

# INDO-US NUCLEAR DEAL AND ITS IMPLICATIONS FOR SOUTH ASIA AND BEYOND

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### INTRODUCTION

The augmentation of the Indo-US strategic partnership in recent times signifies a possible transformation of the geopolitical scenario in South Asia and beyond. Greater cooperation in previously restricted areas between the two countries is viewed by many to have a significant impact on the strategic alignment of the nations in the region. But in the not-so-distant past, Indo-US relations were deadlocked in a nonproliferation straitjacket that had doomed all efforts at bilateral rapprochement after the firstl Indian nuclear test in 1974. Successive US administration at that time viewed India as an inextricable part of the problem of proliferation because of its nuclear capability and the existence of that capability outside various global regimes. Moreover, India's close relationship with the erstwhile Soviet Union, its opposition to virtually every U.S. position at the United Nations and its activities within the nonaligned movement during that period kept these 'natural allies' oceans apart.

But as things changed, the strategic convergence of India and US became inevitable if not certain in the post 9/11 scenario and in a changing geopolitical context. US realization that India would not give up its nuclear weapons as long as various regional adversaries (China and Pakistan) continued to possess comparable capabilities coupled with its assessment that India's nuclear weapons did not pose a threat to U.S. security and larger geopolitical interests, and could rather advance her strategic objectives in Asia and beyond in certain circumstances, accelerated the pace of this convergence. The events of September 11 lent urgency to the US plan to put the Indian nuclear technology and delivery system under some kind of international safeguard. These perceptions and compulsions became dominant in the Bush administration's thinking and radically transformed US outlook leading to a historic agreement on civil nuclear cooperation that was signed on July 18, 2005. The deal envisaged satisfying New Delhi's long-standing desire for greater access to restricted commodities in the areas of nuclear energy.

With such an accommodative attitude of both countries, it is likely that the deal will finally take effect in a not too distant future. Undoubtedly, this will have a far- reaching impact on South Asia and beyond. On foreign policy issues, the Act creates space for India to be eventually recognized as a nuclear state. There are apprehensions that externally the deal could offset the regional

balance of power, trigger a nuclear arms race and even affect US multilateralism in South Asia. On the nuclear front, the Act offers India access to technology so that it can build new, bigger, and better reactors, as well as procure uranium for those reactors – something that India is short of domestically. Internally, this could also ensure India's energy security and bolster her efforts to be a more assertive regional player. Such consequences deserve to be assessed fully, either to consider the possibility of altering the terms or with a view to mitigating undesirable effects. This is of particular importance when weighed against a nuclear China and Pakistan's May 1998 nuclear test and open declarations on the possession of nuclear weapons by those countries which has unleashed a continuing nuclear arms and missile arms race in the Subcontinent.

### NUCLEARIZATION OF SOUTH ASIA

## **Nuclearization of India**

'India's underground nuclear tests on May 11 and 13 (1998) caught the world by surprise.' To any 'moralist' looking on, the twenty-four year old restraint (from Pokhran-I in 1974 to Pokhran-II in 1998) was but a thin immoral veil for India bent on getting adequate technological and economic capability to make the bomb. To the 'realist' observer the break-up of the USSR, the superpower mentor of India, and increasing Chinese nuclear power, had created a 'security dilemma,' so that 'only India's nuclear capabilities could elevate India to a position where it could not be subject to Chinese nuclear coercion.' And to the 'orientalist' observer, since the security policies of the Third World countries 'are aimed at safeguarding the existing regime rather than the nation,' it was a ploy by the ruling Hindu nationalist party to bolster dwindling public support.

<sup>1.</sup> David Albright, "The Shots Heard `Round the World," *Bulletin of the Atomic Scientists*, Vol. 54,No.4(July/August1998),on-line,Internet, available from http://www.bullatomsci.org/issues/1998/

Barry B. Hughes, Continuity and Changes in World Politics: Competing Perspectives, Third Edition. (N.J. Princeton Hall Inc, 1991) See for details discussion on the theory of "Realism" and definition of 'Security Dilemma'.

<sup>3.</sup> Bradley Thayer, "The Causes of Nuclear Proliferation and the Utility of Nuclear Nonproliferation Regime," quoted in George Perkovich, *India'sNuclear Bomb: The Impact on Global Proliferation* (C.A.: University of California Press, 1999), p.5

<sup>4.</sup> Haider K. Nizamani, Roots of Rhetoric, 7. See for the definition of the term 'Orientalist'. 5 Ibid., 7

<sup>5.</sup> *Ibid*, p.7

<sup>6.</sup> David Albright, *Opcit*, This stereotypical label of the political party (BJP) in power at the time of the nuclear tests is found in most American reporting. This fallacy most probably pertains to the facts that the party's parental organization (RSS) has predominant Hindu membership, in 1947 it had opposed the idea of Indian partition on religious grounds.



1945 to Pokhran-I. India's independent research in the field of nuclear physics started as early as 1945. Homi J Bhabha, an Indian physicist of repute, contributed money towards the creation of a centre for the study of nuclear physics named Bhabha Atomic Research Center (BARC). In the early post-independence period 'Nehru's word and actions, indicate an essential duality and ambiguity that characterized India's nuclear programme. On one hand, the moralist visionary... abhorred the wanton destructiveness of nuclear weapons but on the other he granted Bhabha a free hand in the development of India's nuclear infrastructure pending a clear political decision. The contradiction remained till the early 60's when India confronted China over a land dispute in its Northeastern border. Following this episode, on October 16, 1964 China conducted its first nuclear explosion in Lop Nor. The fact that a territorial dispute existed between China and India ensured that India could not ignore the reality of the Chinese nuclear programme. Such concerns became the impetus for India's frantic search for security. It took India ten more years before she could explode her first atomic device.

However, India had always hoped to have US sanction for its nuclear ambition. Bhabha himself, in fact, had declared in 1965, that 'with a US blue print it (India) could do the job in six months.' Lal Bahadur Shastri, the then Indian Prime Minister, authorized the Indian Atomic Energy Commission (AEC) to prepare for a nuclear test. This shows that the 1962 defeat and the 1964 Chinese nuclear test had already led the Indian leadership to overcome their earlier Nehruvian stance. The background sketched here will be incomplete without mentioning the US nuclear policy of coercion adopted in the 1971 Indo-Pakistan war. 'Perceiving a threat to Pakistan, the United States responded by moving a large naval force into the Bay of Bengal off the coast of India.' It has since been revealed that the mission of the carrier group was to neutralize probable Soviet pressure on China to prevent it from intervening in the war. Nevertheless, the experience of 'nuclear intimidation' and the associated developments 'must have influenced Mrs. Gandhi in giving the green signal for the nuclear test.'

<sup>7.</sup> Sumit Ganguly, "Explaining the Indian Nuclear Tests of 1998," In *India's Nuclear Security*, ed. Raju G. C. Thomas and Amit Gupta, Boulder, C.O.: Lynne Rienner, 2000, p.39

<sup>8.</sup> George Perkovich, India's Nuclear Bomb, Pp.13-14

<sup>9.</sup> Ibid., 14.

<sup>10.</sup> Ganguly, Opcit, p.40.

<sup>11.</sup> Air Cdre Jasjit Singh, "Why Nuclear Weapons?" in Nuclear India, ed. Air Cdre Jasjit Singh, The Institute for Defence Studies and Analyses, New Delhi, 1998, p.14

<sup>12.</sup> Ibid., p.95

<sup>13.</sup> Kapur, p.133

Morton H. Halperin, Nuclear Fallacy: Dispelling the Myth of Nuclear Strategy, Ballinger Publishing Company, Cambridge, 1987,p.42

<sup>15.</sup> Perkovich, p.164

<sup>16.</sup> Ibid., p.31

**Pokhran-I to Pokhran-II.** On 18 May 1974 India tested its bomb, <sup>17</sup> following which there was international denouncement of India for undermining nonproliferation efforts. However, the superpowers were themselves on shaky ground morally and could not take any concerted action against India. After Pokhran-I 'the scientists had assumed that other tests would follow' but 'moral doubts, competing domestic priorities, and international considerations combined to turn India's prime ministers away from a nuclear weapon programme.' Through the early 1980s the US administration continued to push through military assistance to Pakistan to channel weapons and funds to the anti-Soviet' resistance movement in Afghanistan. The Reagan Government's reasoning was in consonance with the US non-proliferation policy of the day.<sup>19</sup> India may have learned to live with China as a nuclear power as it had to do so for past three decades, albeit with implicit security assurance from the USSR. However, continuous Chinese assistance to Pakistan on nuclear issues and missiles created a condition where two closely aligned hostile nuclear powers surrounded India, both of whom had claims to vast Indian territories. This situation made India take a fresh look at its strategic environment.

Sino-Indian competition can be explained in terms of China's policy to 'prevent the rise of a peer competitor' to challenge its status as Asia Pacific's dominant power. With Pakistan already an ally, China started its encirclement of India with its military forays into Myanmar after 1990. In addition to providing military aid, China established military facilities on Myanmar's Coco islands, which is within striking distance of India's Andaman and Nicobar Islands and missile testing site in the Bay of Bengal. In the North, China augmented its troop presence. In addition, runways were extended to handle China's newly acquired long-range Su-27 fighter aircraft. In the absence of a strong Russia which had earlier provided the semblance of a security umbrella to India, it was increasingly facing a security dilemma in the changed environment. In effect, India's aspiration as a dominant regional power was at stake unless it could attract US attention. Thus maintaining threshold status, it had widespread support inside and outside the government in India.<sup>20</sup> It was against this backdrop that on May 11, 1998, India simultaneously detonated three nuclear devices and followed this act by two more detonations on May 13, 1998.

<sup>17.</sup> Some observers claim that the atomic device was termed PNE because of the commitment that the Canada–India reactor would not be used for purposes other than peaceful.

<sup>18.</sup> Perkovic, p.188

<sup>19.</sup> Ibid., p.154.

<sup>20.</sup> Deepa M. Ollapally, "India's Strategic Doctrine and Practice: The Impact of Nuclear Testing", in *India's Nuclear Security*, ed. Raju G.C. Thomas and Amit Gupta, p.74.



Two conclusions emerge from the foregoing narrative. Firstly, the decision of Indian 'nuclearization' was not arrived at based on unidimensional factors. While a couple of events may have precipitated the final act, the process has been the result of an ongoing debate and had been under active consideration over twenty-four years. Secondly, India had been content with the ambiguous nature of its nuclear weapon status since it had offered her adequate security without putting demands on her economy. However, the imperatives of superpower politics in South Asia, the deteriorating security environment, a nuclear-armed China across the border, unresolved territorial issues and China's nuclear support to Pakistan, lack of assurance of global nuclear disarmament and renewed boost to non-proliferation regimes finally forced India into overt 'nuclearization'.

### **Nuclear Doctrine of India**

The draft Indian nuclear doctrine emphasizes 'no first use' (NFU), implying that its nuclear weapons would not be used against any non-nuclear state or 'any state not aligned with a nuclear power.' It also emphasized that India would use her nuclear weapons only in retaliation against a nuclear attack on Indian Territory or on Indian forces anywhere. However, an ambiguous statement inserted in clause 2.5 of the doctrine makes it clear that in the event of a major attack involving biological or chemical weapons against India or Indian forces anywhere, India would retain the option of retaliating with nuclear weapons. India maintains that in such an event it would have sufficient survivable and operationally prepared nuclear forces. It also calls for early warning capabilities, thereby implying creating space-based and other assets. To fulfill the objective of credible deterrence, India's doctrine calls for forces which would be effective, enduring, diverse, flexible and responsive and as such based on a triad of aircraft, mobile land-based missiles and sea-based assets. India thus created the Nuclear Command Authority (NCA) in January 2003. The NCA comprises a Political Council and an Executive Council. The Political Council, headed by the Prime Minister, 'is the sole body which can authorize the use of nuclear weapons'. It is presumed that the Political Council, in effect, would be the Cabinet Committee on Security (CCS).<sup>21</sup>

<sup>21.</sup> Raja Mohan, "Nuclear Command System: Credible India", *the Hindu*, January 8, 2003 (on line edition, accessed on 26 Jun 07)

#### **Nuclear Technicalities**

India's first power reactors, installed at the Tarapore Atomic Power Plant (TAPP) were from the US. BARC and the Indian Government consistently maintained that reactors would be used for programmes such as, Apsara, CIRUS (1960; with assistance from Canada), the now defunct ZERLINA (1961; Zero Energy Reactor for Lattice Investigations and Neutron Assembly), Purnimal (1972), Purnimall (1984), Dhruva (1985), Purnimalll (1990), and Kamini. However, Indian scientists and engineers had been working steadily since 1974 to refine and expand India's nuclear capability. India is believed to have begun work on a thermonuclear weapon in 1980. This was confirmed when in 1989, the Director of U.S. Central Intelligence told a Senate Subcommittee that India was seeking to purify lithium-6, which he called an 'indication of interest' in thermonuclear devices (hydrogen bomb). In the same time frame, fusing tests were carried out by the Indian military to verify that a nuclear bomb could be attached and released from an Indian aircraft. Indian scientists appeared to be anxious to measure the efficiency of new approaches to bomb-making, including miniaturization of warheads and new trigger mechanisms. It is believed that the miniaturized warheads are boosted fission devices. There were recurring reports that India had developed a thermonuclear device. It was also reported that the attempted nuclear test in December 1995 (cancelled under U.S. pressure) was a 'hydrogen' device. India, apparently, had not dedicated nuclear facilities for military purposes, and the same facilities were used for both civil and military purposes. For instance, the 40 MW CIRUS reactor imported from Canada for peaceful purpose had manufactured the plutonium used in the 1974 Pokharan 1(PNE) device; but also produced radioactive isotopes for medical, agricultural and other civil applications.<sup>22</sup>

It is estimated that India currently has between 75-110 warheads. It is claimed that the number of nuclear missiles will be raised to anywhere in-between 250-400 weapons in a matter of 3-5 years. These missiles and Prithivi-1 are mobile liquid fueled 150 km tactical missiles, currently deployed with the army. Prithivi-II has a range of 250 km. Agni, on the other hand, has a 2500 km range equipped with 1000-5000 PSLV (Polar Satellite Launch Vehicle). It can carry a payload of 1200 kg. GSLV (Gyro synchronous Satellite Launch Vehicle) has a payload of 2500 kg. Indians could also use their MIG-27 and Jaguar aircrafts for delivery of nuclear weapons after some modification. MIG-29, SU-30 and Mirrage2000 aircrafts could also be modified to air drop nuclear weapons. India has 16 submarines, one aircraft carrier, 23 destroyers and some fast frigates.

<sup>22. &</sup>quot;Implementing the Indo-US Nuclear Deal:a Pyrrhic Struggle." Available at http://www.india-defence.com/reports/1130, accessed on 23 August 07.



India plans to have five nuclear submarines capable of carrying missiles with nuclear warheads. Such military hardware support, no doubt, ensures that India could augment its doctrine to adapt to ground realities.

## THE INDO-US NUCLEAR DEAL

# Making of the Indo-US Nuclear Deal

Though many analysts have categorized the recent Indo-US nuclear deal as inevitable and have termed the countries as 'natural allies', it took quite some time for both the countries to reach where they are today. In fact, Indo-US cooperation on security issues started blooming only in 1992 when an Indo-US Army Executive Steering Committee was set up. This was followed up by the setting up of a Joint Steering Committee of the two navies, which conducted joint exercises in 1992. In 1993, the US Congress sought to establish new categories for providing assistance to India. This was intended to bring India closer to the US position. In 1995, the US and India signed their first agreement relating to defence relations, which provided for joint exercises. The Vision Document signed by Clinton and Vajpayee in 2000 expressed a "resolve to create a closer and qualitatively new relationship between the US and India" on the basis of common interests for ensuring regional and international security. This document envisioned India as 'strategic partner' of US ready to work towards stability in Asia and beyond.

The landmark Indo-US civilian nuclear deal, signed during the visit of US President George W. Bush to India in March 2006, amounted to a quantum leap in US-India relation. Apart from the US and India, the Indo-US nuclear deal also needed to be endorsed by the 45 members of the Nuclear Suppliers Group (NSG). The Indian Prime Minister in his recent visit to South Africa, a country which is also a member of the NSG, requested its support on this issue. The deal has successfully crossed a number of major hurdles in its way after being approved by US House of Representatives' International Relations Committee and then by the powerful US Senate Foreign Relations Committee with overwhelming majorities of 37 to 5 and 16 to 2 respectively. The US congress passed a legislation by 359-68 vote authorizing the President to waive the application of certain requirements under the Atomic Energy Act of 1954 with respect to India while asserting congressional oversight.<sup>23</sup> The deal needs to be approved in the US senate. The subsequent legislation would be an 'up-or-down' vote with expedited procedures if the President of the United States:

<sup>23.</sup> The legislation is termed as the 'United States and India Nuclear Cooperation Act of 2006'. See for details, Aziz Haniffa, "Praise Pours in for Passage of Nuclear Bill", available at http://www.rediff.com/ /news /2006/jul/27 ndeal6.htm.

- makes a number of certifications related to India and nonproliferation (along with a detailed report);
- exempts the agreement from certain restrictions contained in the Atomic Energy Act; and
- submits to Congress the India-IAEA agreement on safeguards for India's civilian nuclear facilities.

To bring it into effect, both countries have to pass it in their respective parliament. A bill numbered S 3709 (United States-India Peaceful Atomic Energy Cooperation Act) has already been placed in the US senate. It was supposed to be placed in the senate in the third week of September 2006 but was deferred till November of that year, which many observers attributed to US pre-election theatrics.<sup>24</sup> Many believed that if passed, the bill will 'cross the point of no return.' and the world will never be the same again.'<sup>25</sup> Although it looks like that the bill will have an easy sail in the senate, India has reasons for worrying about its future.

### **Controversies with the Deal**

The biggest concerns regarding the Indo-US nuclear agreement is its nebulous stand on non-proliferation issues. The agreement does not clearly spell out what will happen if India carries out another nuclear test. Legally, India would continue getting US cooperation on civil nuclear issue even if it explodes another nuclear device. Responding to this question in a BBC interview on 23 Jul 07, US under Secretary of State Nicholas Burns avoided making any comments on it. Instead he defended the deal as historic and one that would allow US firms to do business with India on nuclear technology and saw it bringing these two countries closer. This is why, many (like Perkovich) sees the deal as undercooked "...This particular agreement was very under cooked and not well-considered; very important details were omitted, but the idea of changing the rules to make some accommodation with India was correct."

India's apprehension starts with the Sections 106 and 107 of the bill dealing with the 'Prohibition of Certain Exports and Re-exports' and 'End Use Monitoring Programme' respectively. Understandably, such apprehensions are obviated by the fact that India will need approval from the US which might otherwise undermine its indigenously developed nuclear program. India is also concerned about keeping its FBR's out of IAEA inspection for its national interest.

<sup>24.</sup> Delays at US Senate Hamper Nuclear Deal, *The Financial Express*, (Internet Edition), October 1, 2006, Available at http://www.financialexpress.com/fe-full-story.php?content\_id=142108.

<sup>25.</sup> Siddaharth Varadarajan, "The Truth Behind the Indo-US Nuclear Deal", *The Hindu* (internet Edition), July 29,2005, p.1



The FBRs are the second of India's three-stage nuclear power programme and are vital for maintaining its long term energy security and minimum credible deterrent. The energy that comes out of the spent fuel resources from domestic uranium and thorium mines may constitute a large part of India's nuclear energy programme. Hence placing them on the civilian list would be tantamount to India compromising on its integrity and autonomy. It can force India into an import trap involving constant dependence on the US for supplies of imported enriched uranium.<sup>26</sup>

Non-proliferation experts from across the political spectrum have so far voiced their concern about the agreement. They have argued that the nuclear deal would put the U.S. in violation of its central obligation under the NPT of not assisting a non-nuclear weapon state. They charge that the agreement could free India's limited domestic nuclear fuel-making capacity, allowing highly enriched uranium and plutonium for weapons.<sup>27</sup> While some appreciate the idea of accommodating India given the reality, they feel that the agreement does not include enough safeguards to prevent India from applying nuclear technology and material for military use. Therefore, they believe that some changes need to be worked out before it is finalized.<sup>28</sup>

Irrespective of the advantages and disadvantages of the deal, it is true that without internationally agreed and enforceable rules, nuclear materials will be difficult to keep out of the hands of terrorists. Nuclear black marketers cannot be detected, deterred, and punished. Without a rule-based system, many states and not only rogues states might seek nuclear weapons. This will destabilize an international system that currently benefits the US above all other states. In such a context, the deal certainly has its merits as it compels India to bring some of its nuclear facilities under IAEA safeguards. In the backdrop of all these controversies, it is worth examining the implications of the deal on the region and beyond.

<sup>26.</sup> Institute of Peace and Conflict Studies, 15 February 2006, Fast Breeder Reactors: A milestone in India's nuclear programme, htt:// www. Ipcs.org/indo-us-nuclear 05. jsp

<sup>27.</sup> U.S. hints changes in nuke deal with India, 27 July 2006. The Daily Star, 27 June 2006.

<sup>28.</sup> Carnegie endowments for International peace for Faulty promises The U.S. India Nuclear Deal by George Perkovich. Carnegie Endowment for International Peace.

### IMPLICATIONS OF THE INDO-US NUCLEAR DEAL

# Strategic Partnership with US

To put it in simple words, the US wants a balance of power in the region that would work to maintain its own supremacy in a unipolar world. If China and India can be brought to a state of balance, US supremacy will remain unchallenged. However, there is more to the story. Since 'India is kind of reproducing unipolarity in its own fashion by demanding its own dominant position<sup>29</sup> in the region, the Indo-US nuclear deal will reinforce Indian ambition. Moreover, US want India to replicate regional unipolarity. To dissuade or prevent China from competing harmfully with it, the US must mobilize the states on China's periphery to balance Chinese power. Because India is a rising power with great intrinsic merits, including its attachment to democracy, it can be a natural partner of the US in the global system. Thus it is more likely that the US would cultivate a partnership with India and enhance India's international power. Indeed, some experts (like Mr Tellies of RAND Corporation) argue that allowing India access to US nuclear material and equipment will make New Delhi more likely to help further American strategic goals in the region. He further stresses that: "[It] would buttress [India's] potential utility as a hedge against a rising China, encourage it to pursue economic and strategic policies aligned with U.S. interests, and shape its choices in regard to global energy stability."30

To win over India, the US has altered national and international laws and rules that bar nuclear and missile technology cooperation with India. From an American perspective, changing these rules was necessary to cement the partnership. India's need to increase its use of nuclear energy in order to fuel economic growth is also coincidental. India has never been a threat to the United States or the liberal international system. Thus India's exclusion as an accepted nuclear weapons power was viewed by the Bush administration as a historical anomaly and it set out to correct it. However, some have argued that the US should have based her partnership with India on the need to augment the political-economic development of India's one billion people and not its nuclear program. India is too vital a country for the US to be regarded only as an instrument against another country. However, most US policy makers do not understand this fact and are motivated primarily by the desire to counter China. Problems may arise, however, when India decides not to accede to a particular US preference, as

<sup>29.</sup> Group Captain Mahmud Hussain, "Unipolarity: Its Reflection in South Asia with Special Reference to Bangladesh", NDC Journal, 2006. p.5

<sup>30.</sup> Siddharth Varadarajan, "The Truth Behind the Indo-US Nuclear Deal", *The Hindu*, Internet Edition, July 29, 2005.



when New Delhi refused to send troops to Iraq. India has clear strategic interest in improving relations with China. For the foreseeable future, it will continue to see the benefits of good relations with both the US and China.<sup>31</sup> Thus U.S. accommodation of the Indian government's preoccupation with nuclear power may not lead to any lasting partnership with India.

Nevertheless, the strategic partnership will not prevent new power blocks from engaging in the region: one with a distinct inclination towards India and US, while the other with China. Such alignments are likely to increase as India asserts her new position more aggressively. Indeed, the tone in the Indian foreign minister's statement in recent times about their smaller neighbours betrays symptoms of big brotherly attitude. South Asian neighbours will have to adjust to this new power scenario as US-India cooperation grows. The flip side for US is that this might affect its multilateralism in the region. India's smaller neighbours too may find it increasingly difficult to adjust to the spill over effect of Indo-US cooperation. Indeed the US has clearly stated that it has dehyphenated its relationship with India from its relationship with Pakistan. However, dehyphenation has meant that the Indo-US relationship directly impacts and aggravates Pakistan's security milieu. For Pakistan, therefore, the Indo-US strategic partnership will have a direct bearing on Pakistan-US relationship.

## **Dominance in Indian Ocean**

Indo -US alliance is undermining the strategic stability not just in South Asia but also in the East Asia region. This resulting instability is highlighted by the much less known aspect of the Indo-US nuclear deal called Proliferation Security Initiative (PSI).<sup>32</sup> PSI is part of the US notion of 'coalitions of the willing' which in some way undermines International law (in this case, the Law of the Sea) by attributing to members of the coalition the right to stop traffic on the high seas and in international air space on the slightest suspicion of transportation of WMD material or components This right can lead to harassment of many countries. India's access to PSI would allow her to conduct military operations in the high seas without a UN mandate. Apart from the US, India has also for the first time, agreed to multinational military operations with the US without a UN mandate. This will ease US concerns about the monitoring of non-proliferation regimes as India may be asked to let its Navy operate more frequently alongside the US Navy in the Indian Ocean. The purpose of these joint operations is essentially strategic since the US wants India to be an active partner in enforcing the PSI. Mr Tellis

<sup>31.</sup> George perkovich, "Faulty Promises-The US-India Nuclear Deal', Carnegie Endowment for International Peace, September 2005,p.6

<sup>32.</sup> The Military Balance, 2005-2006, p.230

predicts that a nuclear deal would "increase [India's] enthusiasm for taking part in counter-proliferation activity in the Indian Ocean." Although the Indo-US joint statement makes no direct mention of such cooperation, yet the real purpose of this initiative is revealed by the apparently inappropriate sub-heading under which it finds mention: 'For Non-Proliferation and Security.' India is clearly being seen as a regional manager allied to the US and increasingly dominant in the Indian Ocean.

## **Potential Arms Race**

In spite of the kind of restraint widely urged by the international community, Pakistan went ahead with its nuclear test on May 28, 1998 after India had conducted five such nuclear tests. Even an uncertain 'set of international guarantees' could not stop Pakistan from giving up a matching response. Such realities reflect the potentials of an arms race in the region that looms ever large with the signing of the Indo-US nuclear deal. Pakistan believed that its five tests on May 28, 1998 were justifiable. Both China and Pakistan reacted sharply to the Indo-US nuclear deal and feel that it gave India an extra advantage in the field of dual-use high technology, which could ultimately alter the balance of power in Asia. China has thus launched a well-orchestrated campaign against the deal. It wants India to fulfill NPT obligations and strengthen the non-proliferation effort. It would not be wrong to suspect that if India uses the agreement as a license to expand its weapons programme, Pakistan will be compelled to do the same. Pakistan has been ignominiously refused a similar deal by the United States.<sup>34</sup> A nuclear deal with India that allows China to seek precedent similar rule for changes or exemptions in the future could undermine U.S. efforts to contain Chinese power. Pakistan would not have acquired nuclear weapons without significant assistance from China, including provisions for tested nuclear weapons design.

## **Impact on the Economy and People**

Economic development is the most important determinant of Indian power and stability. However, the US-Indian strategic framework emphasizes weapons sales, co-production, and military to military cooperation and offers little that would significantly augment India's economic prospects. Most observers feel that economic rather than military is the most pressing political-economic challenge China poses to the US, India and other developing countries. Thus, the greatest strategic support the US could provide to India should be economic in nature.

<sup>33.</sup> Siddharth Varadarajan, Opcit

<sup>34.</sup> Indian Defense, New Delhi, March 2006, 'China Pakistan Oppose United States – India Nuclear Deal'. http://www.india-defence.com/reports/1424 accessed on 15 July 2007.

<sup>35.</sup> George Perkovich. Loc cit.



Energy generation, distribution, and efficiency are vital in this regard.<sup>35</sup> Nuclear power is an important element in India's long-term energy strategy and may or may not merit the value Indians have put on it. But developing nuclear energy will be a slow, expensive and uncertain process at best. Much more attention and assistance should be channeled to provide quicker and more efficient means to meet India's energy needs. Since 60 percent of Indians derive their livelihood from agriculture, the most important way for the US to bolster India's development would be to support trade rules and provide assistance designed to foster rural development and create social infrastructure to protect poor people as they move off the land into cities that lack jobs, housing and other resources. Electricity grids do not reach many rural Indians but rural Indians lack the well paid and powerful lobbyist that defence contractors and nuclear industrial interest have mobilized in Washington and New Delhi to put military sales and nuclear cooperation at the top of the US Indian agenda.

# **Indian Hegemony**

The use of force in foreign policy is not a new strategy, and India is no exception to that policy as was evident recently, when India sent her military to Sri Lanka on the pretext of peace keeping. The state of Sikkim lost its independence because of Indian military tactics. Land locked Nepal was at India's mercy after a blockade and there were even talk in the Indian media of sending troops to Nepal during the recent crisis with the King. India also sent troops to the Island of Maldives (Operation Cactus) to flex its muscle. In 1962 a border conflict with China erupted when for the first time India was defeated by a neighbour of comparable size. Reverberations from this defeat still rankle the command structure of the large and well-equipped Indian Army. These actions by India over the years certainly do not inspire confidence in her smaller neighbors.<sup>36</sup>

Not surprisingly, even in the early years of independence, India believed that its security parameters extended well beyond South Asia. For instance, in a message to the youth of Sri Lanka in 1945, Nehru declared that India was likely to become the center for defensive moves and trade for Southern and South East Asia. When India went overtly nuclear, it did so within the parameters of a well-defined long-term security policy. The parameters of this policy are being carefully and gradually enunciated by Indian analysts. Primarily, India is seeking to reassert its regional and global ambitions within the overall context of its nuclear capability. The reach of this capability has been translated into an expansion of India's regional parameters as India once again seeks to be acknowledged as a major regional and global power.<sup>37</sup>

<sup>36.</sup> Defence Journal, Pakistan Nuclear Doctrine by Lt General (Retd) Sardar FS Lodi, http://www.defencejournal.com/apr99/pak-nuclear-doctrine.ht, accessed on 27 August 2007.

<sup>37.</sup> Dr. Shireen M Mazari- The Indo-US Strategic Partnership. The Security for Peace & Development, Institution of Safety Security of IT Ltd. Dhaka,

# Implication of the NPT

The Indo-USA nuclear agreement clearly undermines the NPT on a number of counts. First, it contravenes the commitment by nuclear weapon states 'not to transfer nuclear technology and materials to states not signatory to the NPT'. Second, the NPT only recognizes the five nuclear weapon states that conducted tests before 1967 and yet the US, by accepting India's nuclear weapon facilities as being outside the purview of IAEA safeguards, has acknowledged India's standards as a nuclear weapon state. The reasons given by the US Undersecretary of State, Nicholas Burns, for such a position includes 'India's exceptionally strong record of non-proliferation and very strong commitment to protect fissile material, other nuclear materials and nuclear technology.' However India's 'exceptional non-proliferation record' is not above controversy. In 1975 India signed a nuclear cooperation agreement with Iraq and began helping in the completion of the Bushehr plant between 1980-1983. This included sending nuclear scientists and engineers to Iran in November 1982. In 1991, despite US opposition, India negotiated the sale of 10-megawatt nuclear reactor to Iran. In 1992, India also supplied thiodyglycol and other chemicals to Iran. In 1993, thirty tones of trimethyl-phosphite were supplied to Iraq by the United Phosphorous Company of India. The Indo-US nuclear agreement has further undermined the global non-proliferation regime, which had already suffered a setback with the failure of the NPT Review Conference in May 2005. It has also destabilized the nuclear balance in South Asia. Because of its direct contraventions of the NPT, it will undermine the international community's pressure on Iran and North Korea's nuclear programmes.<sup>38</sup>



# **Policy Options for South Asian Countries**

The policy options for the small nations of South Asia can have both military risk reduction and diplomatic collective security dimensions. Living under the specter of a nuclear war, India's South Asian neighbours cannot ignore this development. As alluded to before, the nuclear bullying syndrome may compel the smaller states of South Asia to join either India or Pakistan or ask for a nuclear umbrella from nuclear powers, such as USA or China. In a conventional setting aligning either with Pakistan or India would make sense. But in case of nuclear environment, countervailing either Pakistan or India, USA becomes the best possible alternative, since China is also a power in this nuclear equation. However, the Indo-US nuclear agreement has changed this scenario to some extent. Countries that are not 'comfortable' with India may also feel the same unease with the US because of the deal. Indeed, America's role as an honest arbiter in South Asia has been dented through this deal. This has made South Asian smaller non-nuclear states more vulnerable and brought a step closer to China.

Diplomatically, South Asian states have to resort to some kind of Collective Deterrence where a multilateral response would have to be directed to offset nuclear threat. Diplomatically, they should move to make South Asia denuclearized zone or make both parties sign a 'no first use of nuclear weapons' pact. There is however, remote possibility of either of these options being implemented. The idea of Confidence Building Measures (CBMs) is in vogue now but may not be sufficient for nuclear risk reduction. Bangladesh, being the largest non-nuclear state in South Asia, may take initiative along with other non-nuclear states, to organize sustained and quiet diplomacy between New Delhi and Islamabad "to delicately probe for an empathic understanding of the real thinking of the leadership of the two countries on their post-nuclear happenstance... and to facilitate their meeting across the negotiating table in a reasonable cordial frame of mind". 39 What can be emphasized is the need for dialogue between the two parties; this is critically important for mutual survival and for the survival of the other small states of the region. South Asian leaders would, therefore, be well-advised to reengage in negotiations to which there can be no substitute in a nuclear environment.

<sup>39.</sup> Khurshid Hamid, "Nuclearization of South Asia: Challenges for Bangladesh Diplomacy" in *BIISS Papers Number 17*, A. K. M Abdus Sabur ed., Bangladesh Institute of International and Strategic Studies, Dhaka, December 1998, Pp. 55-56

### CONCLUSION

The Indo-US nuclear deal has been of great interest for the region as it offers conflicting outcomes for nations in South Asia and beyond. The Indian pursuit of uninterrupted nuclear fuel supply sources to meet its civil nuclear facilities to provide the increasing demands for energy, together with the US bid to hedge China is often cited as the main stimulus for the deal. Sadly, the repercussions of the deal will be far more than what is perceived now. Indeed, India's aspirations of becoming a regional hegemon together with US patronization to that end attach a stigma to the deal and can arouse suspicion in the mind of other small nations of the region. It has also unleashed the specter of a renewed regional arms race.

Interestingly, the recently unveiled 123 Agreement between US and India does very little to address these concern. The 123 agreement spells out the details for implementation of the July 2005 Indo-US nuclear accord. It has already been cleared by the Indian cabinet. However, it is likely to face 'symbolic' opposition from the left in the Indian parliament. Indians have reasons to be happy with the final text of the 123 Agreement since it ensures sufficient safeguards and assurances for uninterrupted supply of nuclear fuel and will not make India subservient to America. The forty year agreement, extendable by ten years, containing seventeen articles commits the US to ensuring uninterrupted fuel supplies to Indian reactors even if it terminates its cooperation. It will help create a strategic fuel reserve to safeguard its nuclear reactors. Significantly, the agreement is silent on nuclear testing by India but makes clear that it will not hinder or hamper New Delhi's military nuclear programme. Ironically, it ensures access to nuclear technology to India without any obligation for it to sign the NPT or CTBT. A closer scrutiny of article 2 (Scope of Cooperation) and article 4 (Nuclear Trade) of the deal reveals interesting facts as to how far the US has committed itself to addressing Indian concerns. Additional step promised by the US includes permission for India to negotiate with the IAEA on an India-specific fuel supply agreement. This will support Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply to India's reactors. However, if despite all efforts, a disruption of fuel supplies to India occurs, "the United States and India would jointly convene a group of friendly supplier countries to include countries such as Russia, France and the United Kingdom to pursue such measures as would restore fuel supply to India." Clearly, the intent here is to isolate China and ensure uninterrupted nuclear assistance for civilian use, overlooking India's military nuclear capabilities and aspirations.

Understandably, as the deal gets through, India will reach its desired nuclear parity (with China) in a manner which will create a security dilemma. Such



perceptions are based on the Indian track record of using the nuclear assistance obtained under PNE for military purpose. The weakness of the agreement is that the distinctions between civil and military use are not strictly invoked in it. Silence about any future nuclear test by India and keeping the 'by product materials' out of IAEA safeguards etc. are ominous signs of the implications of the deal and possibilities of military use. Thus the precipitating effect of the deal will be felt in the military arena as well. The commissioning of the FRBs, which India is keen to keep out of the deal, and their perceived use will give India a much faster rate of growth in the nuclear field. This will, in turn, fulfill India's dream of developing a nuclear triad. The consequence of this process may lead to a regional arms race and also a more assertive India in regional matters. The PSI agreement between India and US is a sign of such an assertive role that has bypassed the UN. On balance, however, the U.S.-India nuclear deal as proposed will accomplish less than a lasting peace in the region. It will, in fact, result in many unforeseen situations and dash expectations, creating new fissures in an already fractured global nonproliferation regime.

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## LIST OF ABBREVIATIONS

ASEAN Association for Southeast Asian Nations

ARF ASEAN Regional Forum

BBC British Broadcasting Corporation

BIISS Bangladesh Institute of International and Strategic Studies

BARC Bhaba Atomic Research Centre
CCS Cabinet Committee on Security
CBM Confidence Building Measure
CTBT Comprehensive Test Ban Treaty
FMCT Fissile Material Cut off Treaty

FBR Fast Bread Reactor

GSLV Gyro synchronous Satellite Launch Vehicle

IAEA International Atomic Energy Agency

LEU Low Enriched Uranium

MAD Mutually Assured Destruction

MD Missile Defence

MTCR Missile Technology Control Regime

NFU No First Use

NCA National Command Authority

NGS Nuclear Group States

NRRC Nuclear Risk Reduction Centre
NPT Nuclear Non Proliferation Treaty
PSI Proliferation Security Initiative
PNE Peaceful Nuclear Explosion
PVSL Polar Satellite Launch Vehicle
RAND Research And Development
SARF South Asian Regional Forum

SLBM Submarine Launched Ballistic Missile

USSR United Soviet Socialist Republic WMD Weapons of Mass Destruction

ZERLINA Zero Energy Reactor for Lattice Investigation and Neutron Assembly

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