

A Paradigm Shift toward South Asia?

While the United States and the world continue to debate whether the events of September 11, 2001, transformed world politics, the resulting U.S. war on terrorism clearly marks a critical shift in South Asian international relations. Although the Bush administration might have believed its initial involvement in South Asia after the attacks to be merely instrumental in the pursuit of larger U.S. aims, U.S. policy toward the region since September 11 has signaled a fundamental change in both the intensity and the quality of U.S. involvement in South Asia. Looking beyond the immediate objectives of the war on terrorism, the United States has begun to focus on the deeper conflicts that have long troubled the region. For its part, the region itself has been more receptive than ever before to the new U.S. engagement.

The result is a potential reorientation of the subcontinent. If the Bush administration can sustain the level of involvement it has demonstrated since September 11, the prospect of reordering both the subcontinent's interstate relations and its intrastate dynamics is real. And at the same time, South Asia might even prove an immediate, visible success of the Bush administration's expansive war against terrorism.

Unlike elsewhere in the world, where criticism of the U.S. war on terrorism has been trenchant even among U.S. allies, key sections of the region's political class have seen the U.S. effort as an opportunity. Few areas in the world have experienced the ravages of international terrorism like the subcontinent, where terrorism has really become part of everyday life. As the United States began to demonstrate greater interest in the region, South Asian leaders eagerly moved to draw Washington into their regional and in-

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ternal disputes by offering military cooperation in the war on terror. Although unstated, the new welcoming attitude toward the U.S. military presence and an enhanced U.S. security role in the region reflect a recognition that South Asian security has become a global issue and that the region's problems now are no longer manageable within the confines of either domestic political or bilateral frameworks.

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The return of the United States to the subcontinent at a deeper level of engagement than in the past can be considered poetic justice. After all, the successful U.S. strategy against the Soviet Union in the final phase of the Cold War set the stage for the rise of religious extremism and international terrorism in South Asia by pitting the jihadis against godless Communists in Afghanistan during the Reagan administration. After triumph over the

Soviet Union, the United States turned its back on Afghanistan, and the region saw the rise of the bastard children born from such U.S. strategy—Osama bin Laden and the Taliban. The northwestern part of the subcontinent—where the United States trapped the Soviet bear and bled it to death—became the new epicenter of international terrorism against the West. Although those jihadis were anticommunist, they were even more fundamentally anti-Western and opposed to the core values of the Enlightenment and modernity. It might take the full might of the world's sole superpower, drawn to the region by the drastic events of September 11, to begin to undo the unintended consequences of U.S. strategy in the last lap of the Cold War.

The United States attempted to deal with a broad spectrum of issues bedeviling the region—not merely religious extremism and international terrorism—throughout the 1990s, but the attacks in New York City and Washington, D.C., brought a new energy and purpose to U.S. engagement. In addition, for the first time in years, finding final solutions, or at least initiating processes to deal with long-standing regional conflicts, have won political attention in Washington. Although doubts remain in the region as well as in Washington about the U.S. ability to stay with South Asian problems in the coming years, U.S. involvement to this point has already begun to shape a new potential for South Asian security. With the subcontinent more willing than ever to see the United States play a larger role, change is likely. This paradigm shift in U.S. policy toward the region since September 11 can be gleaned from heightened U.S. interest in balanced relations with India and with Pakistan, U.S. efforts to manage the nuclear flash point in Kashmir, and the conscious U.S. promotion of wider regional stability and economic integration.

Two Steps Forward

The most significant discontinuity in South Asia since September 11 has been the development of sound bilateral relations between the United States and both India and Pakistan. One year after the attacks, the Bush administration can rightfully boast of strong equities and unprecedented good relations with New Delhi and Islamabad.

Throughout the Cold War, U.S. policy toward India and Pakistan inevitably took shape in a zero-sum game. The critical nature of Pakistan in U.S. Cold War alliances coupled with India's drift toward the Soviet Union and its emphasis on nonalignment reinforced a special bond in Washington's ties with Islamabad as it slowly eviscerated U.S. relations with India. After the Cold War, Washington tried to build relations with both capitals on a different basis, but the excessive U.S. focus on nonproliferation limited prospects for closer ties. Worse still, U.S. pressure to limit formally the two countries' nuclear programs eventually led to the overt nuclearization of the subcontinent in May 1998. The imposition of mandatory nuclear sanctions against India and Pakistan following the nuclear tests seemed to further undermine U.S. relations with both.

U.S. engagement with postnuclear South Asia, however, produced unexpected and somewhat counterintuitive results—a significant improvement in U.S.-Indian relations and the perceptible stagnation if not deterioration of U.S.-Pakistani relations, as reflected in President Bill Clinton's tour of the subcontinent in 2000. He spent five days in India and barely a few hours in Pakistan, where he fit in a public broadcast to warn the Pakistani people that, if their nation did not change course, it would become isolated in the international arena. Months before, in the Kargil conflict between India and Pakistan, the Clinton administration acted decisively in India's favor by pressuring Pakistan to end its aggression across the line of control unconditionally and unambiguously. This U.S. intervention was the very first in New Delhi's favor in the unending sequence of Indo-Pakistani conflicts.

Clinton's distinct approaches and emphases in dealing with India and Pakistan reflected the new sense in Washington that India was an emerging power in the global arena and a potential U.S. partner. In contrast, Pakistan was seen as a failing state headed further in the wrong direction. Perspectives on the subcontinent diverged as well. India saw the U.S. agenda as positive and covering a wide spectrum of issues while Pakistan viewed U.S. policy objectives negatively for the most part and directed toward ending Pakistani support of the Taliban, narcotics trafficking, and religious extremism.

President George W. Bush and his administration conveyed even more vigorously the U.S. distinction between India and Pakistan and the new,

positive U.S. attitude toward New Delhi. India's quick and enthusiastic support of the U.S. missile defense initiative in May 2001—so dear to the administration's ideologues—first drew India closer to the Republican White House. As the Bush administration sought to add a new strategic component to the U.S.-Indian relationship, it ultimately saw India as a potential counterweight to China, which until September 11 ranked high on the list of newly designated possible enemies of the United States. U.S.-Indian relations just before the attacks, therefore, were marked by expectations of a new journey about to begin.

Pakistan, on the other hand, which had returned to military rule in October 1999, was increasingly isolated internationally and virtually off the radar screen for the United States. India appeared close to achieving its long-sought objective of marginalizing Pakistani relations with the United States. In Islamabad, fears grew that the Bush administration was leaning toward India.

September 11 changed all that, and the new U.S. war against the Taliban and Al Qaeda brought Pakistan center stage. In the immediate aftermath of the attacks, India was quick to offer full military cooperation in the unfolding U.S. war against terrorism. New Delhi's decision was widely unexpected and new for Indian foreign policy, which had been shaped for decades by the principles of nonalignment. India's offer was based on New Delhi's assessment that a decisive moment in world affairs had arrived and should be seized firmly. India also believed that supporting the U.S. war on terrorism would go a long way in dealing with its own security threats from Pakistan's support of terrorism in Kashmir and beyond. New Delhi calculated that the events of September 11 would finally clinch the much-vaunted natural alliance, which India had hoped to build since the late 1990s, and take it to new levels. Nevertheless, while India enthusiastically courted Washington after September 11, the United States chose reluctant Pakistan as its partner against the Taliban.

Instincts and Strategies

Geographic access to the main theater of war in Afghanistan as well as the Pakistani army's intimate knowledge of the Taliban were, of course, decisive in Washington's choice to invite Pakistani Gen. Pervez Musharraf's support for the new war. For Musharraf, the choice was not quite so easy. On one hand, the opportunity to renew a strategic relationship with the United States at a critical moment for Washington might be too valuable for Pakistan to pass up. On the other hand, working with the United States would mean sacrificing two decades of Pakistan's political and emotional invest-

ment in Afghanistan. Establishing a friendly, if not pliable, regime in Kabul, which traditionally had been closer to New Delhi than to Islamabad, had been a long-standing political objective for Pakistan. Moreover, powerful sections of the army had helped to nurture the very Islamic extremist groups in Afghanistan that the United States planned to confront. India's eagerness to offer all operational support to U.S. forces also severely constrained Musharraf's ability to negotiate the terms and conditions of Pakistani support with Washington.

Yet, the pros of working with the United States outweighed the cons for Musharraf, and he made the fateful choice to support the U.S. war on terror against the Taliban. Musharraf hoped that, by offering military bases and other support to the United States, he could salvage some gains from the old Afghan policy and retain a little political leverage in Kabul; end Pakistan's political isolation; prevent U.S. targeting of his nuclear assets; and gain U.S. economic as well as political support for Pakistan's Kashmir policy vis-à-vis India.

Pakistan's secular elite, frustrated by the domestic consequences of the nation's Afghan policy and support for jihad, welcomed the renewed embrace of the United States as a way to end Pakistan's isolation and modify its alliance with Afghanistan's extremist forces. In India, however, renewed U.S. economic assistance to Pakistan and U.S. lionization of Musharraf for his contributions to the war against terrorism caused deep disappointment among those who hoped that the events of September 11 would solidify and heighten U.S.-Indian relations. Those Indians skeptical of New Delhi's extraordinary political investment in improving relations with the United States since the late 1990s now argued with some credibility that India had been barking up the wrong tree and that Washington had never been thinking about giving up its special relationship with Islamabad. This quick shift in U.S. affections on the subcontinent at such a crucial moment in international affairs seemed to bring the triangular relationship among New Delhi, Islamabad, and Washington back to an all too familiar and frustrating square one.

At the official level, India expressed a number of concerns about the unexpected turn of events. Perhaps the least important of New Delhi's concerns was that U.S. dependence on Pakistan to prosecute the war against the Taliban might mean retaining elements of the so-called moderate Taliban in the power structure in Kabul even after the war. Of greater concern was the possibility that Pakistan would be able to insulate its own sup-

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port of terrorism in Kashmir from the more broadly declared objectives of the U.S. war on terrorism. In other words, New Delhi officials were fairly unanimous in their certainty that the United States, to keep Musharraf on its side, would employ double standards in its pursuit—pursuing those terrorists threatening its own security and not those tormenting India. And because

groups in Pakistan were the source of Indian threats, the United States would be unwilling to counter them.

The U.S. has developed equities on both sides, but it is another matter to apply them.

Finally, and most crucial to New Delhi, pessimism began to cloud public thinking on the future of U.S.-Indian relations based on the feeling that post-September 11 developments had swept away more than a decade of political efforts to restructure the relationship with the United States. The apparent undercutting of Indian expectations of a new relationship—the center-

piece of the foreign policy transition underway in New Delhi throughout the 1990s—made temptations to return to old ways of thinking irresistible.

To its credit, the Bush administration managed the new challenge exceptionally well. Whether it had a conscious strategy or not, it displayed a rare U.S. sensitivity in not undermining its new relationship with India even as it reached out to Pakistan. The Northern Alliance's rapid advance following weeks of U.S. bombing in Afghanistan and the Taliban's subsequent swift collapse, calmed Indian fears about retaining moderate elements in the regime. Furthermore, from India's point of view, the U.S. refusal to accept some of the conditions that Pakistan had made regarding preventing the Northern Alliance's entry into Kabul, for example, suggested that Washington would follow its own counsel rather than give weight to Pakistan's interests in the U.S. war in Afghanistan.

Moreover, the Bush administration consistently sought to assure India that the war on terror would have no double standards. The United States insisted that it would have to set priorities in confronting the challenge but also hinted that, once the immediate threat in Afghanistan was tackled, India's terrorist concerns would also be addressed. On their own, these assurances had limited credibility, but U.S. assurances gained legitimacy in New Delhi from Washington's response to a series of major terrorist incidents in India after September 11. On October 1, 2001, in Srinagar; on December 13, 2001, at the Parliament House in New Delhi; and on May 14, 2002, at Kaluchak in Jammu and Kashmir—as well as when India threatened to go to war against Pakistan in the summer of 2002—the United States moved to restrain Pakistan from supporting terrorist acts in India.

As part of this activism, the United States formally acknowledged the link between Kashmiri terrorist groups operating in Pakistan and the Pakistani state itself for the first time. This act pressured Musharraf to proclaim in an important address to the nation on January 12, 2002, that Pakistani soil would not be used to export terror to any part of the world, resulting in formal commitments from Pakistan to end all cross-border infiltration and not to disrupt the fall elections for the Jammu and Kashmir Assembly in Kashmir. Despite Pakistan's demands that India engage in talks on Kashmir immediately, the Bush administration backed India's broad negotiating position that the creation of an appropriate environment free of violence must precede negotiations. The U.S. decision to confront Pakistan about its support of Kashmiri terrorism marked a big gain for India, despite Indian doubts about Musharraf's ability and willingness to honor his commitments to end cross-border terrorism.

Both Washington and New Delhi have become increasingly aware, however, that their intense interaction since September 11 has focused more on terrorism issues and management of the crisis between India and Pakistan than in the past. Unfortunately, the rapid, grand advancement in bilateral relations that would include stronger economic ties and U.S. liberalization of high-technology transfer, among other things, has not materialized. Bilateral defense cooperation has resumed, and for the first time in decades, the United States is considering transferring weapons systems to India. Nevertheless, if the United States were to resume major arms sales to Pakistan, the incipient defense engagement between the United States and India could once again be pushed off the rails.

More fundamentally, the perception that the Bush administration no longer feels an urgency to build a strategic partnership with India is gaining ground in New Delhi. Senior officials in the Bush administration have reaffirmed that India matters, but reassurance has not reversed the growing sense in New Delhi that, despite India's break from the past in supporting the United States in several controversial arenas such as missile defense, the International Criminal Court, and environmental issues, Washington is holding back support on issues of importance to India, particularly high-technology cooperation. The Bush administration appears committed to laying the foundation for a robust long-term relationship with India, but the realization of that foundation seems to remain some distance away.

Despite some disappointment in New Delhi about the U.S. ability to develop stronger bilateral ties with India or sufficiently influence Pakistan on terrorism, within the year following September 11, the United States without question has created the basis for a different kind of engagement in South Asia. Unlike in the early 1980s, when the renewed U.S.-Pakistani partnership pushed U.S.-Indian relations into the wilderness, Washington

has managed today to sustain broad-based engagement with both Islamabad and New Delhi.

The U.S. development of equities on both sides, however, is entirely different from the application of those equities to such practical purposes as assisting India and Pakistan to resolve the Kashmir dispute and normalize bilateral relations. Yet, the intense U.S. effort to defuse tensions between India and Pakistan in the summer of 2002 has in fact opened up the political space for the United States to move from crisis management to conflict resolution in South Asia. The Bush administration has rhetorically expressed reluctance to devote political energy to finding solutions to regional conflicts but has moved certainly—albeit slowly—toward attempting a potentially historic reconciliation between India and Pakistan.

From Nonproliferation to Peace

Fear that war between India and Pakistan over Kashmir could escalate to the nuclear level has been at the heart of U.S. foreign policy concerns in South Asia since the late 1980s. The notion of a nuclear flash point fused two separate issues at play between India and Pakistan. One was their continuing dispute over Jammu and Kashmir, which has acquired a new edge since the late 1980s, while the other was the U.S. objective to limit the proliferation of weapons of mass destruction (WMD) on the subcontinent. Since the 1990s, the United States has devoted considerable energy to dealing with these two separate challenges without much success. U.S. pressures on the nonproliferation front backfired with the Indian decision to go nuclear in May 1998 and Pakistan's move to follow suit. In addition, the Clinton administration's attempts to bring the Kashmir question to the center of its South Asian policy were strongly supported by Pakistan but vehemently rejected by India, leaving its Kashmir initiative in limbo.

The Bush administration took office with less of an ideological commitment to nonproliferation and even less of an interest in getting embroiled in settling the Kashmir dispute. As noted earlier, the United States hoped to build distinct relationships with India and Pakistan, with a special emphasis on the former. September 11 not only shifted U.S. attention to Pakistan but also added new gravity to the need to diffuse recurring nuclear crises between India and Pakistan as well as the underlying causes for the enduring tension between the two.

Prior to September 11, 2001, the Bush administration seemed ready to lift the sanctions imposed against India after the May 1998 tests. Unlike the Clinton administration, which made progress on the nonproliferation front central to the normalization of bilateral relations with India, the Bush ad-

ministration was prepared to move forward without even referring to nonproliferation. Among the benchmarks set by the Clinton administration, India's ratification of the Comprehensive Test Ban Treaty (CTBT) was critical. The Bush administration rejected the CTBT and other multilateral arms control arrangements; it was not going to tie its relations with India to the fate of one treaty. Unlike the nonproliferation zealots of the prior administration, the new leadership in Washington seemed prepared to think out of the box about the subcontinent's nonproliferation problem—to live and deal with the reality of nuclear weapons rather than set unrealistic objectives for U.S. policy in the region.

Even prior to September 11, the Bush administration faced stiff bureaucratic resistance to unconventional proposals such as giving nuclear safety assistance to India and Pakistan to ensure stable deterrence or rethinking the value of denying advanced technologies to India in the name of nonproliferation. The administration, which has enforced new thinking on global arms control and deterrence in Washington and beyond, has yet to come up with different answers to the nuclear problem on the subcontinent.

Observers believe that the administration is in the middle of a comprehensive review of U.S. nonproliferation objectives on the subcontinent. New regional concerns post-September 11 necessitate that this review deal with new challenges including New Delhi's quest for missile defenses, its desire for greater access to advanced U.S. technologies, the danger of Pakistani nuclear weapons falling into the hands of jihadis or a renegade section of the armed forces, and the destabilizing impact of cross-border terrorism on nuclear stability. The administration must also consider that a technology-denial regime against India makes little sense because it ignores recent technological developments in India; disregards New Delhi's emerging capability to export sensitive technologies, even while it remains outside the international architecture constructed to manage WMD proliferation; and belies U.S. proclamations of a strategic partnership with New Delhi.

The Bush administration's efforts to prevent nuclear war between India and Pakistan mark the one consistency in U.S. nonproliferation policy. As New Delhi and Islamabad moved toward acquiring nuclear capabilities in the late 1980s, the United States moved repeatedly to defuse military crises between the two rivals: the crisis over the Brass Tacks military exercises launched by India in the winter of 1986–1987; tensions between India and Pakistan in the summer of 1990; the 1999 Kargil conflict; and the Indian

The political space to move from crisis management to conflict resolution now exists.

military mobilization after the attack on parliament on December 13, 2001. This last crisis, however, was more severe than the others, given the intensity and credibility of the Indian war threat if Pakistan did not put an end to cross-border terrorism. India's threat not only promptly drew the Bush administration into the crisis but also forced Washington to look at the political sources of the conflict and at finding ways to alleviate them.

Attempts to overtly mediate Kashmir could lead to political backlash in New Delhi.

The high-level political intervention of the United States in South Asia during May and June 2002 succeeded in that it ended, at least temporarily, the threat of imminent war. At the heart of the U.S. crisis-management strategy was the acquisition of a commitment from Pakistan to end cross-border infiltration permanently and a promise from India that it would engage in substantive dialogue on all bilateral

issues, particularly the Kashmir dispute, when violence ceased. Although these reciprocal promises appeared to have staved off the immediate threat of war, that threat has not completely receded. Washington learned that it cannot intervene every few years to defuse a nuclear crisis between India and Pakistan; instead, it must find a way to reduce the enduring hostility between the two nations.

While defusing the 2002 crisis, the Bush administration stumbled upon three realizations that could provide the framework for a genuine peace process on the subcontinent:

- Pakistan's sponsorship of cross-border terrorism can no longer be ignored or condoned.
- Conflict resolution efforts are critical to end recurrent crises between India and Pakistan.
- Free, fair, inclusive, and nonviolent elections to the state assembly on the Indian side of Kashmir could be the starting point of a peace process on the subcontinent.

In the summer of 2002, U.S. crisis management anticipated that a credible election in Kashmir could pave the way for talks between New Delhi and Srinagar (the capital of the Indian state of Jammu and Kashmir) to deal with the internal dimensions of the Kashmir question. Negotiations between New Delhi and Islamabad to resolve the external dimensions of the Kashmir issue and normalize bilateral relations were also expected to follow elections, which have been widely seen as free and fair. Implementing this new

framework requires that the Bush administration take an active role to promote the peace process between India and Pakistan. The traditionally stated position that India and Pakistan should bilaterally resolve the Kashmir conflict while taking the wishes of the Kashmiri people into account is no longer sufficient.

A significant change in Indian attitudes about U.S. involvement in the dispute has facilitated U.S. intervention in the Kashmir conflict and U.S. efforts to promote a peace process. For decades, India has emphasized bilateralism and fiercely opposed both U.S. intervention in its disputes with Pakistan and the internationalization of the conflict, but the Clinton administration's response to the Kargil experience in 1999 demonstrated that U.S. intervention need not be against Indian interests.

A new trust in U.S.-Indian relations, hopes for a more substantive relationship with Washington, U.S. efforts to press Pakistan to end cross-border terrorism, and the new political recognition of the importance of finding a final solution to the Kashmir dispute in both Washington and New Delhi have allowed India to contemplate an increased role for the United States in subcontinental relations. Although India is not likely to accept formal third-party mediation, if the United States can deliver the conditions for a serious peace process that could lead to a reasonable final solution to the Kashmir dispute, India is likely to welcome some form of discrete U.S. facilitation. On the Kashmir question and its broader relationship with Pakistan, however, India continues to insist that at the table there is only room for two—New Delhi and Islamabad. India will never accept direct third-party mediation in its negotiations with Pakistan, where concessions and compromise might be determined and communicated through any actor other than itself and Pakistan. Even an overt U.S. enthusiasm—in the form of declaring an intent to mediate the dispute or appointing special envoys on Kashmir—could lead to political backlash in New Delhi and an eventual rejection of a third-party role all together. But unlike in the past, New Delhi does appear ready to accept a behind-the-scenes, low-key U.S. role in nudging the peace process along.

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The Bush administration has demonstrated more subtlety in its diplomatic activism in Kashmir than its predecessor. It has established positive relations with both New Delhi and Islamabad, engineered a productive triangular diplomatic process, and is currently in a rare position to impart momentum to a resolution of the Indo-Pakistani conflict. It must acknowledge that Kashmir has a long history of failed international diplomatic efforts and

should not underestimate the potential pitfalls of the present situation. A sustained effort by extremist groups as well as sections of the Pakistani armed forces to execute large-scale terrorist acts, leading to renewed military tensions between India and Pakistan, could undermine the delicate triangular diplomacy currently in play. Still, the prospect of fostering a changed relationship between India and Pakistan through U.S. diplomacy has never, in the last few decades, looked as real as it does now.

Beyond India and Pakistan

The events of September 11 not only lent a new urgency to U.S. involvement in India's and Pakistan's problems—historically on the U.S. radar screen, if not a pressing concern—but also catalyzed a new focus on other conflicts on the subcontinent, particularly in Sri Lanka and Nepal. The last years of the Clinton administration brought some new attention to Bangladesh as the discovery of large natural gas reserves, rising U.S. investments in the energy sector, improved economic and social indicators, and the sense that Bangladesh could emerge as a new symbol of successful democratic experimentation among Islamic nations collectively spurred some interest in Washington in developing relations with Dhaka. For the most part, though, U.S. attention during the Clinton administration was motivated by these economic and political objectives.

As part of the U.S. strategy to root out the forces of extremism and to encourage the resolution of conflicts that breed terrorism, the United States became more directly involved in the long-running civil war in Sri Lanka and the more recent but equally virulent Maoist insurgency threat in Nepal. High-level political contacts between Washington and Colombo have been more frequent in the year after September 11 than in recent decades; Washington also lent strong political support to international initiatives aimed at countering terrorism and promoting peace within each country. The new realization in Washington that defeating terrorism meant dealing with failing states pushed the Bush administration to recognize that this kind of threat on the subcontinent was real in regions in addition to Kashmir and to build its political contacts with the leaders of Nepal and Sri Lanka by receiving them in Washington and dispatching senior leaders to these countries.

U.S. interest in finding ways to address the two-decades-old civil war in Sri Lanka, where nearly 60,000 lives have been lost in the ethnic conflict between the Sinhalese majority and the Tamil minority, predates September 11. Because the activity of the Liberation Tigers of Tamil Eelam (LTTE) had strong financing sources in the United States, the terrorist organization was technically under the ambit of U.S. law and was therefore designated a foreign

terrorist organization in the late 1990s. The Clinton administration backed Norway's political initiative to facilitate a dialogue between the Sri Lankan government and the LTTE at the turn of the decade, which proved extremely valuable as it helped to broker a cease-fire at the end of 2001. The Norwegian initiative's success, however, also depended on the decisive warning from the United States to the LTTE in early 2002 not to use the peace talks to regroup, re-arm, and provoke another round of confrontation, as it had done in the past. Veiled in the warning was the suggestion that the LTTE could become a target of the U.S. war on terrorism, driving home an understanding among Tamil extremists that they would need to rethink their strategy. India's own strong support of the peace process in Sri Lanka and its refusal to allow the LTTE any leeway contributed to a new set of external circumstances, which helped to provide the opportunity to end civil war and move toward political settlement.

In Nepal, there is less optimism about the prospects for ending the ongoing Nepali civil war between the government and the Maoist rebels, which has entered its sixth year. Deep divisions within the Nepali political class and within the ruling party have made it that much more difficult to deal with the greatest challenge in Nepali history. Along with Great Britain, the United States unveiled an international initiative in June 2002 to provide Kathmandu with military support to deal with the Maoist insurgency and with badly needed economic relief in a country where the principal source of income—tourism—has been badly damaged by terrorist threats.

That this international initiative also seeks good governance reforms within Nepal can be interpreted as a direct reflection of the post-September 11 U.S. foreign policy tenet that failing and corrupt states tend to breed and condone terrorism. India, which historically has had a special relationship with Kathmandu and was suspicious of third-party meddling in the internal affairs of Nepal, now appears ready to work with the international community to address the challenges faced by Nepal. Its new positive relationship with the United States allowed New Delhi to join the international initiative to coordinate external military and economic assistance to Nepal.

New Delhi fears that Washington has lost the urgency to build a strategic partnership.

Prospects for Partnership

The globalization of South Asian security promulgated by the events of September 11 brought an increase in U.S.-Indian consultation on subcontinent-

tal security issues. In the past, a desire to preserve India's exclusive role in managing conflicts and to prevent other great powers from infringing on what India considered its sphere of influence directed Indian policy toward its smaller neighbors. Although New Delhi could not fully stop China and Pakistan from penetrating this zone, protecting the sphere of influence remained a dominant national security imperative for New Delhi. Initially, India was deeply skeptical of the Norwegian initiative in Sri Lanka and even suspected that it might be the wedge for an Anglo-American foray into the

subcontinent. Nevertheless, the broader context of improved U.S.-Indian relations, Norwegian efforts to keep India informed about the Sri Lankan peace process, and the shared Indian and Western interests in preserving Sri Lanka's territorial integrity and defeating the forces of terrorism and extremism in the region—especially after September 11—collectively eased Indian concerns about U.S. involvement in its sphere.

Washington will have to overcome its tendency to obsess over single issues in the region.

Even when New Delhi sought and expected improved U.S.-Indian relations just prior to September 11, India would have opposed an increased U.S. military and diplomatic presence in its immediate neighborhood. In the current state of international affairs, however, India recognizes the U.S. potential to act as a stabilizing force and understands that its own regional interests are commensurate with, not opposed to, current U.S. priorities. Now, the challenge facing New Delhi and Washington is to transform a consultative process into more substantive political and security cooperation to address failing states, promote political moderation, resolve regional conflicts, and defeat regional extremism.

This cooperation should also extend to working together to nudge Pakistan in a more positive direction politically. Such a proposal might seem strange given the history of the triangular relationship among New Delhi, Islamabad, and Washington, but both India and the United States should have an interest in moving Pakistan toward political modernization and social stability. Although there is no concrete evidence that New Delhi and Washington could accomplish this task together, it is even less likely that either could on its own.

If the globalization of security post-September 11 has helped pave new paths for political cooperation between New Delhi and Washington, then economic change in the region during the 1990s laid the foundation for U.S.-Indian cooperation to promote rapid regional economic development through integration. Under the pressure of the Washington Consensus for

globalization and privatization, all nations of the subcontinent adopted liberal economic policies during the 1990s. As they open their markets to the world, South Asian states are discovering that they cannot keep them closed to each other. While Islamabad continues to resist normal trade relations with New Delhi, the region's smaller countries are realizing that, like it or not, their economic futures are now intertwined with India. Meanwhile, proposals for mega-projects such as pipelines and transportation corridors, straddling across borders in South Asia, promise to deepen economic integration on the subcontinent further. Whatever its other negative consequences might be, the relentless pressures of globalization are helping to break down the subcontinent's economic walls.

Although entirely in India's favor at the moment, trade volumes within South Asia have begun to surge. Bangladesh and Sri Lanka are among the top ten export destinations for Indian goods. Nothing less than a reversal of the economic partition of the subcontinent is now in the cards. After partition divided British India into separate states in 1947, insular economic policies and political differences preserved borders as high-security barriers. Globalization offers the prospect of transforming these borders into zones of cooperation to reconnect regions that were once part of the same economic and cultural space.

One year after September 11, South Asia is at the cusp of a historic transformation. India has begun to shed the accumulated mistrust of Washington, is seeking stronger bilateral ties, and is ready to work with the United States to promote peace and prosperity in the region. Washington will have to overcome its tendency to obsess over single issues in the region—nonproliferation in the past and the war on terrorism now—but U.S. diplomacy since September 11 has set the stage for a more broadly based U.S. policy toward the subcontinent. New Indian receptivity to U.S. involvement in the region has opened doors for real progress. If the United States does not look beyond the immediate objective of pursuing Al Qaeda groups in the region, however, it risks missing this opportunity for expansive bilateral cooperation with India—in high-technology areas, in coordinating approaches to resolving regional conflicts, and in integrating the South Asian market—that can help reduce the kind of despair that threatens to serve as a breeding ground for violence and terror across the subcontinent.

