

## Chapter 6

# South Asia under Great Power Rivalry

The Advent of U.S.-China Competition and  
the Vestiges of the Global War on Terror

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Indian military convoy driving in the China-India border area  
(Reuters/Kyodo)

**S**OUTH ASIA has a unique background in terms of its relationship with the emerging U.S.-China strategic competition on the global stage. As the region embraces Afghanistan, South Asia was a central arena for maneuvering among the great powers in the global war on terror, which had dominated the international political scene before it was replaced by U.S.-China strategic competition. Meanwhile, the region has been aware of the incoming U.S.-China competition from a relatively early period. In the early 2000s, the United States began building relations with India, a regional power in South Asia, with the intention of using the country as a counterbalance to China in Asia in case the rise of China should lead to undesirable consequences for Washington and its Asian allies in future. Today, this has become a reality.

Amidst the deepening strategic competition between the United States and China at the global level, what kinds of politics are unfolding between the two superpowers and regional countries in South Asia? That is the question addressed by this chapter.<sup>1</sup>

In terms of U.S.-China relations and their connection to South Asia, what first comes to mind is the rivalry between the U.S.-India entente and China, which reflects the global U.S.-China competition at the regional level. In recent years, numerous studies have focused on this relationship. Moreover, such studies have covered a considerable part of the regional politics in South Asia in recent years, since Washington, Delhi, and Beijing have been struggling for influence over small and medium-sized countries in the region. The exception is the politics over Afghanistan and Pakistan (once dubbed together as “Af-Pak”), which merit a separate examination because the two countries have different contexts and backgrounds from other regional states due to the vestiges left by the two decades of war on terrorism there.

In light of the above, this chapter will provide a comprehensive view of the regional politics in South Asia under U.S.-China strategic rivalry by taking into account both competition between the U.S.-India entente and China as well as the politics over Afghanistan and Pakistan. This chapter first outlines the interests and policy objectives in South Asia of the United States, China, and India as the three major actors there. It then analyzes the ongoing competition of the United States and India versus China, which dominates the regional politics in South Asian today. Lastly, the politics over Afghanistan and Pakistan, which have unique backgrounds compared with the rest of the region, are examined.

## Interests and Policy Objectives of the Major Actors

### *U.S. Interests and Policy Objectives*

South Asia is not a geopolitical priority for either the United States or China.<sup>2</sup> There are few issues in the region that pose a serious risk for direct U.S.-China confrontation. Against this backdrop, U.S. engagement toward South Asia has disproportionately focused on three countries: India, Pakistan, and Afghanistan.<sup>3</sup> The main U.S. policy objective in the region during the late Cold War was to drive the Soviet Union out of Afghanistan through the proxy war in cooperation with China and Pakistan. In the 1990s, Washington shifted its focus to the curtailment of nuclear development by India and Pakistan and prevention of nuclear war in the subcontinent. Later, after the 9/11 terrorist attacks in 2001, the terrorist threats originating from Afghanistan and Pakistan (Af-Pak), the instability of those two countries, and the risks of the proliferation of weapons of mass destruction (WMDs) to terrorist groups became the primary challenges for the United States, as well as the international community. Meanwhile, Washington has also pursued the promotion of human rights, democracy, and economic development, albeit with lesser importance, in the region.<sup>4</sup> This is particularly notable in its relations with smaller regional countries, such as Bangladesh, Sri Lanka, the Maldives, and Nepal.

On the other hand, U.S. policy toward South Asia has strongly been influenced by its policy objectives in the broader Indian Ocean region or Indo-Pacific (formerly Asia-Pacific) region. In this context, at the beginning of the century, Washington began to build relations with Delhi as a hedge against a future where China dominates Asia, anticipating that India would rise and become capable of balancing against China.<sup>5</sup> Later, the United States came to express its expectations for India to serve as a “net security provider” in the Indian Ocean region.<sup>6</sup> At the same time, as China started to extend its naval presence into the Indian Ocean from the mid-to-late-2000s, the United States became wary of the maintenance of free and stable commerce in the Indian Ocean, which numerous important shipping routes pass through.<sup>7</sup>

### *China’s Interests and Policy Objectives*

Although China does not consider South Asia to be a top geopolitical priority, Beijing has several important interests in the region. First, China has been embroiled in a territorial dispute with India. With no settled international border between the two countries, China and India have overlapping sovereignty claims over the vast landmass in the Himalayan region, including

the Chinese-controlled western border region of Aksai Chin and the Indian-controlled eastern border region, the Indian state of Arunachal Pradesh. Although the two countries are separated by the Line of Actual Control (LAC), even the alignment of this line has not been agreed upon.

Second, China has a long-standing, close security partnership with Pakistan, which is also at odds with India on territorial issues. Beijing has historically developed its relations with other smaller regional countries as well, although these are not comparable to its relations with Pakistan. From the 2000s onward, China began to expand its presence in South Asia through economic engagement.<sup>8</sup> This trend gained further momentum after the announcement of the Belt and Road Initiative (BRI) in the mid-2010s.

Third, South Asia is closely related to China's domestic stability. The 14th Dalai Lama, the spiritual leader of Tibet, has been given asylum in India. China has also been strongly wary of Uyghur Islamist militants operating in the Xinjiang Uyghur Autonomous Region, such as the East Turkestan Islamic Movement (ETIM), aligning with other jihadist outfits that are based in the two Muslim majority countries adjacent to Xinjiang: Afghanistan and Pakistan.<sup>9</sup> For China, destabilization of Afghanistan and Pakistan due to escalated Islamist militancy is a nightmare scenario that could extend into Xinjiang.

Finally, Beijing has been keenly aware of the vulnerability and the need for protection of its Indian Ocean sea lanes, which are vitally important for China's energy security.<sup>10</sup> China has steadily increased its naval presence in the Indian Ocean, launching counter-piracy operations in the Gulf of Aden at the end of the 2000s and opening its first People's Liberation Army (PLA) overseas base in Djibouti in 2017. However, even in recent years, Chinese naval operational capabilities in the Indian Ocean are relatively limited, and Beijing is seen to be concerned about the vulnerability of its sea lanes.<sup>11</sup>

### *India's Interests and Policy Objectives*

India's interests have been intricately intertwined with its relations with China. As India seeks to become a great power, its trade and investment relations with China are essential to its economic development. In addition, both China and India prefer a multipolar international order rather than a U.S.-led unipolar one, which prompted Beijing and Delhi to make joint efforts to achieve this goal, especially at the end of the 2000s.<sup>12</sup>

However, China also does harm to India's interests on a wide range of issues. In addition to the aforementioned territorial issues and the longstanding partnership with Pakistan, Beijing has continuously blocked India's bids to improve its international standing through becoming a

permanent member of the UN Security Council and gaining a membership in the Nuclear Suppliers Group (NSG). While trade with China is important to India's economic development, Delhi has always been concerned about its growing trade deficit with China.<sup>13</sup>

Furthermore, as a regional power, India has an interest in maintaining a sphere of influence that encompasses other South Asian countries. This has been manifested in India's stance of intervening in the domestic affairs of its smaller neighbors, while rejecting the interference of external powers into the region. However, other countries in the region have disliked this stance and sought the help of external powers to resist India's pressure. Although India was nervous about American interference during the Cold War era, in recent years Delhi has mainly been concerned about China's increasing presence in the region, which has become a major point of contention between India and China.<sup>14</sup> It should also be noted that India's recognition of its sphere of influence extends to the northern Indian Ocean.<sup>15</sup>

Bearing in mind the aforementioned challenges posed by China, India has been pursuing partnership with the United States for the past two decades. However, at the same time, India has also been paying attention to maintaining strategic autonomy as a foundation of its foreign policy. According to Shivshankar Menon, India's former national security advisor, this is a stance of "keeping decision-making power with ourselves, avoiding alliances, and building our capabilities while working with others when it was in India's interest to do so."<sup>16</sup>

India also has a territorial dispute with Pakistan over the former princely state of Kashmir, and terrorism on Indian soil by Islamist groups allegedly supported by Pakistan has been a serious security challenge. Pakistan had a record of using Afghanistan as a base to support anti-India terrorism in the 1990s, which has led Delhi to be wary about the increase of Islamabad's influence in Afghanistan through the present day.<sup>17</sup>

### **Competition of the United States and India versus China**

In recent years, South Asia has been an arena of tussle between the United States, China, and India, which have interests and policy objectives as described above, with a configuration that pits Washington and Delhi against Beijing. This rivalry has reflected in South Asia the strategic competition between the United States and China at the global level. In particular, since around 2020, the rivalry in this configuration has become more pronounced in South Asia than ever before. This section focuses on various notable features of the competition between the U.S.-India entente and China.

### *The Centrality of Sino-Indian Competition*

What should be noted first is who is the primary actor competing in South Asia. Despite the configuration of the United State and India versus China, it is India that has been directly competing with China in the region. In other words, the Sino-India rivalry lies at the core of the competition of the U.S.-India entente versus China.

China and India, historically having an acrimonious relationship mainly due to their territorial dispute, shifted the direction of their bilateral relations around 1990 toward deepening economic ties and managing friction in the border area through confidence-building measures (CBMs), shelving the final resolution of the border issue. This led to the significant improvement of their bilateral relationship, which reached its apex by the mid-2000s. However, in the late 2000s, friction in the border area began to resurface, with a sharp increase in LAC transgressions by the PLA border troops.<sup>18</sup> Since then, with other contentious issues added to this, hostile elements have gradually become conspicuous in Sino-India relations. The June 2020 border clash between the troops of China and India in the Galwan Valley in the western border region, which has been called a “watershed moment” in China-India relations,<sup>19</sup> is a part of the long-term deterioration of the bilateral ties.

There are wide-ranging thorny issues between China and India. That said, what is particularly prominent among them in recent years is the border issue, as well as the competition for influence in South Asia and the surrounding Indian Ocean.

The China-India frontier, the whole of which has yet to be demarcated, has in recent years been the scene of active patrolling by border troops from both countries and infrastructure development to facilitate force deployment. In the process, both sides’ troops have often encountered and engaged in standoffs along the LAC, but they were resolved peacefully without escalating into military clashes, largely due to the border CBMs. However, from April to May 2020, PLA troops occupied several points along the western LAC where the two sides had differing perceptions on the alignment of the line.<sup>20</sup> One of these sites, the Galwan Valley, was the scene of the first deadly clash in the China-India border area in 45 years.

Since the clash, talks have resulted in disengagement of troops at several sites, but there are a few sites that are still pending.<sup>21</sup> China and India are respectively maintaining 50,000 to 60,000 troops relatively close to the western LAC.<sup>22</sup> Furthermore, the improvement of infrastructure on both sides of the LAC has raised the likeliness of encounter between the two militaries and created incentive for both Chinese and Indian forces to

compete for tactical advantage along the line.<sup>23</sup> This, combined with the mutual distrust that has further deepened over the recent clash, has put the border region in a state of instability. The occurrence of another clash between the two sides in the eastern border area in December 2022 can be seen as proof of this.

Meanwhile, the expansion of China’s presence in South Asia over the past decade has opened another front for the Sino-India competition: a tussle for influence over regional states. China had already begun developing ports in Pakistan and Sri Lanka in the 2000s, attracting the attention of India and the United States. However, Delhi developed full-fledged concerns when China’s economic inroads into South Asia centered on infrastructure investment expanded momentarily following the launch of the BRI in 2013.

Although China has made overtures to involve India, the largest country in the region in both geographical and economic terms, in the BRI, Delhi announced in May 2017 that it would reject the initiative. India’s cited reasons included the fact that the China-Pakistan Economic Corridor (CPEC), the flagship project of the BRI, entails infrastructure investments in Pakistan-administered Kashmir which India considers its own territory, as well as the issue of the BRI’s conformity with international standards in the field of development cooperation. However, the root of India’s rejection was said to be its concerns about the geopolitical implications of the initiative—the BRI, which leads to the substantial expansion of China’s economic and geopolitical influence, would threaten India’s leading position and its sphere of influence in South Asia.<sup>24</sup>

As a result, competition arose between China and India for influence through engagement with regional states. China has promoted large-scale infrastructure investment, including the \$46 billion CPEC officially launched in 2015 and the \$24 billion investment in Bangladesh announced the following year.<sup>25</sup> India has sought to counter China by strengthening its own engagement with its neighbors, along with deepening cooperation with the United States, Japan, and Australia, and by promoting alternative connectivity schemes to the BRI, such as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and International North-South Transport Corridor (INSTC).

This competition has continued to date. During the COVID-19 pandemic, China provided vaccines to South Asian countries. In January 2022, China signed several agreements with the Maldives, including on visa exemptions as well as economic and technical cooperation. In August, Beijing also announced its intention to begin a feasibility study on the Tibet-Nepal railway project. China and India have been competing over the

development of the Port of Colombo in Sri Lanka, and the two countries had a tussle that involved the Sri Lankan government over whether it would allow a port call by a Chinese research vessel in August 2022.<sup>26</sup> Amidst the latest economic crisis in Sri Lanka, Delhi has been regaining influence over the country through active support. India also signed an agreement with Nepal to expand cooperation in the rail and electric power sectors in April 2022, while opening the first railroad between the two countries.<sup>27</sup>

The current state of China-India ties, the worst since the 1990s, is a part of the long-term trend of deteriorating relations since the late 2000s. In the short term, however, it can be seen as a result of the failure of the China-India “reset,” symbolized by the April 2018 informal summit between President Xi Jinping and Prime Minister Narendra Modi. From June to August 2017, the two militaries were in a standoff over the border issue of Bhutan—India’s de facto protectorate—and China. The confrontation ended without war, but it made Delhi and Beijing recognize the risks involved and facilitated their rapprochement, resulting in the 2018 informal summit held in Wuhan. At the summit, Xi and Modi agreed to move forward in their relations. In line with the “Wuhan spirit,” both Beijing and Delhi showed some consideration for each other’s interests.<sup>28</sup>

However, there was no change to the fundamental dynamics of their bilateral relations, which involve a wide range of thorny issues, including territorial disputes and competition for influence in the region. As the limits of the “reset” had become apparent, the Galwan clash erupted in June 2020. Although the two capitals avoided a wider war, this event led to further worsening of Sino-India relations, with both countries continuously blaming each other for the difficulties in negotiating disengagement and the cause of the crisis.

Vijay Gokhale, former foreign secretary of India, noted that the June 2020 incident was seen in India as shaking “the very basis of relations” that the two countries had built since the end of the 1980s.<sup>29</sup> Additionally, due to this incident, the conventional debate in India as to whether China is a partner or an adversary has clearly shifted toward the latter conclusion, and India has reportedly solidified its intention to deal with China through internal and external balancing.<sup>30</sup> India has been developing its military posture in preparation for a prolonged Chinese threat along the LAC, including the transfer of troops from other areas in the country.<sup>31</sup> Since the clash, Beijing has insisted that other aspects of bilateral relations should move forward, independently from the border dispute. However, Delhi has shifted its previous position and has been maintaining that there can be no normalization of relations without the restoration of peace at the border.

### *U.S.-India Partnership and the Role of the United States*

The U.S.-India partnership has developed in parallel with the intensification of the Sino-Indian rivalry described above. In the early 2000s, India and the United States began to build a relationship out of a sense of caution about what the incoming rise of China would bring.<sup>32</sup> However, at the initial stage, U.S.-India cooperation was not accompanied by a concrete element of containing China.<sup>33</sup> It was when the Barack Obama administration positioned U.S.-India cooperation within the Asia-Pacific Rebalance, which encompassed an objective of responding to the rise of China, that this cooperation began to take on the aspects of a partnership to deal with challenges posed by China. In 2014, the Narendra Modi government, which was more amenable to U.S.-India cooperation than its predecessor, came to power in India.<sup>34</sup> This, combined with deepening friction between Delhi and Beijing over border issues and China’s expanding presence in the region, led to significant progress in the U.S.-India partnership.

Since then, as the respective relations of Washington and Delhi with Beijing have become increasingly strained, the emphasis on U.S.-India cooperation has continued throughout the changes of the U.S. administration. On the security front, the partnership has developed centered on arms transfers and joint exercises, with the United States now serving as one of India’s major weapons suppliers and conducting a wide range of joint exercises with India.<sup>35</sup> Such cooperation has played an important role in enhancing India’s military preparedness against China.

In the wake of the 2020 Galwan Valley clash, the United States provided assistance to India, including intelligence-sharing and the lease of surveillance drones.<sup>36</sup> Since then, Washington and Delhi have further enhanced their cooperation against the backdrop of their increasing threat perception toward China. In October 2020, the Basic Exchange and Cooperation Agreement for Geo-Spatial Cooperation (BECA) was concluded. This agreement, together with the Logistics Exchange Memorandum of Agreement (LEMOA) signed in 2016 and the Communications, Compatibility and Security Agreement (COMCASA) signed in 2018, put into place all of the foundational agreements that the United States concludes with any close security partners. Washington and Delhi also concluded an agreement on space situational awareness in April 2022. In November 2022, the two militaries conducted an annual joint army exercise less than 100 kilometers from the LAC in northern India.

There has also been progress in the quadrilateral security cooperation (Quad) among Japan, the United States, Australia, and India, which was revived in 2017 with the intention to deal with challenges posed by China. In



October 2020, India allowed Australia to participate in the India-Japan-U.S. Malabar naval exercise, following Delhi's long-time refusal of Canberra's participation. In March 2021, the first Quad Summit was held virtually.

Nevertheless, there are still clear limits to the direct role for the United States to play in South Asian geopolitics. The reason for this is multifold. Washington's partnership with Delhi, which values strategic autonomy, will never develop into a formal alliance involving collective defense. Moreover, a report by a U.S. thinktank based on U.S.-India track-2 dialogues points out that, notwithstanding the significant progress in terms of joint exercises and India's introduction of American weapon systems, the Indian side remains averse to interoperability with U.S. forces and skeptical about joint contingency planning. It further notes that what India wants is for the United States to help India enhance its capabilities so that Delhi can play a leading role in the region as a self-reliant power.<sup>37</sup> It is also pointed out that the dialogue between U.S. and Indian defense authorities has been less about strategic-level discussions, such as how to jointly address China's undesirable actions in South Asia, and more about lower-level discussions on weapons and exercises.<sup>38</sup>

The role that the United States has played in countering Chinese influence over smaller South Asian nations is also limited. While Washington has historically been a major donor in the region, its International Development Finance Corporation (DFC) and Millennium Challenge Corporation (MCC) do not have a large presence in small and medium-sized South Asian countries.<sup>39</sup> There is also scant materialization of U.S.-India joint economic projects in India's neighbors. On the security front, with the exception of India, Pakistan, and Afghanistan (under the democratic regime), U.S. security cooperation with the regional countries has been limited to elementary capacity building, mainly in the fields of maritime security and counterterrorism.

Such a limited U.S. role in the region can to some extent be attributed to India's stance. Delhi was traditionally averse to U.S. direct engagement with India's neighbors at least until the 2000s, although the stance has changed significantly in recent years.<sup>40</sup> Even today, it is pointed out that India would prefer that U.S. engagement in the region be conducted with India as an intermediary or in the form of joint U.S.-India efforts, and that India tends to require Washington to make prior coordination with Delhi in regard to security cooperation between the United States and regional countries.<sup>41</sup>

Since the late 2010s, the United States has attempted to expand its engagement with smaller South Asian countries.<sup>42</sup> However, it has not seen significant results with the exception of a security agreement with the Maldives in September 2020. In Sri Lanka, negotiations to revise the

existing U.S.-Sri Lanka Status of Forces Agreement (SOFA) had begun at the request of the U.S. side, but stalled in 2019 due mainly to public opinion in the island nation, which is reluctant to get involved in great power competition.<sup>43</sup> In February 2020, the provision of an MCC grant to Sri Lanka, which had been previously agreed upon, was rejected after a change of the government in Colombo.<sup>44</sup> Approval for the acceptance of the MCC grant also ran into difficulties in Nepal, where there was widespread opposition that viewed the grant as part of the U.S. counter-China strategy.<sup>45</sup> Washington sees Bangladesh as a promising partner, and talks on the provision of advanced weapons as well as negotiations on an Acquisition and Cross-Servicing Agreement (ACSA) and General Security of Military Information Agreement (GSOMIA) began in 2019. However, no concrete results have been seen to date.<sup>46</sup>

### *Fluidity of Alignment*

While India, partnering with the United States, competes with China in a race for engagement in the region, most small and medium-sized regional states have, to varying degrees, sought to maximize their own interests by building relationships with both sides rather than steadily committing to just one.

Since the late 2010s, the negative effects of China's economic engagement have become apparent in the region, especially in Sri Lanka and Pakistan. Nonetheless, regional states, including these two countries, continue to accept Chinese economic engagement. From their perspectives, there are certainly benefits to be gained from Chinese infrastructure investment, even though it entails various downsides. The same scale of investment is not easily provided even by the United States, let alone India. In addition, small and medium-sized countries in the region have relied on China to manage their sometimes-difficult relationship with India and to avoid pressure from the United States on human rights.<sup>47</sup> In light of the above, it is easy to understand why the regional countries did not necessarily align with India's condemnation of China after the Galwan incident,<sup>48</sup> as well as the reluctance shown by Sri Lanka and Nepal to become involved in the U.S. strategy against China.

That said, among the small and medium-sized countries in the region, with the exception of Pakistan and Afghanistan, only Bangladesh has a long-standing security partnership with China centered on weapons purchases. In the security field, other countries have much deeper ties with India than with China. Regional states other than Pakistan also clearly recognize the risks of seriously challenging Indian interests. In addition, the United States is a major trading partner for most South Asian countries, which also seek U.S.

assistance on infrastructure.<sup>49</sup> Moreover, as seen in the cases of Sri Lanka turning to India and Pakistan to the United States in 2022, Washington and Delhi can be important partners for South Asian countries if they cannot receive sufficient support from China in addressing their economic difficulties.<sup>50</sup>

Precisely because of what they can gain from both the U.S.-Indian side and the Chinese side, South Asian countries seek to maintain relations with both camps. This approach has historical roots in these countries' experiences managing their relations with India, the regional hegemon, through using external powers as a balancer. However, as the competition between the U.S.-India entente and China has intensified recently, it has become easier for small and medium-sized countries in the region to pit the competing sides against each other.<sup>51</sup>

### *The Geopolitical Nature of Competition*

An important characteristic of the competition in South Asia is the lack of a struggle over liberal values such as human rights and democracy. This is in contrast to the global U.S.-China strategic rivalry, which has been increasingly gaining the elements of the competition over the future of the liberal international order.

U.S.-India relations have traditionally been touted as a partnership based on shared values, often described as the relationship between “the largest democracy and the oldest democracy.”<sup>52</sup> However, since the end of the 2010s, liberal values have instead been prominent as a source of friction between Washington and Delhi. This was exemplified by the Modi administration's lockdown of the Indian Kashmir in the wake of its announcement to abrogate the special status of the former state of Jammu & Kashmir, as well as enactment of the Citizenship Amendment Act (CAA), which includes discriminatory content against Muslims. India's close relations with authoritarian Russia, especially its purchase of Russian-made S-400 surface-to-air missiles, have also made Washington uneasy.

In the 2020s, the issue became even more contentious with the inauguration of the Democratic Joseph Biden administration, which emphasizes human rights issues. The Biden administration has raised concerns about the human rights situation in India at the ministerial level, provoking a backlash from the Indian government.<sup>53</sup> As for relations with Russia, since the start of the Ukraine war in February 2022, India's reluctance to condemn Russia for changing the status quo by force has led some in the United States to question India's commitment to liberal values.

Human rights issues have been a source of friction in Washington's

relations with other South Asian countries as well. Prior to the emergence of the global U.S.-China strategic competition, one of the primary concerns for Washington in its relations with smaller South Asian countries was the promotion of human rights and democracy. Due to this background, even in recent years, the United States has been exerting pressure on these countries to improve their human rights situations, while simultaneously courting them to counter Chinese influence in the region. In February 2020, the United States imposed sanctions on the Commander of the Sri Lanka Army for human rights violations during the country's civil war.<sup>54</sup> In April 2021, a U.S. State Department report pointed out widespread irregularities in the 2018 election in Bangladesh, which was won by the current government in Dhaka, and at the end of 2021, senior officials of a Bangladeshi paramilitary organization were subject to U.S. sanctions for human rights violations.<sup>55</sup> Both Sri Lanka and Bangladesh have not been invited to the U.S.-hosted Summit for Democracy.

In this respect, Delhi's stance differs from Washington's. While the United States places emphasis on the promotion of liberal values in the region, India does not pay much attention to political systems in its engagement with neighboring countries, the majority of which cannot be called fully democratic.<sup>56</sup>

Meanwhile, despite frictions over liberal values, the United States and India are determined to advance their partnership for dealing with China. Behind its response to the Ukraine war, which raised eyebrows in Washington and put a question mark on Delhi's credentials as a partner with shared values for the West, India calculated that the United States would allow it to take its own course on the Russia issue for the greater goal of counterbalancing China.<sup>57</sup> This was indeed the way the United States acted.<sup>58</sup> In addition, notwithstanding the concerns on human rights abuses, the United States has continued its engagement with the governments of Bangladesh and Sri Lanka, and neither country has rejected this engagement, even if they do not feel comfortable with U.S. sanctions.

On the other hand, there are no signs that China is deliberately promoting any political values or ideologies in South Asia. Hence, it can be concluded that the competition of the United States and India versus China in South Asia is largely geopolitical, with few elements of a struggle over liberal values.

## Regional Politics over Afghanistan and Pakistan

As the rivalry between the U.S.-India entente and China has intensified in recent years, a significant part of the regional politics involving other South Asian countries has been subsumed or at least overshadowed by this rivalry, because the two camps have been competing for influence over the regional countries. However, what is difficult to fit into this context is the politics over Afghanistan and Pakistan, which have been a main arena for the global war on terror for more than 20 years.

### *Context of the War on Terror in Afghanistan*

In comparison with other parts of regional politics in South Asia, which have gradually become dominated by the context of the rivalry between the U.S.-India entente and China, the past two decades of the politics over Afghanistan and Pakistan under the global war on terrorism had two unique characteristics.

The first unique characteristic is that the United States itself has made a direct and substantial commitment as the principal actor. From 2001 until its focus shifted to U.S.-China competition, the primary focus of U.S. national security policy was the global war on terror. Under the war on terror, the United States led nation-building efforts in Afghanistan until the Taliban regained power in the country in August 2021. In addition, the United States has positioned Pakistan, its longstanding ally since the Cold War, as a key partner in combatting terrorism in Afghanistan since 2001, which led to the provision of substantial U.S. economic and military assistance to Islamabad.

The second characteristic is that the United States has cooperated with Pakistan and China, both of which are hostile to India—Washington's partner in countering China. Pakistan, which borders Afghanistan, has been an indispensable ally for the United States to operate in Afghanistan. However, Pakistan was actually a problematic ally, as it continued to support the Taliban to secure its influence in Afghanistan, while publicly pledging cooperation with the U.S. efforts in the country. Although this led to the deterioration of the U.S.-Pakistan relationship, Washington still consistently necessitated the help from Islamabad. In particular, the United States sought to leverage Pakistan's influence on the Taliban in its pursuit of the peace process in Afghanistan.

Furthermore, Washington and Beijing had substantially overlapping interests in the two countries. Stability in Afghanistan, one of the foremost goals in the U.S.-led war on terror, was similarly important to China in

relation to the stability of Xinjiang. Respective threat perceptions regarding terrorism also overlapped between the United States and China. Al-Qaeda, the most prominent target of the U.S. war on terrorism and a collaborator with the Taliban, is closely aligned with the ETIM, which is hostile to the Chinese government, as well as Tehrik-e-Taliban Pakistan (TTP), which mainly targets the Pakistani state.<sup>59</sup> Both the United States and China are viewed as enemies by the Islamic State (IS).<sup>60</sup> Against this backdrop, some cooperation materialized between the United States and China on Afghanistan in the 2010s. Especially in the late years of the Obama administration after 2014, Washington and Beijing routinely coordinated their policies, engaged in joint projects, and collaborated on the pursuit of the peace process in Afghanistan.<sup>61</sup> Meanwhile, both the United States and China have placed emphasis on the stability of Pakistan. When Pakistan's law and order situation deteriorated around 2010, the United States and China reportedly held discussions on the matter.<sup>62</sup>

As will be seen below, because of the still remaining context of the war on terror, even in recent years the politics surrounding Afghanistan and Pakistan cannot be entirely fit into the configuration that largely dominates South Asian geopolitics, the competition between the U.S.-India entente and China. That said, it is noteworthy that, as the competition between the United States and China escalates, even the politics over Afghanistan and Pakistan, where U.S.-China-Pakistan cooperation in the war on terror was possible, are increasingly becoming overshadowed by the context of the U.S.-China rivalry.

### *Politics over Afghanistan*

Even amidst the escalating U.S.-China strategic rivalry under the Donald Trump administration in the United States, there was still some U.S.-China-Pakistan coordination in Afghanistan. The Trump administration initially took a hardline stance against Pakistan's support for the Taliban and indicated its intention to seek India's cooperation on Afghanistan. However, in mid-2018, Washington suddenly pivoted toward direct peace negotiations with the Taliban, mediated by Pakistan. China reportedly played a conducive role in this peace process, such as facilitating the release of Abdul Ghani Baradar, the would-be chief negotiator of the Taliban, from jail in Pakistan and encouraging the Taliban to continue negotiations when Washington once called off talks in October 2019.<sup>63</sup> This peace process culminated in the agreement between Washington and the Taliban in February 2020, which entailed a commitment by the United States to withdraw its troops from Afghanistan and a pledge by the Taliban to not



allow Afghanistan to become a safe haven for terrorist groups.

However, when Afghanistan's democratic regime collapsed and the Taliban seized power in August 2021, the U.S. and Chinese responses diverged. Having lost the democratic government in Kabul and withdrawn all of its presence, the United States has little intention to engage the Taliban-controlled Afghanistan to secure its influence, with the exception of responding to terrorist threats originating in the country. Washington has made it clear that, although it will provide humanitarian assistance to the people of Afghanistan, the U.S. government will not recognize the Taliban regime, lift sanctions, or resume aid unless the Taliban meets three conditions: dealing with Al-Qaeda and other terrorist groups in the country, establishing an inclusive government, and respecting women's rights.<sup>64</sup> Since August 2021, it has become increasingly distant for these conditions to be met. The killing of Al-Qaeda leader Ayman al-Zawahiri in Kabul in July 2022, which was done by the U.S. forces, demonstrated that the Taliban allowed the presence of terrorist groups within Afghanistan.

These U.S. demands largely overlap with what China hopes from the Taliban, albeit with different priorities and orders.<sup>65</sup> Nevertheless, China took a proactive stance in its engagement with the Taliban. In July 2021, Beijing obtained assurances from the Taliban leadership that it would not allow anyone to use Afghanistan for anti-Chinese activities. China expressed hope for continued relations with Afghanistan after the Taliban seized power, and the Taliban also called China its most important partner.<sup>66</sup> Although China has not recognized the Taliban regime to date, in March 2022 Foreign Minister Wang Yi visited Afghanistan and Beijing accepted diplomats appointed by the Taliban. In July of the same year, China announced tariff exemptions on imports from Afghanistan, the resumption of visa issuance to Afghani citizens, and its support for the extension of the CPEC to Afghanistan.<sup>67</sup> In early 2023, a Chinese company was awarded an oil development contract in northern Afghanistan.

Questions remain as to whether such engagement with the Taliban will bring concrete benefits to China. The ETIM, which China is wary of, is said to be expanding its activities in Afghanistan.<sup>68</sup> China's interests in Afghanistan's economic potential have often been pointed out, but the country is not an attractive investment target due to security and infrastructure issues, and few Chinese investment projects have been realized since the Taliban's takeover with the exception of the abovementioned oil development contract.<sup>69</sup>

However, Beijing's forward-leaning stance toward the Taliban is likely to be intended to achieve not only influence over the Taliban-ruled Afghanistan but also something beyond that. Namely, it can be seen as Beijing leveraging

the difference of attitudes toward the Taliban between China itself and the United States for the propaganda offensive in the context of the broader U.S.-China strategic competition. Since the Taliban seized Kabul, Chinese statements on Afghanistan have had conspicuous criticism of the United States, which had not been so prominent in the past.<sup>70</sup> These statements emphasize the failure of U.S. intervention and its negative ramifications, as well as the turmoil following the collapse of the democratic regime in Kabul. The statements sometimes speak on behalf of the Taliban, vocally criticizing the U.S. stance of putting pressure on the Taliban after the takeover.<sup>71</sup> Then, what is projected in contrast with these contents is an image of China as respecting and willingly supporting Afghanistan with its new leaders.<sup>72</sup> It is essentially a message claiming U.S. decline, unreliability, and irresponsibility.<sup>73</sup>

Afghanistan serves uniquely for this type of propaganda by China, as it exemplifies the failure of the U.S. nation-building effort to which Washington paid tremendous resources and sacrifice. Meanwhile, as the Afghanistan issue is utilized by Beijing to advance its objectives in the broader U.S.-China rivalry, the cooperation between the two countries on Afghanistan is no longer seen as it once was. The Extended Troika Meeting of the United States, China, Russia, and Pakistan, which had provided an opportunity for discussion between Washington and Beijing on Afghanistan, was last held in March 2022.<sup>74</sup>

That said, the unraveling of the U.S.-China convergence on Afghanistan has not led to the emergence of any significant U.S.-India cooperation to compete with China concerning Afghanistan.<sup>75</sup> In addition to the scarcity of options for Washington and Delhi, this can be attributed to India's strong distrust toward the United States in this context, deriving from its perception that Washington has consistently cooperated with Islamabad on Afghanistan at the expense of Delhi's interests.<sup>76</sup> Even recently, such a grievance was demonstrated by India's sharp reaction against U.S. military assistance to Pakistan for counterterrorism purposes, which was announced in September 2022.<sup>77</sup>

### *Politics over Pakistan*

Pakistan, which is the only country in South Asia that has clearly hostile relations with India, has developed strong ties with both the United States and China. While Pakistan was part of the U.S. anti-communist alliance during the Cold War and has been positioned as a key U.S. ally in the war on terror since the 2000s, it has historically built up an anti-India quasi-alliance relationship with China.

In the course of the war on terror, the stability of Pakistan state was threatened by the escalation of domestic terrorism, particularly in the first half of the 2010s. Against this backdrop, the United States and China were in accord on the importance of Pakistan's stability and the need to support the country. Therefore, when the CPEC was announced, the United States welcomed it from the perspective of Pakistan's economic development and stabilization.<sup>78</sup> That said, since the mid-2010s, Pakistan's economic dependence on China has increased due to the CPEC, in parallel with the United States gradually reducing its aid to Pakistan out of frustration with Islamabad's refusal to halt its clandestine support for the Taliban.<sup>79</sup> As a result, Pakistan's position between the United States and China shifted closer to the latter. The view gained traction within Pakistan's strategic community that the U.S. Indo-Pacific strategy, which encompasses U.S.-India cooperation, would be not only aimed at containing China, but also detrimental to Pakistan's interests.<sup>80</sup>

However, since the end of the 2010s, Pakistan has sought to rebuild its relations with the United States to avoid excessive dependence on China. This move was particularly conspicuous when the negative economic impacts of the CPEC forced Islamabad to accept a bailout from the International Monetary Fund (IMF) in 2019,<sup>81</sup> and in 2022 as the country faced another economic crisis due to CPEC-related liabilities and the global economic repercussions of the Ukraine war.<sup>82</sup> In addition, as the U.S. military withdrawal from Afghanistan came into view, Islamabad began to call for broadening U.S.-Pakistan relations from the relations solely focused on counterterrorism to a partnership involving a wider range of fields.<sup>83</sup>

The collapse of the democratic government in Afghanistan, which was caused by the Pakistani-backed Taliban, led to the emergence of a strong sense of fatigue in Washington concerning its relations with Islamabad. However, as the Taliban's Afghanistan takeover has led to escalation of cross-border terrorism against Pakistan by the TTP, a group closely aligned with the Taliban and Al-Qaeda, there are signs that the United States and Pakistan are trying to rejuvenate their counterterrorism cooperation.<sup>84</sup> In September 2022, the U.S. government reversed its policy since 2018 and authorized the sale of spare parts for the maintenance and repair of Pakistan's F-16 fighter aircraft to support its counterterrorism capability. Meanwhile, the United States is also providing humanitarian assistance in response to the massive flooding in Pakistan. Given the fact that the TTP is closely aligned with Al-Qaeda and that Al-Qaeda and other terrorist groups are reportedly enjoying freedom of activity in the Taliban-ruled Afghanistan, the revival of counterterrorism cooperation with Pakistan is also beneficial to the United States.<sup>85</sup>

However, such U.S.-Pakistan rapprochement is unlikely to result in the broader bilateral relationship that Islamabad hopes for. In addition to the still lingering sense of fatigue in Washington toward Pakistan, there is a constraint imposed by the mainstream geopolitical configuration in South Asia—the rivalry between the U.S.-India entente and China. Even limited cooperation centered on countering the terrorist threat originating from Afghanistan, which can be beneficial for China and India as well, may not be free from the configuration. Beijing once believed that U.S.-Pakistan cooperation, which could lead to strengthening of Pakistani state, would suit its own interests. However, in recent years, China is said to have become highly sensitive to any moves by Pakistan to improve its relations with the United States.<sup>86</sup> The United States, for its part, received strong opposition from India regarding the aforementioned sale of spare parts for Pakistan's F-16.<sup>87</sup> The room for politics not in accordance with the rivalry of the U.S.-India entente versus China has been steadily decreasing, even over Afghanistan and Pakistan.

## Conclusion

This chapter examined the regional politics in South Asia unfolding among the United States, China, and regional countries in the early 2020s, amidst the deepening of the U.S.-China strategic competition at the global level. In South Asia, the global U.S.-China competition is reflected in the rivalry of the United States and India versus China. At the core of this rivalry is competition between China and India, with border issues and the struggle for influence over regional countries being particularly contentious in recent years. China-India relations have veered in a clearly confrontational direction after the clash in June 2020. U.S.-India partnership, which has developed in parallel with the intensification of the Sino-Indian rivalry, is important for India to deal with challenges posed by China, but the direct role played by the United States in pushing back China is still limited in South Asia. Other countries in the region are not definitively committing to either camp, and instead building relations with both sides to maximize their interests. Additionally, this competition between the U.S.-India entente and China in South Asia has few elements of a struggle over liberal values.

On the other hand, under the global war on terror, the past two decades of the politics over Afghanistan and Pakistan had two unique characteristics that cannot be seen in other parts of the regional politics: direct and substantial U.S. commitment as the principal actor, as well as U.S. cooperation with China and Pakistan. However, after the fall of the

U.S.-supported democratic regime in Afghanistan, such erstwhile U.S.-China cooperation is no longer seen there, and China is pursuing influence over the Taliban and leveraging the Afghanistan issue for its propaganda offensive in the context of the broader U.S.-China strategic competition. That said, there is no significant U.S.-India cooperation to compete with China regarding Afghanistan, due to India's lingering distrust of U.S.-Pakistan counterterrorism cooperation. Meanwhile, in recent years, Pakistan has been trying to rectify its overdependence on China and rebuild relations with the United States, and there are signs of a revival of U.S.-Pakistan counterterrorism cooperation, triggered by the growing terrorist threats originating in the Taliban-ruled Afghanistan. However, this rapprochement is unlikely to lead to a broader U.S.-Pakistan relationship, which signifies the narrowing of the room for politics not in accordance with the dominant narrative in the region, the rivalry of the U.S.-India entente versus China.