



“China’s South Asia Strategy”

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Introduction

China's major interests in South Asia include promoting stability in both Afghanistan and Pakistan in order to curb the influence of Islamist extremists, and to facilitate trade and energy corridors throughout the region that China can access. China also is focused on enhancing its influence with other South Asian states, including Bangladesh, Nepal, Sri Lanka, and the Maldives, to further help it secure energy and trade flows from the Middle East and Europe, and as part of a global effort to extend its diplomatic and economic influence. Furthermore, China seeks to contain Indian power by building close ties with Pakistan and bolstering Islamabad's strategic and military strength. China likely assesses that, by tilting toward Pakistan, it can keep India tied down in South Asia and divert its military force and strategic capabilities away from China.

China has recently demonstrated willingness to play a more active economic and diplomatic role in efforts aimed at stabilizing Afghanistan. Washington welcomes Beijing's increased involvement in Afghanistan and views efforts such as the establishment of the Quadrilateral Coordination Group (made up of U.S., Afghan, Chinese, and Pakistani officials) as a rare opportunity for Washington and Beijing to work together toward a common security goal.

Still, it is unclear how China will square its desire for greater stability in Afghanistan with its goal of building Pakistan's military capabilities, part of which are directed toward supporting Taliban insurgents that are fighting Afghan security forces. I testified before this commission in May 2009 that China's security concerns about Pakistan could eventually move the Chinese in the direction of working more closely with the international community to press Pakistan to crack down on terrorist groups operating from its soil. I had cited as one example Beijing's refusal in 2008 to offer Islamabad a large-scale bailout from its economic crisis, thus forcing Islamabad to accept an IMF program with stringent conditions. I also noted that in December 2008 Beijing agreed to support efforts within the UN Security Council to ban a Pakistan-based terrorist organization associated with the 2008 Mumbai attacks.

Seven years later, however, China continues to focus more attention on shoring up Pakistan's military and strategic position in the region than it does on convincing Pakistan to crack down on terrorist groups that stoke regional conflict. Last June, for example, China blocked action at the UN Security Council to question the circumstances of Pakistan's release from jail of Mumbai attack mastermind Zakiur Rehman Lakhvi. China also has stepped up the scope and pace of its civilian nuclear cooperation with Pakistan, despite questions about the legality of such assistance, given Pakistan's status as a non-signatory of the Nuclear Nonproliferation Treaty (NPT). In short, China remains unwilling to directly pressure Pakistan to crack down on terrorists that contribute to regional instability, even as Beijing has suggested that future economic investments will hinge on the level of overall stability and security within the country.

India-China economic relations have expanded in recent years, but India remains wary of Chinese overtures to its neighbors and efforts to expand China's maritime presence in the Indian Ocean Region (IOR). Unresolved border disputes continue to bedevil relations, and there have been border flare-ups that raised bilateral tensions on at least two occasions in the last three years.

China Takes More Active Role in Afghanistan

Coinciding with the drawdown of U.S. and NATO forces from Afghanistan, China has taken a more active role in international diplomatic efforts aimed at stabilizing the country. In October 2014, China hosted the fourth Foreign Ministerial Conference of the Istanbul Process on Afghanistan in Beijing. In that same month, Afghan President Ashraf Ghani made his first foreign visit, after assuming power, to China. During the visit, Chinese President Xi Jinping agreed to deepen cooperation with Afghanistan and committed more than \$320 million worth of aid over a four-year period. Beijing further pledged to train 3,000 Afghan personnel in various fields over a five-year period and offered scholarships for 500 Afghan students.¹ While these aid pledges demonstrate growing Chinese commitment to Afghanistan's future, they pale in comparison to what has been contributed by other countries, such as the U.S., the UK, Japan, Canada, and India.

In a departure from its traditional hands-off approach to other country's internal conflicts, Beijing also has become more active in trying to facilitate a peace process between the Afghan government and Taliban insurgents. Last May, China hosted low-key peace talks between Afghan officials and Taliban leaders in Urumqi, the capital of the western province of Xinjiang. China did not officially acknowledge that the talks occurred, but a Chinese academic said that Beijing had provided neutral ground for the two sides to talk in a bid to bring stability to the war-torn country.²

More recently, China has agreed to join the U.S., Pakistan, and Afghanistan as part of the Quadrilateral Coordination Group (QCG) to facilitate peace and reconciliation in Afghanistan. The first meeting of the QCG was held on January 11 in Islamabad, where the participants highlighted the need for direct talks between the Afghan government and the Taliban, while also committing to preserving Afghanistan's unity, sovereignty, and territorial integrity.³ The QCG held three additional meetings on January 18, February 6, and February 23 in Kabul and called for peace talks to begin the first week of March (although no such talks had begun as of the writing of this testimony). It is noteworthy that China is willing to be part of the U.S.-supported QCG peace effort. In the past, China avoided any association with U.S. policies in the region, fearing that doing so would land them in the cross-hairs of Islamist extremists.

While China's interest in facilitating peace in Afghanistan stems in part from its desire to access the country as a gateway to Central Asia and Europe, it is primarily driven by its desire to prevent conflict from spilling over into western China in the Xinjiang Autonomous Region.⁴ According to Wang Xu, Assistant Director of the Center for South Asian Studies, Peking University, "instability of Afghanistan...would bring negative impacts to the security situation in (the) west part of China."⁵

¹ Huang Baifu, Vice Chairman of China Institute for International Strategic Studies, "Step up Strategic Communication and Work Concertedly to Deliver Lasting Peace and Stability in Afghanistan," *A Collection of Papers for the International Symposium on Afghanistan and Regional Security*, December 10–11, 2014, Beijing, China, p. 80.

² Edward Wong and Mujib Mashal, "Taliban and Afghan Peace Officials Have Secret Talks in China," *The New York Times*, May 25, 2015, at <http://www.nytimes.com/2015/05/26/world/asia/taliban-and-afghan-peace-officials-have-secret-talks-in-china.html>.

³ Joint Press Release of the Quadrilateral Coordination Group on Afghan Peace and Reconciliation, *Media Note*, Office of the U.S. State Department Spokesperson, Washington, DC, January 11, 2016, at <http://www.state.gov/r/pa/prs/ps/2016/01/251105.htm>.

⁴ Zhou Gang, "Trend of Situation in Afghanistan and China's Afghan Policy," *A Collection of Papers for the International Symposium on Afghanistan and Regional Security*, December 10–11, 2014, Beijing, China, p. 103.

⁵ Wang Xu, "Afghanistan Post-2014 and Its Implications towards the Region," *A Collection of Papers for the International Symposium on Afghanistan and Regional Security*, December 10–11, 2014, Beijing, China, page 136.

Chinese officials worry that the Uighurs, a Turkic-speaking Muslim ethnic group that resides primarily in the Xinjiang region, are being influenced by radical Islamists outside China, and that this is motivating them to carry out attacks inside the country.⁶

China hopes that, eventually, long-term stability in Afghanistan will allow it to build railways, roads, electricity, and water projects in the country as part of its Silk Road Economic Belt. China has already become a major investor in Afghanistan, through projects like the Mes Aynak copper mine—a \$3.5 billion project in Logar province run by a Chinese state-owned enterprise—the largest direct foreign investment in Afghanistan’s history. However, the Chinese project has been stalled due to ongoing security threats and inadequate infrastructure and transportation routes, and only a small portion of the total project cost has so far been invested. As one observer recently noted, “China’s economic incentives for helping with the peace process are secondary to trying to establish stability... How are you going to invest in, excavate and ship out all that copper if the war has never stopped?”⁷

While China’s interest in promoting stability in Afghanistan has been welcomed in the U.S., there are questions about the degree to which Beijing will press its traditional ally in the region, Pakistan, to break its ties with the Taliban insurgency. Some regional experts, such as Barnett Rubin, former State Department Senior Advisor to the late Richard Holbrooke, believe that Pakistan’s policy of using Islamist militants to achieve regional objectives now threatens Chinese interests. China thus seeks to incentivize Pakistan to crack down on these elements through offers of investment. Rubin views China’s role in an Afghan peace process as essential to moving Pakistan in the right direction with regard to influencing the Taliban.⁸

Some Indian observers, on the other hand, believe that China will collaborate with Pakistan in Afghanistan to the detriment of India’s interest.⁹ China expert and Senior Associate at the Carnegie Endowment for International Peace Michael Swaine also believes that China would not want its increased involvement in Afghanistan to jeopardize its close ties with Islamabad, or to undermine Pakistan’s position in Afghanistan vis-à-vis India.¹⁰

China’s increasing involvement in Afghanistan is unlikely to translate into support for Chinese forces being posted inside the country. It is possible that Beijing would send police or civilian security elements to protect its own investments and construction projects. But Chinese officials would almost certainly balk at even the suggestion that they send peacekeeping forces under UN auspices.

⁶ Edward Wong and David Jolly, “China Considers Larger Role in Afghanistan Peace Process,” *The New York Times*, January 24, 2016, at <http://www.nytimes.com/2016/01/25/world/asia/china-considers-larger-role-in-afghanistan-peace-process.html>.

⁷ Ibid.

⁸ Barnett Rubin, “Afghanistan and the Taliban Need Pakistan for Peace Talks,” Al Jazeera, January 10, 2016, at <http://www.aljazeera.com/indepth/opinion/2016/01/afghanistan-taliban-pakistan-peace-160110055820128.html>.

⁹ Kanwal Sibal, “China’s Growing Influence in India’s Neighborhood and Implications for India,” *Journal of the United Services Institution of India* (October–December 2015), p. 449.

¹⁰ Michael D. Swaine, “China and the “AfPak” Issue,” Carnegie Endowment for International Peace *China Leadership Monitor*, February 23, 2010, at <http://carnegieendowment.org/files/CLM31MS.pdf>.

Enduring Commitment to Pakistan

Pakistan and China have long-standing strategic relations, dating back to the mid-1950s when Beijing reached out to several developing nations. Beijing's ties with Islamabad were further solidified following the 1962 Sino-Indian border war, and have remained consistently strong ever since. Chinese policy toward Pakistan is driven primarily by its interests in containing India and diverting Indian military and strategic attention away from China. The China-Pakistan nexus serves both China's and Pakistan's interest by presenting India with a potential two-front theater in the event of war with either country.

While China favors a certain level of Indo-Pakistani friction in order to bog India down in its own region, Beijing has often played a helpful role in tamping down Indo-Pakistani tensions during periods of crisis, like the 1999 Kargil border war and the 2001-2002 Indo-Pakistani military mobilization.

China has built up Pakistan's conventional military as well as nuclear and missile capabilities over the years to help keep India off balance and focused on threats emanating from Pakistan.¹¹ China has an interest in maintaining strong security ties with Pakistan, but the notion that Chinese ties could replace U.S. ties has been overstated by Pakistani officials. The U.S. has provided considerably higher amounts of economic and military aid to Pakistan since 2002 (nearly \$27 billion), and serves as a link to other Western nations, which otherwise might be inclined to sanction Pakistan for its nuclear and terrorism activities.

China has also provided civilian nuclear technology to Pakistan, often without consent of the Nuclear Suppliers Group (NSG). In 2013, China agreed to build two new civil nuclear reactors in Pakistan, including an indigenous Chinese reactor with a 1,100 megawatt capacity. China says that its nuclear cooperation with Pakistan is limited to peaceful purposes and falls within international safeguards as determined by the International Atomic Energy Agency. But as a member of the 48-nation NSG, China has committed to refraining from exporting civilian nuclear technology and equipment to any country that is not a signatory to the Nuclear Nonproliferation Treaty.¹²

Moving forward, China will have to balance its interest in using Pakistan to contain Indian power with its rising concerns about Islamist extremist trends in the country. China views Pakistan (and Afghanistan) as breeding grounds for radical Islam and is concerned about these forces making common cause with Uighur separatists in Xinjiang. When ethnic violence broke out in Urumqi, the capital of Xinjiang province, in July 2009, killing 197 and injuring 1,700, the Chinese government partially blamed radical influence from Pakistan. Attacks in Xinjiang in July 2011 that killed 20 people also prompted Chinese criticism of Pakistan's failure to crack down on Uighur separatists in the tribal areas bordering Afghanistan.

China's pledge last April to invest \$46 billion in transport and energy projects as part of a China Pakistan Economic Corridor (CPEC) linking Kashgar to Gwadar has strengthened Beijing's strategic

¹¹ Lisa Curtis and Derek Scissors, "The Limits of the Pakistan-China Alliance," Heritage Foundation *Background* No. 2641, January 19, 2012, at <http://www.heritage.org/research/reports/2012/01/the-limits-of-the-pakistan-china-alliance>.

¹² Lisa Curtis, "U.S. Should Press China to Abide by NSG Rules on Pakistan Nuclear Cooperation," Heritage Foundation *Intelligence Brief* No. 4070, October 18, 2013, at <http://www.heritage.org/research/reports/2013/10/china-pakistan-and-the-nuclear-suppliers-group-commitments>.

commitment to Islamabad and boosted business confidence among Pakistanis. Many observers view the CPEC initiative as a direct response to the U.S. “Asia Pivot” strategy, and as China’s way of showing that it will extend its power and influence westward as the U.S. does so eastward. There is some skepticism about whether China will follow through with the level of investment it has promised in Pakistan. A research report by The Heritage Foundation published in January 2012 found that Pakistan often exaggerates the economic dimension of the China–Pakistan relationship. Pakistani media routinely cite huge numbers for Chinese investment and financing that cannot be verified through any independent source, including the Chinese government or the Chinese companies supposedly involved.¹³

In the past, security concerns in northern Pakistan and in Baluchistan have stalled Chinese infrastructure projects, including at the Gwadar Port. To address these security concerns, Pakistani Prime Minister Nawaz Sharif and Pakistani Chief of Army Staff Raheel Sharif reportedly promised President Xi that Pakistan would create a special army division totaling 10,000 troops that would focus specifically on securing Chinese projects in the country.¹⁴

Chinese Overtures to other South Asian Nations

Other South Asian nations—namely Sri Lanka, Bangladesh, and Nepal—view good ties with China as a useful counterweight to Indian dominance in the region. While the U.S. seeks to leverage its aid to encourage respect for human rights and democracy, Chinese aid comes with no strings attached. The introduction of the One Belt, One Road (OBOR) initiative, which seeks to enhance connectivity and cooperation among countries from the Pacific Ocean to the Baltic Sea, includes plans to significantly enhance Chinese presence in South Asia.

Sri Lanka: China provided substantial military aid to the Sri Lankan government in the final years of the civil war with the Liberation Tigers of Tamil Eelam (LTTE) at a time when the U.S. and India curtailed military supplies because of human rights concerns. China became Sri Lanka’s biggest donor and made a \$1 billion investment to develop the southern port at Hambantota. Sri Lanka’s willingness to allow Chinese submarines to dock at Colombo port twice in late 2014 alarmed Indian officials, who are wary of China’s increasing influence in its backyard. India fears that Chinese investment in South Asian ports not only serves Chinese commercial interests, but also facilitates Chinese military goals.

Sri Lanka has toned down its relationship with China since the defeat of the Rajapakse regime in January 2015 by a defector from his own cabinet, Maithripala Sirisena. Shortly after his election to power, President Sirisena pledged to put ties with India, China, Japan, and Pakistan on equal footing—a significant departure from Rajapakse’s pro-China policies. Sirisena went so far as to declare: “We will have a balanced approach between India and China, unlike the current regime, which was antagonizing India almost by its closeness to China.” The Sirisena government also put on hold the \$1.4 billion Chinese Port City project in Colombo, saying it would review the terms of the contract and evaluate how to make the project more transparent.

¹³ Curtis and Scissors, “The Limits of the Pakistan–China Alliance.”

¹⁴ Bruce Riedel, “One Year of Modi Government: Us versus them,” *The Indian Express*, May 25, 2015, at <http://indianexpress.com/article/opinion/columns/one-year-of-narendra-modi-government-us-versus-them/>.

Bangladesh: China is an important source of military hardware for Bangladesh and has overtaken India as Bangladesh's top trading partner over the last decade.¹⁵ Bangladesh and China hold regular military exchanges, and Beijing has provided Dhaka with five maritime patrol vessels, two small warships (corvette class), 44 tanks, and 16 fighter jets, as well as surface-to-air and anti-ship missiles.¹⁶ In addition, Bangladesh has ordered two Ming-class diesel-electric submarines from China that are expected to enter the Bangladeshi fleet in 2016. China played a large role in developing and modernizing Bangladesh's port at Chittagong, but more recently Dhaka has decided to cancel plans for China to construct a deep-sea port at Sonadia in southeastern Bangladesh.¹⁷

Nepal: China's main interest in Nepal stems from its concern over the large Tibetan refugee community there, numbering around 20,000. Beijing has pressed Kathmandu to tighten its borders with Tibet, which has led to a major decrease in the number of Tibetans able to flee to Nepal in recent years. Furthermore, Beijing has pressed Kathmandu for more restrictions on the activities of the Tibetan exile community already in the country.¹⁸ China also is bolstering trade with Nepal and pursuing road building and hydropower projects, and offered \$500 million in reconstruction assistance following Nepal's devastating earthquake last April.

Nepal currently imports all of its petroleum products from India, but is considering allowing China to fill some of its energy import requirements, even though that would almost certainly be a more expensive option. Following the disruption in oil supplies from India into Nepal, which coincided with protests by the Madhesi people against Nepal's new constitution last fall, China signaled it was ready to help Nepal meet its energy needs.¹⁹ Last month, Nepali Prime Minister KP Sharma Oli made his first foreign visit to India, ending speculation that he might break with tradition and make China his first overseas stop. The visit to India may indicate the Nepali government's recognition of its economic dependence on India. However, it will also be important to watch whether Prime Minister Oli signs a major energy supply deal with China when he visits the country later this month.

China's Maritime Ambitions

Another aspect of China's South Asia strategy is to increase its presence in the Indian Ocean Region (IOR) to help it secure energy and trade access. The concept of a Chinese "string of pearls"—a phrase coined in a 2004 Booz Allen study for the U.S. Department of Defense Office of Net Assessments—refers to the Chinese development of a network of naval facilities and access points

¹⁵ Alyssa Ayres and Ashlyn Anderson, "Economics of Influence: China and India in South Asia," Council on Foreign Relations *Expert Brief*, August 7, 2015, at <http://www.cfr.org/economics/economics-influence-china-india-south-asia/p36862>.

¹⁶ Zhang Tao, "China Delivers Two Corvettes to Bangladesh Navy," *China Military Online*, December 14, 2015, at http://english.chinamil.com.cn/news-channels/china-military-news/2015-12/14/content_6815636.htm, and Shannon Tiezzi, "China, Bangladesh Pledge Deeper Military Cooperation," *The Diplomat*, December 4, 2015, at <http://thediplomat.com/2015/12/china-bangladesh-pledge-deeper-military-cooperation/>.

¹⁷ "Bangladesh Scraps China-Proposed Deep Sea Port, India Offers to Help Develop Another," *zeenews.india.com*, February 8, 2016, at http://zeenews.india.com/news/south-asia/bangladesh-scraps-china-proposed-deep-sea-port-india-offers-help-to-develop-another_1853296.html.

¹⁸ Barbara Demick, "Tibetans Lose a Haven in Nepal under Chinese Pressure," *Los Angeles Times*, August 6, 2015, at <http://www.latimes.com/world/asia/la-fg-tibet-nepal-20150806-story.html>.

¹⁹ Yubaraj Ghimire, "Should India Worry About Nepal's 'Special Relations' with China?" *The Indian Express*, December 27, 2015, at <http://indianexpress.com/article/explained/should-india-worry-about-nepals-special-relations-with-china/>.

along the Indian Ocean littoral. According to Heritage Foundation Senior Research Fellow Dean Cheng, who specializes on China, Chinese investments in port facilities in nations along the Indian Ocean littoral are largely commercial and infrastructure development programs. To become military bases, these investments would require a far larger, more overt military presence, including access treaties with the host countries, hardening of facilities to withstand attack, and most likely the presence of units of the People's Liberation Army (PLA).²⁰ While the Chinese investments may not pose a direct military threat to India at the moment, they reflect China's growing interest in the IOR and provide China the ability to monitor Indian naval movements.

India indeed is increasingly concerned about China's efforts to build ports in Pakistan, Bangladesh, and Sri Lanka, believing that China ultimately intends to use the ports to extend its naval presence and could potentially use them for military purposes. Recent visits by Chinese submarines to Pakistani and Sri Lankan ports have further stoked Indian concern.

The Indian government under Prime Minister Narendra Modi is proactively countering Chinese maritime moves in the IOR, and is making its own diplomatic overtures in the region, especially toward Bangladesh and Sri Lanka. With Bangladesh, India last summer finally signed a historic Land Boundary Agreement (LBA) that would allow the exchange of border enclaves, granting tens of thousands of people citizenship and removing them from decades of stateless limbo. Last March, Prime Minister Modi was the first Indian Prime Minister to make a bilateral visit to Sri Lanka since 1987. India recognizes that it is far behind China with regard to investment in Sri Lanka (India has loaned about \$1.7 billion to Sri Lanka, compared to China's \$5 billion, over the last decade).

Prime Minister Modi has also been more forward-leaning in working with Washington, particularly on maritime matters, as a way to hedge against China's commercial and military expansion. The January 2015 signing of the "Joint Strategic Vision for the Asia-Pacific and Indian Ocean," committing the U.S. and India to cooperation outside of South Asia, was a landmark agreement. It specifically mentioned "ensuring freedom of navigation and over flight" in the South China Sea, confirming their mutual commitment to maritime security and to curbing China's maritime and territorial ambitions.

The Indian government's willingness to elevate the U.S.–India–Japan trilateral talks to the ministerial level and to allow Japanese participation in last fall's Malabar naval exercise further shows Prime Minister Modi's preference to operate on a broader front through multi-nation efforts, even at the risk of raising hackles in Beijing.

India's wariness about Chinese maritime ambitions in the IOR stem in part from recent Chinese provocations along their disputed borders. China and India have engaged in border talks for the past 20 years, but there is little hope of resolution in the near term. China claims about 35,000 square miles of India's northeastern state of Arunachal Pradesh, while India says that China is occupying 15,000 square miles of its territory in the Aksai Chin plateau of Jammu and Kashmir.

In April 2013, Chinese forces crossed six miles into Indian territory in the eastern Ladakh region and set up tents there for nearly three weeks. The incident angered the Indian public, and New Delhi signaled Beijing that it was prepared to call off a scheduled visit by the Chinese foreign minister in

²⁰ Dean Cheng, "China's Growing Military Pressure Against India," *The Daily Signal*, September 29, 2014, at <http://dailysignal.com/2014/09/29/chinas-growing-military-pressure-india/>.

the absence of a resolution to the standoff. Beijing eventually agreed to pull back its troops, and both sides pledged to restore the status quo ante along the disputed border shortly before Chinese Premier Li Keqiang landed in India for his first overseas visit on May 19.

It is unclear why the Chinese chose to ratchet up tensions along the border weeks before the premier's planned visit to New Delhi. The incident may have been aimed at pressuring India to pull back on patrolling in the area. Some media reports claimed that the agreement to defuse the border flare-up involved India's removal of bunkers that had been used to shelter patrolling troops.

Eighteen months later, in September 2014, Chinese President Xi's visit to India was overshadowed by border tensions provoked by unusual movements of Chinese soldiers along the disputed frontier in northern Ladakh.

Despite the border tensions and maritime competition, Prime Minister Modi is interested in expanding economic and commercial ties between India and China. China is India's biggest trading partner, with bilateral trade totalling around \$71 billion in 2014. One of Modi's key goals for his trip to China last year was to narrow the two countries' large trade deficit by convincing China to open up its pharmaceutical, auto parts, and agricultural sectors to Indian imports. During the visit, the two countries signed 24 agreements and nearly \$30 billion worth of business deals. Prime Minister Modi stopped short of accepting China's invitation to join its One Belt, One Road initiative, however, demonstrating that the two nations will continue to compete for regional influence.

Policy Recommendations

While there is some debate about Chinese strategic intentions in the IOR, and whether or not the "string of pearls" concept has been overstated, it is clear that China is interested in increasing its maritime presence in the region. Given the trend of Chinese assertiveness in pushing its maritime claims in the South and East China Seas, and its steady march to modernize and expand its naval capabilities, the U.S. must be proactive and plan for the likelihood that China will continue to open avenues of naval access in the IOR and eventually use these points of access for military objectives.

The U.S. should take advantage of deepening ties between India and the U.S., particularly under the current Modi government, and focus on building Indian naval capabilities and expanding its access to advanced naval technologies, so that India will maintain its edge in dominating the IOR. The U.S. will likely increasingly rely on India to help maintain freedom of navigation in the IOR as U.S. defense budgets remain strained and its global maritime commitments increase in the Asia Pacific. If India signs foundational defense agreements with the U.S., such as the Logistics Supply Agreement (LSA), the Communications Interoperability and Security Memorandum of Agreement (CISMOA), and the Basic Exchange and Cooperation Agreement (BECA), it would certainly enhance the case for expanding technology transfer to India.

The U.S. should also strengthen trilateral U.S.–India–Japan naval cooperation and look for opportunities to include Australia in such endeavors. The recent announcement by the U.S. Pacific Commander Admiral Harry Harris that the U.S., India, and Japan will conduct joint naval exercises in the north Philippine Sea this summer is welcome. India, in the past, has been reluctant to take part in joint naval patrols outside the IOR. While the Modi government has shown more boldness in its willingness to cooperate closely with the U.S., Japan, and Australia on mutual maritime goals, Washington must keep its expectations of India realistic. Washington should recognize that Indian

strategists understand that they are still behind China with regard to military capabilities and economic strength. Thus they will balance their desire to show Beijing that they have strategic maritime security options with their need to maintain peaceful relations with China and avoid military hostilities along their disputed land borders.

The U.S. should build on Admiral Harris' recent reference to quadrilateral naval cooperation among the U.S., India, Japan, and Australia. Increased naval cooperation among the quad countries could include sharing intelligence and conducting joint surveillance and reconnaissance operations. The idea is not to contain China, but to enhance understanding about what is taking place in both the Indian Ocean and Asia Pacific regions, and determining what is necessary to maintain free and open seaways.

Incidentally, The Heritage Foundation recently co-hosted a "Quad-Plus Dialogue" in India that brought together experts from the U.S., India, Japan, Australia, Sri Lanka, Indonesia, and Malaysia to discuss potential areas for cooperation, maritime security being one of the most salient. While there may be reluctance to officially reconvene the Quadrilateral Security Dialogue in order to avoid provoking the Chinese, the Quad-Plus participants agreed that there was tremendous merit in meeting at the Track II level to generate ideas for cooperation and foster better understanding of each country's security concerns.

With regard to Afghanistan, the U.S. should continue to work closely with China to bring a peaceful solution to the conflict. But the U.S. must also convince China that unless Pakistan cracks down on the Taliban on its side of the border, the insurgents will continue to make military gains in Afghanistan. While Pakistan has a critical role to play in encouraging Afghan reconciliation, it must prove that it is willing to pressure Taliban leaders to reduce the violence in Afghanistan. It is not enough for Pakistan to merely convince the Taliban to come to the negotiating table. Otherwise, a reconciliation process would merely turn into a way for the Taliban to bide its time while making military advances in Afghanistan.

The U.S. should also seek to convince China that overcoming the Islamist extremist threat in South Asia will require Pakistan to give up its reliance on terrorist proxies that attack India. The U.S. should convince China to cooperate on banning Pakistani terrorist organizations and individuals within the UN Security Council as a way to delegitimize terrorism more broadly. Washington must emphasize that, by giving Pakistan a pass on supporting terrorist groups that attack India, China is, in fact, encouraging overall extremist trends in Pakistani society.

Lastly, the U.S. should support the China Pakistan Economic Corridor (CPEC). The U.S. should help evaluate the progress of CPEC and encourage U.S. companies to support projects that are economically feasible and that will contribute to economic development in Pakistan and regional economic integration. Although questions persist about China's willingness to commit to major investments in the projects, and about Pakistan's capacity to absorb the same, any steps that might even marginally improve the energy sector and infrastructure in Pakistan are welcome.