

Editorial

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New Strategic Opportunities for the United States in South Asia and Its Neighborhood

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A salient, but somewhat overlooked, element of the Obama presidency is the rise of new strategic opportunities for the United States in South Asia and its neighborhood, through the revival and strengthening of democratic governments in large parts of this region. While these new opportunities have certainly risen due to many factors – some factors that have been in play for long time – Obama deserves at least some credit for many of these outcomes, even if the only action was a carefully calibrated inaction on Obama's part.

Here are the three developments in the last few years that have pushed back China in South Asia and the neighborhood: a dramatically new democratic order in Myanmar; a fresh beginning in Indonesia; and turn-over to a more responsive leadership in Sri Lanka. Add to these, a relatively peaceful democratic transition in Pakistan and continued consolidation and advancement of institutions in India. The only two instances for disappointment are developments in Bangladesh and Nepal.

These developments have brought significant beneficial geo-political opportunities for the US. In some of these cases (such as Myanmar), Obama and his administration gently nudged the society without being overbearing. In other cases (such as Indonesia), the administration acted as supportive cast. In yet other cases (such as India), the administration corrected its course and embraced the change.

Myanmar

From the geo-political point of view, the most notable of all the outcomes, is the just concluded peaceful and unimpeded elections in Myanmar. Myanmar – for the first time since 1962 – will have a civilian government, at least one that is not completely controlled by the military establishment.

While it is true that by provisions in the current constitution the military will retain significant power, including direct control over the police and large parts of the bureaucracy, there is much to celebrate: free and open elections, willingness of the military to respect the severely adverse electoral outcome, measured conduct by the victors -- National League for Democracy led by Daw Aung San Suu, and acknowledgment by both the military and National League for Democracy of the need for a “stable and peaceful” transition.

Myanmar's democracy has been long-time in the making, at least for the last 25 years when Daw Aung Suu won the elections in 1990. The military was forced to conduct the elections because of wide-spread protests. But those elections were nullified by the military. However, since then, the military has adopted incremental reforms

including crafting a new constitution in 2008 (which the military believes is sufficiently stacked in its favor.)

Through all these years, the US has maintained a policy of gentle nudge. Rightly so, because pushing Myanmar military hard would have been counter-productive particularly when China was openly willing to support the military¹. However, since 2011 Myanmar has turned to the United States because of heavy-handed approach of Chinese companies for a decade or so. President Xi of China has not visited Myanmar in the last three years that he has been in power.

Even when Myanmar turned to the US, Obama and his administration were careful not to take advantage of its vulnerability. While President Obama visited Aung San Suu twice in her home in Myanmar, the military was allowed to set its own timetable – with nudges for faster reform. So, the world now has a relatively free Myanmar which looks upon the US as a potential partner, and has moved away from over dependence on China. This is an important and a positive geo-political development for the US in a challenging neighborhood of China, Japan and India. This is also a celebration of American values of liberty and freedom. But unless the United States invests in Myanmar with a thoughtful and sustained plan (like a Marshall Plan) today's hopes are likely to turn into tomorrow's despair because Myanmar does not have the hard and soft infrastructure to bring a minimum measure of prosperity to its people in an urgent mode. That despair will bring back the military and push the country closer to China.

Indonesia

Another hopeful outcome was in Indonesia in 2014. Joko Widodo, the governor of Jakarta, won the Presidential elections defeating Prabowo Subianto, an ex-General under President Suharto who ruled the country with an iron-fist till 1998. While there were some reforms and new faces in the Indonesian government after the departure of Suharto, the political leadership was still connected to Suharto rule in substantial measure. However, for the first time in 2014, there has been a new beginning in Widodo who has no connection at all to Suharto and who campaigned as a reformist candidate with a record as the governor of Jakarta.

Obama and his administration preferred Widodo. While this preference was expressed subtly and indirectly for most part, it became direct in June 2014 when it appeared that Widodo's opponent – Subianto – was gaining ground².

Subianto was known to be a sympathizer of China and a man not hesitant to adopt violent means to retain power. Therefore, in the election of Widodo, the US administration has advanced both the geo-political interests of the US and the American values in the fourth most-populous country in the world. In light of China's aggressive posture in international waters and in the Indian Ocean, Widodo's presidency offers a new opportunity to the United States to contain that aggression. President Widodo's official state visit to the US in October 2015, at the

¹ In the 1990s and 2000s, Myanmar's military turned to China, and China obliged. Myanmar signed deals with Chinese companies to build hydropower projects, copper mines, and gas and oil pipelines. China is seeking control of Myanmar's first deep sea port in Kyaukphyu on the Bay of Bengal, which will be part of a planned special economic zone.

² As reported in media, the US ambassador to Indonesia Robert Blake sent an e-mail to the *Wall Street Journal*. On June 22, 2014 the *Wall Street Journal* published an article based on the email and citing Blake's call for Indonesia to investigate alleged human rights abuses by Prabowo. Blake while saying that the US administration was not taking sides in the Indonesian presidential race, admitted that his action followed poll results showing Prabowo gaining ground.

invitation of President Obama, has been perceived as a success by Indonesia's media and the citizens. That augurs well.

Sri Lanka

In case of Sri Lanka, the posture of United States was more direct in the last five years or so. President Obama and his administration were sharply critical of President Mahinda Rajapaksha for alleged serious human rights violations in dealing with violence and terrorism in Sri Lanka. Shunned by the US and the Western world, predictably, Sri Lanka moved closer to China for support and investment. China gladly leveraged this opportunity to increase its influence in South Asia against US and India, including substantial investments in critical ports and roadways. Rajapaksha permitted Chinese submarines to dock in Sri Lankan ports, thus creating serious anxieties in India and US.

President Rajapaksha, confident of his reelection, declared new elections for early January 2015. Inspired by the tough US posture, one of Rajapaksha's ministers Maithripala Sirisena resigned from the cabinet and announced his candidacy against President Rajapaksha. In Sirisena, the Sri Lankan electorate found a credible alternative. Tiring of Rajapaksha's heavy-handedness Sri Lanka voted Sirisena to presidency. The policies of Sirisena, and his Prime Ministerial appointee Ranil Wickramasinghe, are known to be more friendly to US and India, and less so to China. In fact, Sri Lanka has halted many infrastructure projects funded by China.

Accordingly, there is an opening here. But this opening will close unless the US acts decisively and immediately, directly or through international agencies, and help Sri Lanka restructure its debt payments. Sri Lanka is now buried in debt – most of it to China. 70% of the country's infrastructure projects were funded and built by China – thereby leading to a near tripling of its foreign debt over the past five years. Since many of these projects have been halted, China is very upset and is refusing to reschedule the debt payments. America must step in.

President Obama and his administration have not engaged with Sri Lanka in as sustained manner as would be recommended. That is unfortunate. Sri Lanka is an important gateway to Indian Ocean, and the security and prosperity of South Asia and the neighborhood region. If the US is interested in containing China, it is not enough to invest in India, Myanmar and Pakistan, but the US must also invest in Sri Lanka.

India

In case of India, President Obama and his administration corrected the course effectively and immediately in May 2014 in what otherwise would have been disastrous for both for the US and India. Until the national elections in May 2014, India's Prime Minister Manmohan Singh³ and President Obama had developed a personal rapport and deep respect for each other⁴. And then in the national parliamentary (Lok Sabha) elections of May 2014 Bharatiya Janata Party led by Narendra Modi won a decisive majority trouncing the Congress party and its allies. Accordingly, Modi was elected as the Prime Minister of India.

³ Prime Minister Manmohan Singh led a coalition of political parties with the Congress party as the major partner.

⁴ President Obama hosted the first official State Dinner in honor of Prime Minister Singh in 2009.

During his official visit to the White House in 2013, President Obama – in a rare personal gesture -- walked down to the White House portico to see off Prime Minister Singh.

Obama considered Singh not only as a statesman but also a thoughtful economist.

Here was the awkward situation, which President Obama corrected quickly and thoughtfully and Modi responded graciously. Based on allegations that he failed to stop systematic and pre-meditated violence against those of Islamic faith in his state of governance, Gujarat, in 2002⁵, the United States government under President George W. Bush had denied Modi visa to visit the US in 2005. After that, Modi never ever sought to visit the US nor did the US government ever hint at the relaxation of its policy set in 2005. President Obama, after he took office in 2009, did not pro-actively reverse President Bush's policy of no-visa to Modi and appeared to continue to keep Modi at bay⁶.

However, when Modi was elected as the Prime Minister in May 2014, Obama immediately and whole-heartedly embraced the verdict of the Indian electorate and the election of Modi as the Prime Minister. With no pause, Obama invited Modi to an official visit to the United States. Modi accepted the invitation and since then President Obama and Prime Minister have developed a collegial and warm relationship⁷.

In doing quick course correction, President Obama avoided a potentially adverse relationship with India. Since May 2014, Modi has visited the US twice and conferred with Obama, and Obama has visited India once (to be the chief guest of honor at India's Republic Day celebrations in January 2015.) The two countries have made progress in cooperation in strategic defense, and other areas. While still many complex legal issues remain, the two leaders have developed a frame work to resolve the thorny issue of liability that was impeding the implementation of the India-US civil nuclear agreement⁸.

If US-India relations had not been preserved and enlarged upon, as President Obama has done, there would have been no counter-balance to China in South Asia and its neighborhood. Democratic India now offers that.

Pakistan

The United States has held a strategic relation with Pakistan for a long time. But over the last decade and more, the US has grown weary of Pakistan's inability and/or disinterest in rooting out the sources of terror and extremism. But the US realizes that pushing Pakistan beyond a point would be counter-productive. The country may fragment and/or it may seek the protection of China.

⁵ Narendra Modi was the Chief Minister (the elected Chief Executive) of the State of Gujarat from 2001 to 2014, when he was elected as the Prime Minister.

⁶ There have been many reports on the allegations against Modi. Different reports have produced different findings. However, the allegations have been vigorously litigated in various courts in India, including the Supreme Court of India – the highest adjudicator. All the courts have thus far ruled that there is no evidentiary basis for the allegations against Modi.

⁷ In a short profile on Modi in Time magazine, Obama wrote thus in spring 2014, "As a boy, Narendra Modi helped his father sell tea to support their family. Today, he's the leader of the world's largest democracy, and his life story—from poverty to prime minister—reflects the dynamism and potential of India's rise."

⁸ India and the US, for the first time, now share a direct hotline between the two countries. Speaking over this hotline, Obama recently greeted Modi on the occasion of Deepavali – India's festive celebration of lights – in November 2015. India and the United States agreed to a framework in 2005 for negotiations of a Civilian Nuclear Agreement. The US Congress approved the agreement in 2008. For more details, please see: <http://www.cfr.org/india/us-india-unclear-deal/p9663> One of the sticky points in the agreement was liability. India insisted that the suppliers and vendors must bear all the liability, whatever be the cause. That put a damper. However, India and US have now agreed to three key elements: the establishment of an insurance pool to cover nuclear operators and suppliers for up to \$250 million in damages; a nonbinding legal memorandum asserting that Indian liability law is consistent with international norms; and a new system of reporting on the status of nuclear fuel and other materials supplied by the United States.

President Obama and his administration have been engaging the democratically elected governments of Pakistan, including the current government led by Prime Minister Nawaz Sharif. But the administration has also been careful to engage Pakistan's military establishment, because in Pakistan the Prime Minister is limited by the military and intelligence establishments. Following the official state visit of Prime Minister Nawaz Sharif in October 2015, the US government was about to receive the Pakistan army chief General Raheel Sharif in November for additional policy discussions.

The US-Pakistan relationship continues on a predictable path. Pakistan, as less than forthcoming as it may be in fighting terror, is an important bulwark against complete dissolution of order in the borders of Afghanistan. The United States needs Pakistan. President Obama and his administration realize this, and have accordingly maintained a balance in encouraging the democratically elected government even as it has engaged with the military establishment.

Bangladesh and Nepal

Democratic institutions remain under-developed in Bangladesh⁹. The last elections in early 2014 were boycotted by the opposition, Bangladesh Nationalist Party led by Khaleda Zia. The victorious Sheikh Hasina of Awami League, Prime Minister of Bangladesh, is confronting increasing violence, vandalism, and a fragile polity.

Nepal has been rocked with communist violence and instability for the last decade and more. After much debate, the country has now produced a new constitution but this constitution has become a source of strife as significant segments of minorities allege discrimination. India has been caught in this storm¹⁰.

The United States has engaged with Bangladesh and Nepal only in a limited manner. While a higher level of engagement with Bangladesh may earn surprisingly productive results¹¹, it is understandable that the United States has to prioritize its resources. India's interests – economic and political -- in Bangladesh and Nepal are substantial, and the US must find a way to work with India to bring greater stability and prosperity to these two countries.

In South Asia and the neighborhood, democracy is taking strong hold and democratic institutions are growing robust. The newly democratically elected governments in Indonesian, Myanmar and Sri Lanka are potential economic and security partners of the United States. These governments are pushing China back. But the United States must invest in Myanmar substantially, and assist Sri Lanka in its debt crisis with China immediately. India will remain a natural ally of the United States in the region. But expanding the relationship with India to include Japan, European Countries and Israel can further enlarge and strengthen this strategic relationship. Pakistan – as always – is a delicate balance. Bangladesh and Nepal require attention – and here, working with India may be the most efficient approach.

⁹ Bangladesh has a two-party system, but the parties have been led by the same two respective leaders since at least 1991. From 1991 they have rotated in office. This has created a stalemate.

¹⁰ The constitution transforms Nepal, once an officially Hindu monarchy, into a secular, federal government composed of seven states, each with its own legislature. The presidency will be a mostly ceremonial position, with real power vested in the parliament. Two large minority groups claim conspiracy. The Madhesi and Tharu ethnic groups claim that, while the new constitution appears to guarantee representation, its newly created states are actually designed to break minority groups into even less-powerful blocs. Madhesis are largely from India.

¹¹ Bangladesh is a populous country with over 150 million citizens – bigger than Japan and all the European countries.

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