role of the facilitator. While the trilateral mechanism would permit the three stakeholders to engage together, their bilateral differences could prove to be stumbling blocks. As a result, an additional bilateral mechanism would be necessary for the resolution of frequent India-Pakistan, China-India, and China-Pakistan disagreements on terrorism. In order to prevent this mechanism becoming another regional “talk fest,” attempts should be made to incorporate: a) innovative dialogue structures, b) extended period of participation, and c) non-official but establishment-friendly partners as starting points.

2. Washington must encourage Beijing and New Delhi to become important stakeholders in Afghan stability through increased joint Sino-Indian civilian projects. In order to ensure that Sino-Indian civilian cooperation does not worry Islamabad, a second track of Sino-Pakistani civilian cooperation ought to be encouraged.

3. The United States must continue to encourage the Afghan reconciliation process with the regional stakeholders, as it has been doing.

Conclusion

While the lure of path dependency can be high in military problem-solving, it can also be dangerous in an ever-dynamic conflict situation. Throughout history, large powers like the United Kingdom and the Soviet Union have burnt their fingers in their attempt to control the stretch of land that is modern-day Afghanistan. The international community’s attempt, led by the United States, to defeat the Taliban and create a stable democracy in Afghanistan has not been entirely successful. What is needed in Afghanistan is the prevention of its possibly imminent implosion. Given the nature of the current situation, it seems that matters will not improve drastically if Afghanistan is left to itself. There are too many rival power centers within the country and in the region at large. The current nature of this conflict is such that any power vacuum would quickly be filled by an array of non-state actors subscribing to varying degrees of violent Islamist fundamentalism. Moreover, as of December 2014, South Asia seems to be becoming one of the most dangerous places on earth, where the challenge of terrorism and the continuous threat of a nuclear exchange loom large. As a result, it would be in Washington’s interest to initiate systems to engage regional stakeholders, namely, India, Pakistan, and China, through mechanisms like counter-terror cooperation, such that a spillover from the conflict in Afghanistan does not destabilize the region any more than it already has.

PAKISTAN, INDIA, AND CHINA AFTER THE U.S. DRAWDOWN FROM AFGHANISTAN

A Visiting Fellow Report

South Asian Voices (www.southasianvoices.org), a project of the Stimson Center, is a website featuring commentary and debate from a generation of rising strategic analysts in India and Pakistan. Articles cover a variety of issues, including Indian and Pakistani external relations, India-Pakistan nuclear dynamics, nuclear security, energy issues, political events, and non-traditional security concerns. Stimson selects from among the authors four visiting fellows every year for a one-month visiting fellowship in Washington.

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