

Check against delivery

31ST ASIA-PACIFIC ROUNDTABLE
THE FUTURE OF THE ASIA PACIFIC: ISSUES AND INSTITUTIONS IN FLUX
22-24, May, 2017, Kuala Lumpur, Malaysia

Venue: Kuala Lumpur Hilton Hotel
Tuesday, 23 May 2017: 1100 – 1230

Session Title: In Conversation: Asian Views on America's Role in Asia

[The 2016 US presidential election revealed concern and scepticism about America's foreign policy commitments towards Asia, including possible inclinations towards anti-globalisation and isolationist sentiments. The presidency of Donald Trump will be closely watched by observers in Asia and throughout the world. Asia's evolving regional architecture, including ASEAN's positioning therein, hinges to a large extent on how the United States and China manage their bilateral relations. How will the Trump administration manage its policy towards Asia? What will this mean for US-ASEAN relations? Will America's relations with Asia now be "reset" as opposed to "rebalanced"?]

Chair: Mr John Brandon
Senior Director, International Relations Programs;
Associate Director, Washington, DC office
The Asia Foundation
USA

Panelists:

Dr Thitinan Pongsudhirak
Director
Institute of Security and International Studies (ISIS)
Thailand

Professor Yoon Young-Kwan
Professor Emeritus Seoul National University;
Former Foreign Minister
Republic of Korea

Ambassador Pinak Ranjan Chakravarty
Distinguished Fellow
Observer Research Foundation
India

Ambassador Pinak Ranjan Chakravarty (India) – Draft Speaking Notes/Paper

- Thank you Chair - privilege to be invited to participate in this distinguished panel and audience - also thank The Asia Foundation, USA and ISIS Malaysia, for this opportunity
- My distinguished co-panelists and I participated in Asia Foundation's Quadrennial project in 2016, prior to the US election; we met in Delhi when the Asia Foundation, in association with Carnegie India, launched the 5th edition of the report on **ASIAN VOICES ON AMERICA'S ROLE IN ASIA or AVARA**, in Feb this year

Check against delivery

- AVARA drew on a series of workshops held in Bangkok, Colombo and Seoul, under the Chairmanship of 3 distinguished Scholars from Asia who have written the main Chapters of this report, outlining views from different regions of Asia; 2 distinguished American scholars have also penned their views along with 3 young Asian leaders who have written about the Future of Asia; I should add as a caveat that the Asian views in this report do not represent all sub-regions of Asia; the chapters are focused on South Asia, South-East Asia and ASEAN and North-East Asia
- As an aside, AVARA reminds me of the famous Bollywood song from the 1951 Raj Kapoor movie “*Awara*” which became a hit across Asia; it is sung even today in Russia, Central Asian countries and China; *Awara* means vagabond-cum-maverick in Hindi, but I must hasten to add that the name has no link with this report, nor recent executive decisions of the Trump Administration

Geopolitical Transformation

- The gradual and inexorable shift in the centre of gravity of geo-political and geo-economic power towards Asia, away from the power centre based on the trans-Atlantic alliance, is now well under way, arising mainly from the spectacular rise of China, confronting Asian countries with immediate geo-political and geo-economic challenges; China’s power play over disputed islands in the South China and East China sea, the North Korean nuclear/missile proliferation, China’s Belt and Road Initiative [BRI], formerly OBOR/MSR, a geo-economic and geo-strategic blockbuster that has seduced many Asian countries to sign up, expecting huge Chinese investment for infrastructure development, thereby moving firmly into China’s orbit and sphere of influence
- **Despite overall economic growth, there is both ferment and turbulence in Asia;** turmoil in Syria, rise of ISIS or Da’esh, failed coup in Turkey and Erdogan concentrating virtually absolute power as an executive President, after the referendum; Israel expanding its Jewish settlements in occupied Palestine giving perhaps, the finishing touches to bury the 2-State solution; the continuing rivalry, fuelled by regional ambitions of Sunni Saudi Arabia and its allies against Shia Iran and Iraq, the war in Yemen and Russian-Iranian intervention in Syria; Saudi sponsored Sunni Islamic “NATO”; **President Trump’s first foreign visit will be to Saudi Arabia, raising questions about new American initiatives on Iran and Syria**
- **Meanwhile, the Trump Admn is getting mired in domestic issues and looks a bit beleaguered;** USA has yet to send out conclusive signals that the USA will sustain its commitment to the international security and economic order; questions about American rebalance in Asia have been raised about the USA retreating from Asia, where **rapid economic growth, accompanied by China’s expansionist moves have introduced several elements of strategic instability; withdrawal of the USA from the TPP has added to this anxiety; the baseline in Asia has been the feeling that the US is needed to counterbalance China; in this strategic contest Asian countries feel more secure if the USA remains a stakeholder in Asia**
- There are, however, signs that the **Trump Admn will work on a redefined rebalance in Asia** - reiteration of the US alliance with Japan and South Korea, the promised build up of the US Military, deployment of a US Naval Carrier group near the Korean peninsula, deployment of THAAD in South Korea, Cruise missile strikes on a Syrian airfield, use of MOAB on ISIS in Afghanistan; there is, however, consensus among all countries, barring a few, that the USA must remain engaged in Asia

AVARA Recommendations

- Maintain a robust, sustained, and consistent American presence in the Asia- Pacific.

Check against delivery

- Support Asian regional architecture and institutions.
- Ratify the Trans-Pacific Partnership (TPP) [Now Scrapped]
- Rethink U.S. strategy on the Korean peninsula.
- Pursue a balanced approach towards China.
- Ratify the United Nations Convention on the Law of the Sea.
- Work with India to address South Asian security.
- Do not abandon Afghanistan.
- Continue to play a leading role in nontraditional security
- Continue to project American “soft power.”

View from South Asia

- In South Asia, smaller countries have signed up to China’s infrastructure building activity in Sri Lanka, Myanmar and Maldives; via the CPEC, one of China’s grandiose BRI/OBOR project, Pakistan virtually a client/proxy state of China; Gwader is being converted into a naval base by China; a Chinese military logistics base in Djibouti has started functioning; **China’s encroachment into South Asia and the Indian Ocean is growing steadily**
- **South Asian nations are deeply concerned at the prospect of an American retreat from the global stage; although South Asian nations have had their differences with the United States on a range of regional and global issues, they believe that a precipitous reduction of U.S. engagement would be dangerous; hence, deep concern about America’s long term commitment to the liberal, global economic order and Washington’s political will to sustain its longstanding international security commitments**

Main Questions

- Will the Trump administration turn its back on Afghanistan, or learn from past mistakes and recalibrate its strategy?
- Will the United States maintain its post-war primacy in the region, or pull back from the expansive goals that it set for itself in the past?
- Does Washington have the will and the resources to shape the South Asian strategic environment?
- What might be the consequences for South Asian economies, last in the world to globalize, of an American drive towards protectionism?
- How engaged will the United States remain on issues of good governance and democratization in the region?
- **South Asia or the Indian sub-continent, comprising 8 countries, also encompasses the South Asian Association for Regional Cooperation or SAARC; with a population of about 1.8 billion, a gross GDP of USD 2.6 trillion, average life expectancy is 68 years and average per capita income is around USD 1500; SAARC is moribund and focus has shifted to BIMSTEC, the Bay of Bengal regional organization**
- South Asia host to the largest number of poor in the world; around 34 % urbanized population, region is still largely rural, though the agrarian economy is shrinking and rapid urbanization is sweeping the region, particularly in India, which has clocked over 7% growth in GDP for the last two decades; currently, India has become the fastest growing economy since China’s

growth rate dipped to 6% last year; other South Asian nations have also clocked up good economic growth, with Bangladesh achieving a growth rate of more than 6%

- South Asia is a mosaic of ethnic and linguistic diversity; it has a shared history and a shared cultural and religious affinity, as part of the Indic civilizational heritage; **India's GDP is 80% of the total GDP of South Asia**; except for Afghanistan, India shares borders with six other SAARC countries and Myanmar, while they share borders with India and no other South Asian state, except Pakistan which shares a border with Afghanistan and Myanmar which shares a border with Bangladesh. **The centrality of India in South Asia and the Indian Ocean is a geographical and economic reality; the other reality is that intra-SAARC Trade is less than 5% of SAARC's foreign trade.**
- South Asia also has an exploitative legacy of a colonial past and the legacy of Partition that has led to three wars and the birth of a new nation - Bangladesh - following the last major war in 1971; in India and Bangladesh, 1971 is also remembered for the role of the then US Administration, in support of its Cold War ally Pakistan; times have now changed and we live in a different world

Relative Peace

- Since 1971 there have been no major wars in South Asia and economic and social progress has taken off in many countries; India has gone on to break the shackles of slow economic growth rates after the economic liberalization that began in 1991; Bangladesh, Bhutan and Sri Lanka have had impressive growth rates, while Maldives, Nepal and Pakistan have not been as fortunate; in Myanmar, historic changes are taking place with the country's first steps towards democracy
- **The foremost challenge facing the region is still poverty and governance; economic and social development strategies to meet this truly monumental challenge will dominate the region for decades to come; the most dangerous security challenge is terrorism, incubated by religious extremism, combined with state patronage by Pakistan; terrorism and the potential of clandestine access to a nuclear weapon and/or nuclear materials for a dirty bomb can have devastating consequences for the region.**
- South Asia was marginal to America's global interests during the Cold War; since the end of the Cold War, however, there has been growing American engagement and a greater mutuality of interests with India than ever before; India's emergence as the world's fastest-growing economy and the impressive economic growth in Sri Lanka and Bangladesh have begun to increase the political and economic weight of the region in global affairs.
- **Afghanistan – Primary security challenge - test case for America's future international role**; many in the region would like the US to maintain some military presence and actively prevent the return of the Taliban to power; having spent much blood and treasure in Afghanistan, it would be unwise for the US to now turn its back on the Afghan people
- **Longest war - US forces in Afghanistan for 15 years** - war on terror also saw the US declare Pakistan a "major non-NATO ally" and provide economic and military assistance to that nation totaling more than \$30 billion since 2002. With Pakistan's will and ability to deliver the Taliban to negotiate with the government in Kabul now in question, Trump Admn will have to take a fresh look at the America's Afghanistan strategy
- *"Twenty U.S.-designated terrorist organizations operate in the Afghanistan-Pakistan sub-region; seven of the 20 organizations are in Pakistan. So long as these groups maintain safe haven inside of Pakistan they will threaten long-term stability in Afghanistan. Of particular concern to us is the*

Check against delivery

Haqqani Network (HQN) which poses the greatest threat to coalition forces operating in Afghanistan.”

- *General Joseph Votel, Posture Statement Before the Senate Armed Services Committee, March 2017.*
- *“The Taliban and the Haqqani network are the greatest threats to security in Afghanistan. Their senior leaders remain insulated from pressure and enjoy freedom of action within Pakistan safe havens. As long as they enjoy external enablement, they have no incentive to reconcile. The primary factor that will enable our success is the elimination of external sanctuary and support to the insurgents.”*
 - *General John Nicholson, Statement Before the Senate Armed Services Committee on the Situation in Afghanistan, February 2017.*
- **Failure in Afghanistan** - quite clearly, the U.S. objectives of establishing a stable post-Taliban regime in Afghanistan and defeating the forces of extremism have not been realized; America’s continued involvement in Afghanistan is critical for the region’s security and stability, but preventing the Taliban from returning to power may require a fundamental change in the premises of American strategy; fallout of America seen as accepting defeat and leaving the Af-Pak region will give a big boost to terrorism in South Asia and beyond
- Currently, there is no sign that the China-Russia-Pakistan efforts, tacitly supported by the Obama Admn, to bring the Taliban to the negotiating table is making any headway; there is no evidence that the Taliban is being a docile player, willing to fall in line with a peaceful and accommodative future political arrangement in Afghanistan; consensus view is the shared hope that the Trump Admn will reiterate the commitment to Afghanistan and adopt different strategies that recognize those targets which are actively destabilizing Afghanistan from sanctuaries in Pakistan

India-USA

- Steady growth in India’s political prominence in South Asia and beyond since the turn of the millennium has been matched by a rapid expansion of the U.S.-India strategic partnership in the larger geo-political landscape of Asia, rather than the previous, narrow framework of the subcontinent; **as the US copes with the impact of a rising China on Asia, India is increasingly seen as a critical part of America’s broader Asian strategy; at the same time, the Indian government of PM Narendra Modi has been a lot less inhibited than its predecessors in seeking a solid partnership with Washington;** both sides agree that South Asia can no longer be seen in isolation, but must be understood as an element in stabilizing East, Central, and West Asia; America has designated India as a vital part of its rebalance to Asia, and there is growing coordination on their defense policies with Japan and Australia
- Expansion of America’s strategic partnership with India has increased significantly; shared interests in promoting regional stability and prosperity in South Asia and the Indian Ocean, despite differences on how to deal with Pakistan and Afghanistan; while the evolution of the U.S. strategic partnership with India is natural, both Washington and Delhi must take into account the impact of this partnership on Pakistan; over the last decade, Washington has learned to navigate carefully between India and Pakistan, and the U.S. relationship with Pakistan has long complicated India - US relations
- India’s outreach to Pakistan has been stalled by Pakistan’s repeated acts of terrorism on Indian soil; recent ICJ [Kulbushan Jhadav] case - another sore point as Pakistan attempts to build a counter narrative of Indian sponsored terrorism in Pakistan; America has continued to support peaceful negotiations to resolve all outstanding disputes; **America must not inject itself into India-Pakistan disputes; Washington needs a strategy, coordinated with**

India, to nudge Pakistan towards political moderation and regional economic integration; a long-term collaboration between India and the US is likely to help stabilize Pakistan;

- Pakistan's declared policy of countering India's conventional military posture through terrorism and pre-emptive use of tactical nuclear weapons is a major security challenge; jihadi elements embedded within Pakistan's Army can be potential conduits for leakage of tactical nuclear weapons or nuclear material into the hands of terrorists; this danger multiplies with dispersal of tactical nuclear weapons to field level Commands and heightens the probability of pilferage with insider involvement; US has to factor this in when addressing security challenges in the region.
- Some Nuclear CBMs are in place but these may not be adequate; how to address Pakistan's deployment of tactical nuclear weapons and their exposure to Jihadi elements running amok in Pakistan is the main issue; this problem cannot be dealt with by a false equivalence between India and Pakistan on nuclear issues; in India's perspective, her conventional and nuclear postures are not predicated on Pakistan alone and has to factor in China and the China-Pakistan strategic nexus
- **A new factor emerging in the domain of terrorism is the Islamic State or ISIS; in South Asia, ISIS has the maximum penetration in Afghanistan and in the north-west region of Pakistan;** if not checked, ISIS can become a new security challenge for South Asia; ISIS collaboration with other homegrown Afghan and Pakistani terrorist groups will lead to a serious security challenge which the US needs to factor into its policy; any Pakistani-inspired terrorist attack on the scale of 26/11 in Mumbai will definitely lead to unbearable public pressure on any Indian government to react with force;
- The long persistent border dispute between China and India and the dispute over Jammu and Kashmir between India and Pakistan are other long-standing security challenges; the China-India border dispute has been managed without violence so far but the Kashmir issue has led to bloodshed and terrorism, unleashed by Pakistan in India, as part of its official policy to address, what Pakistan calls the "Unfinished agenda of Partition"
- **The US cannot expect to play much of a role in finding a solution to the China-India border dispute. It can, however, ensure that China does not engage in adventurism; on the Kashmir issue, it would be best for the US to continue its neutral stand and encourage the bilateral track which can make progress, if Pakistan-sponsored terrorism is eliminated; bilateral attempts are always prone to the vicissitudes of Civil-Military relations in Pakistan, an area which will continue to challenge the US, in its objective of promoting democracy;**
- Skewed nature of Civil-Military relations in Pakistan is the root cause of many problems in Pakistan; normal Civil-Military relations in Pakistan is a distant dream but worth expending effort by the US; in the long term, Civil-Military relations in Pakistan will remain a challenge; if it remains skewed in favour of the Army, then there is little hope of Pakistan behaving as a normal democratic state; countering Pakistan's skewed civilian-military relations, for example, stands out as a major priority for the US
- It must be mentioned that India is not about to get into any military alliance with the US; in an era of hedging, India is also engaging China; India-US Defence relations are going to be mostly transactional, as India procures more US-origin equipment and attempts to build a long term defence technology-based relationship with the US

Economic Opportunities

Check against delivery

- South Asia's growing strategic importance is founded in part on the region's impressive economic performance, at a moment when the rest of the world has slowed; with the exception of Pakistan, the region has shown consistently high economic growth rates, averaging around 6 percent.
- Amidst new hopes for economic development across much of South Asia, there is serious concern about the growing opposition to globalization in the West; US over the decades has been an active champion of South Asia's economic globalization, its principal aid provider, a major trading partner, and a supporter of regional economic integration; **over the last two decades, however, the US has lost its leadership role; Washington has been overtaken by Tokyo as the chief provider of economic assistance, and China has long replaced the US as the main trading partner for most countries of South Asia and is actively promoting regional connectivity;** yet, the nations of South Asia believe that the US, as the principal architect of the global economic order, has a strong role to play in the region; South Asia today is looking less for aid from the US and more for trade, technology and investment; also looks to the US to help build technical and intellectual capacities in education and agriculture
- US could also encourage Japan, which has long experience in infrastructure development in Asia, to assume a larger economic role; US, Japan, and India can provide alternatives to Chinese proposals that promote sub-regional, regional, and trans-regional mechanisms for economic integration, both within the sub-continent and between it and adjoining regions

Non-traditional Security, Development and Governance

- South Asia hopes that the US will continue to focus on the non-traditional security threats that pose huge challenges, like Climate Change; much apprehension that Trump Admn could abandon the carefully constructed, new global compact; climate change has exacerbated South Asia's predicament as the most disaster-prone region in the world; the Challenge of Climate Change for South Asia is monumental as is the issue of water management; US technology and innovation will be crucial to meet the shift to renewable energy sources; finally, the US will have to meet the challenge of giving carve outs to South Asia, particularly India, on IPR and Agriculture; the trade-offs for the US will be in the Defence sector with India
- South Asia is also becoming one of the largest zones of illicit opium production and trafficking; South Asia's growing drug trade is fully connected with organized crime, which has fostered corruption, instability, and insecurity and has stunted economic development; US assistance should continue to controlling narcotics and countering human trafficking
- In addition to bilateral cooperation in agriculture, poverty reduction, health and disaster management, and energy and climate change, US should also explore multilateral solutions; US could also help devise a framework for managing national and regional disaster risk reduction and strengthening the network of research institutions dealing with nontraditional security
- Promoting ethnic reconciliation in Sri Lanka and Nepal, as well as combatting extremism in Bangladesh and Pakistan

Leveraging Soft Power

- The US has enjoyed a positive image for its many achievements in education, technology, innovation, brand equity, cyberspace, management and several other areas; South Asian elites rate the US very high for these achievements, despite resentment against many US

Check against delivery

policies; South Asian Diaspora in the US is an important economic and intellectual connection and the challenge for the US would be to leverage this positive asset; this would mean intensifying public diplomacy measures in the region, beyond making more changes in US visa policy; US Public Diplomacy in South Asia is weak and this deficit has to be filled.
