US NUCLEAR DIPLOMACY IN SOUTH ASIA AFTER THE NUCLEAR TESTS OF POKHRAN II AND CHAGAI

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CERTIFICATE

Certified that the Dissertation entitled **"US Nuclear Diplomacy in South Asia after the Nulcear Tests of Pokhran II and Chagai"** by **Ms. Srishty**, in fullment of the requirements for the award of the Degree of Master of Philosophy by the Centre for Studies in Diplomacy , International Law and Economics, has not been previously submitted for any other degree of this or any other centre/university. This is her original work.

We recommend that this dissertation may be placed before the examiners for evaluation.

Prof. (Dr.) K.D. Kapur
Chairperson and Supervisor

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May Good Lord deliver us.

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Srishty

PREFACE

Pokhran II and Chagai Nuclear Tests were seen as the starting point of a new phase in U.S. diplomacy, aimed at preserving the viability of the global non-proliferation regime. These developments were seen in Washington as having initiated an arms race in the South Asian sub-continent. In this respect, my dissertation aims at discussing and analysing the U.S. nuclear diplomacy towards India and Pakistan, the two major players in the South Asian sub-continent. The primary focus of the study is to –

- Examine United States diplomatic efforts to bring back the two South Asian countries into the American vision of nuclear non-proliferation, by making them participate in the various arms control negotiations (CTBT and FMCT).
- Discuss the imposition of economic sanctions, as a part of U.S. coercive and economic diplomacy.
- Examine the extent to which parallel disscusions with India and Pakistan have been successful as a part of U.S. diplomatic persuasion.
- Analyse Indian and Pakistani response to the U.S. diplomatic pressures.
- Discuss the extent to which the U.S. has succeeded in carving out a new role for itself in South Asia during the Kargil crisis.
- Analyse the outcome of the U.S. policy of promoting bilateral dialogue between India and Pakistan on reducing tensions – particularly in regard to Kashmir.

It is true that a regionally focused approach to the proliferation dilemma lies in resolving the security concerns that have led India and Pakistan to develop nuclear weapons in the first place. But at the same time the global political currency of nuclear weapons must be devalued. No amount of political, economic or any other kind of persuasion can succeed unless the Nuclear Weapon States accept certain restrictions upon themselves.

CHAPTER 1

U.S NUCLEAR DIPLOMACY IN SOUTH ASIA : BEFORE POKHARAN II AND CHAGAI NUCLEAR TESTS

"Over the long term, two South Asias are possible. The first is a region with minimal nuclear weapon capabilities that deter war but pose a risk of nuclear accidents and the unauthorised use of nuclear weapons. The second is a nuclear weapons-free subcontinent with an increased likelihood of conventional war but no chance of a nuclear weapons related disaster. Only Indian and Pakistani leaders can decide which South Asia they would like to inhabit."

— Devin T. Hagerty.[1]

India breached the international taboo on 'going nuclear' in 1998, by testing a series of nuclear explosive devices on May 11th and 13th and officially declaring itself a new 'nuclear weapons power'. These events triggered Pakistan's nuclear explosive testing response two weeks later, suddenly springing on the world stage two self-declared, non-NPT nuclear weapon states radically challenging the efficacy of the nuclear non-proliferation regime.[2]

Nuclearisation in South- Asia was seen in Washington as a direct challenge to the new international order that the U.S. has been building since the end of the cold war. These developments were seen as having initiated the much-feared arms race in the subcontinent. For the U.S., the testing by India and Pakistan proved

little except that they were at odds with rest of the world on the need to reduce the political salience of nuclear weapons. It was a blow to Clinton's non-proliferation agenda and his plans for bringing CTBT into force. All this has reinforced the already existing fear in the U.S. that a nuclear capable India and Pakistan would make South Asia 'the most dangerous place on earth,'[3] as the Indo-Pak cold war smolders in the shadow of nuclear weapons.[4]

While it is true that the possibility of a nuclear holocaust has receded with the end of cold war and the U.S. no longer apprehends a threat to its national security interests from Russia, after the collapse and disintegration of Soviet Union, the possibility of a threat emanating from nuclear proliferation by a number of Third World countries, including the two South Asian nations- India and Pakistan, is being taken seriously by the U.S.[5] This is because of the capability of both the countries to produce nuclear weapons and the efforts being made by them to perfect the means of delivering them.

It was these fears which forced U.S. to adopt strategies and pressures aimed at nuclear arms control — which exerted some restraint on the two South Asian countries and prevented them from

going fully and overtly nuclear till May'98. In this chapter, we shall review and analyse the contradictions and inconsistencies in American policy; the situation existing in South Asia; the U.S. interests and the various strategies adopted by U.S in South Asia before May'98 explosions — to persue its non-proliferation agenda.

(1) The situation in South Asia

On the Indo-Pak nuclear situation, a non-proliferation specialist Leonard. S. Spector[6] commented—

"It is possible that an open-ended nuclear arms race could ensure unless Indo-Pak relations improve and the threats posed by their respective nuclear programs are reduced through the adoption of mutual CBM's or related strategies".

'For most analysts in the United States, the three Indo-Pak wars, the festering Kashmir Conflict and India's and Pakistan's small, technologically unsophisticated nuclear weapon capabilities – are a *recipe for nuclear disaster on the sub-continent.*[7] Indeed, the nuclear arms competition between the two countries not only adds a more dangerous dimension to their enmity but also proves detrimental to the global arms control and disarmament regime. At least, this is

the position that Washington takes in regard to its non-proliferation policy in South Asia.

Prior to Pokhran II and Chagai tests, India and Pakistan were considered to be *de-facto* nuclear powers, each believed to be capable of assembling and delivering nuclear weapons in a matter of days.[8] Security seems to be the principal motivation of India's and Pakistan's nuclear posture. Whereas nuclear China and Pakistan pose a security threat to India, Pakistan perceives a security threat from nuclear India. China perceives no security threat either from India or Pakistan. It is this triangular tangle which imparts importance to the region.[9]

Origin of the perceived threat to India from China lie in the brief border war fought between the two countries in 1962. Since than, New Delhi's paronia about Beijing's intentions towards India has shaped its defense and security policy. That concern intensified after Chinas nuclear test in 1964. India's nuclear weapons program proved its capability with the peaceful nuclear explosion in Rajasthan in 1974.

In the case of Pakistan, the perceived threat from India is the

main driving force behind its quest for the atomic bomb. In 1966, after the India – Pakistan war of September 1965, the then Pakistani foreign minister, Zulfiqar Ali Bhutto, declared that if India made the bomb, Pakistan would follow suit even if Pakistanis had to eat grass. However, Pakistan started its quest for the bomb more seriously after its territorial disintegration in December 1971, when East Pakistan become independent Bangladesh, after a bloody nine-month long liberation war in which India's moral and material support for Bangladesh was very significant. In Jan 1972, Bhutto, then President of Pakistan, held a secret meeting with fifty top scientists of his country and gave them a 'green light for a nuclear programme.' [10] Possessing nuclear weapons gives Pakistan a rough parity with India that can never be achieved through conventional means.[11] That India tested a nuclear device in 1974 made the case for a Pakistani bomb even more compelling.

Apart from security, other considerations are also at work behind both countries nuclear programmes, namely acquiring prestige and projection of national power.[12] These are more pronounced in Indias case than Pakistan's. The existing global power structure lends some credibility to the idea that power and prestige go with

the possession of atomic weapons. It is not entirely coincidental that the five permanent members of the U.N. security council are also the five nuclear powers legitimized by the NPT. Indian and Pakistani attitude towards NPT shall be discussed in the next chapter.

Alongside nuclear bombs *per se*, both India and Pakistan have been engaged in developing missiles of various ranges. India has been testing two such missile types - the Prithvi, short range missile (150 - 250 kms) and the Agni, medium range missile (1,500 - 2,500 kms) - for several years. As a response to the semi-deployment of Prithvi missile in Punjab, Pakistan tested the Hatf - 3, a 600 kms ballistic missile in July 1997 and then in the spring of 1998 tested the Ghauri missile, which is claimed to have a range upwards of 1,500 kms.

In short, both the south Asian countries, for their own reasons had been convinced that a nuclear option strategy, or retaining the 'threshold status' or 'nuclear ambiguity' was in their respective national interest. It was for these reasons that the two countries in South Asia have moved to the top of the global nuclear and proliferation agenda for the decade of the 1990's. This provides American policy makers with both an insight into India's and

Pakistan's nuclear politics and an entry point into their nuclear decisions. In this regard, American policies designed to hinder the acquisition of nuclear capabilities by India and Pakistan occupy a position of centrality for the Indo-Pak standoff.

(2) American non-proliferation Interests/Objectives

'American non-proliferation interest', according to Stephen. Philip Cohen,[14] "fall into or touch upon three different areas"—

First, there are purely nuclear related concerns. These include slowing down or controlling regional military nuclear program's by stemming or stopping the flow of nuclear materials and technology to India and Pakistan; ensuring that India and Pakistan do not aid other states with their nuclear military programs; seeing to it that the South Asian example of creeping proliferation is not emulated or admired elsewhere and finally protecting NPT, especially, since it has come under Indian attack.

Secondly, Cohen has then sighted two of American strategic/ global interests associated with regional proliferation. One is containment of Soviet influence in South Asia. However, with the Soviet withdrawal from Afghanistan, proliferation becomes one area

where further cooperation with the Soviets makes sense, and might enhance both non- proliferation and the remnants of containment policy. Further, looking ahead to a world of five great powers, it is important to ensure that if regional proliferation occurs, it will not destabilize what will already be a very complicated global order. Along with the objective of non-proliferation the objective of maintaining the status-quo monopoly has acquired urgency hitherto unknown. While non-proliferation remains the prime objective, the hidden objective of maintaining U.S supremacy is the engine that provides the driving force. To this, Ashok Kapur adds the fact that " the international nuclear order is more imagination and rhetoric than reality, and the American preoccupation with schemes to create 'order' seems immune to critical self-evaluation." He describes how U.S. shows a choice of a selective proliferation or a 'selective non-proliferation' depending on the situation and context. It depends on interests and trade-offs in a basket of issues and is governed neither by non-proliferation regime norms and rules nor by legal and moral concerns.[15] Pakistan was a rogue in the mid 1970's because President Z.A. Bhutto was committed to developing a Pakistani bomb. But when Soviet Union invaded Afghanistan, Pakistan became a frontline

state and nuclear issue was put on the back burner. The U.S.A. has not only been arming Pakistan, it has been letting China arm Pakistan.[16] When soviet forces left Afghanistan and Pakistan's value in American strategy declined with the end of cold war, Pakistan's rogue status was restored. Thus, Pakistan shows that a country from second nuclear world can move from rogue status (during the administration of Jimmy Carter) to benign status (during the presidency of Ronald Regan) and back to rogue status (during the presidencies of George Bush & Bill Clinton), even though the pattern of Pakistani nuclear weapons work remained constant throughout.[17] Bargaining occurred because convergent interests overcame divergence about non-proliferation issues. In this sense, many analysts see the anti-rogue American diplomacy as essentially a public relations exercise, and a substitute for clear policy.[18]

Stephen. P. Cohen finally points towards a number of regional American interests at stake. American policy, has since 1947, favoured the emergence of a stable and cooperative South Asian regional system based upon Indian and Pakistani cooperation so that all regional states might better solve their pressing economic and developmental problems.[19] The U.S has parallel interests with a

moderate, Islamic Pakistan in the Persian Gulf and Middle East; and this justify a limited strategic connection. This connection could be endangered if Pakistan acquired an overt nuclear weapons capability. At the same time, India's growth as a regional power could challenge U.S. strategic interests in the Indian Ocean.[20] It may be pointed out that the U.S. has always relied on Pakistan to balance India, and thus for this artificial balance between the two pumped in billions of dollars in military and economic grant or aid.

(3) U.S strategies towards India and Pakistan:-

After the end of cold war, the U.S. has shown increasing interest in preventing the proliferation of nuclear weapons and missiles and has sought to stem the spread of these capabilities by

(a) attempting to build on existing global norms against proliferation and where possible, strengthening and broadening them;

(b) by focusing special efforts on those areas where the dangers of proliferation remain acute and this includes South Asia.

(c) by seeking the broadest possible multilateral support for non-proliferation policy;

(d) by addressing the proliferation issue though the entire range of political, diplomatic, economic, regional security, export controls and other tools available.

In recent years, the U.S has shifted the focus of its non-proliferation policy towards India. From the time of India's Pokhran Nuclear explosion in 1974 until the mid-1980's, it gave priority to persuade India to reconsider joining NPT, and short of that to accept IAEA inspection on all its nuclear facilities (full scope safeguards). As the goal of convincing India to join NPT failed under Presidents' Bush and Clinton, however, the U.S. policy efforts placed higher priority on fostering greater stability in the relations between India and Pakistan – by means of Indo-Pak confidence building measures, political accommodation and normalization of relations. Washington has also sought to persuade both states to cap their nuclear and missile capabilities as an initial step towards their ultimate elimination.

Despite the shock to the non-proliferation regime by India's 1974 tests, Washington had never backed up its non-proliferation diplomacy towards India with the same kind of far reaching sanctions on arms transfer and security assistance that it imposed on Pakistan in unsuccessful attempts to head off its development of nuclear arms in1970's and 1980's. In late 1992 however the U.S. congress added a new provision to the Foreign Assistance Act (section 620 F) calling the U.S President to persue regional nuclear non-proliferation initiatives in South Asia and requiring the President to submit twice yearly reports beginning in April 1993 on the nuclear weapons and ballistic missile programs of China, Pakistan and India. The law expected the President to determine whether either of the two South Asian states of concern possessed a nuclear explosive device. The U.S. legislation for the first time treated India on par with Pakistan as a proliferation concern. [21]

Also significant is the U.S Non-Proliferation Prevention Act (NPPA) of 1978. The basic stand taken by this law was that henceforth the United States would export nuclear materials (such as enriched uranium) only to countries that placed their nuclear

facilities under IAEA safeguards. This had the most direct bearing upon U.S.-Indian nuclear relations, especially upon the 1963 agreement.[22]

The launchings of 'Agni' and 'Prithvi' by India were also followed by imposition of Missile Technology Control Regime (MTCR) sanctions by U.S. which provides for tightened controls on people and materials that could be useful to India in building missiles or launching vehicles for peaceful purposes or otherwise[23]. The United States explained this step to be a part of international efforts to prevent the further spread of weapons of mass destruction.

Further complicating the issue of nuclear weapons in South Asia is a thicket of American non- proliferation laws that effect Pakistan but not India. [24] During the 1980's U.S waived some of its non- proliferation laws in order to extend security and economic assistance to Pakistan, then a frontline state in the struggle against Soviet occupation of Afghanistan. To do so, the President was required under the 1985 Pressler amendment (named after the republican senator Larry- Pressler of South Dakota) to certify annually that Pakistan does not 'possess a nuclear explosive device'.

Presidents Ronald Regan and George Bush made the requisite certification every year until 1990 when the Bush administration concluded that Pakistan had violated the 'possession' standard during a crisis with India that spring; as a result of this finding, American assistance to Pakistan was terminated. But eventually, the enactment turned out to be 'an insincere undertaking by both parties,' for it stopped neither the Pakistan's nuclear programme nor U.S assistance for that country, as long as the war in Afghanistan continued.[25] This was probably the result of a conflict between U.S interests in stopping Pakistans efforts at Nuclear Proliferation & her particular interest in strengthening the letter as part of the general strategy of building a position of strength in the Gulf area. This behavior of U.S. with Pakistan can be described as 'a marriage of convenience'[26].

Thus, we see that U.S has in the past and even presently been following a more or less inconsistant policy in its dealings with India and Pakistan. In order to achieve its objectives, the U.S. has to operate within certain parameters related to the ends it wants to achieve and the means it uses to achieve those ends.[27] Still the

U.S. has invested considerable diplomatic resources to denuclearise South Asia. The present goal of American non-proliferation policy towards South Asia is to 'cap, then over time reduce and finally eliminate' the possession of weapons of mass destruction and their means of delivery in India and Pakistan. Specifically, it is pressing them to join CTBT and an international agreement banning the manufacture of fissile materials for military purposes.

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CHAPTER 2

U.S. NON-PROLIFERATION AGENDA IN SOUTH ASIA

"Indians, Pakistanis and Chinese — not Americans — will decide the future of nuclear weapons programmes in South Asia. Optimally, these decisions will derive from deliberate, far-sighted calculations of national, regional and global interests. Americans and other outsiders can only facilitate and cajole in this process".

— George Porkovich[1]

The U.S. nuclear policy in South Asia has to be viewed in its complex intermeshing of core national security, strategic and political interests and global concerns to prevent the nuclear proliferation and missile building programmes, especially in regions like Middle East, South Asia and North East Asia.[2] Its policies are guided by the stark reality that the United States is the most powerful country in the world— 'First amongst unequals'. [3] The fundamental question that confronts America today is how to exploit its enormous surplus of power in the world: What to do with American primacy? [4] In realistic terms, the American policy has been conceptualised, designed and articulated within broad parameters of sustaining its technological and economic predominance.

Though the Clinton administration announced global non-proliferation goal on "high priority" of its foreign policy, it has simultaneously made it unambiguous that it would retain nuclear weapons and fissile material—plutonium — as a 'last resort' of its national defense. [5] Currently, it is engaged in research on pure fusion weapons through computer stimulation, National Ignition Facility, Stockpile stewardship movement programme, Strategic Defence Initiative, Accelerated Strategic Computing Initiative and Theatre Missile Defence , which not only legitimises the importance of nuclear weapons as currency of power, but also provide incentives for emulation. One cannot therefore rule out the possibility that United States insistence on sustaining the legality and legitimacy of nuclear weapons may be related to its hope of developing a supremacy in the next generation of nuclear weapons. This duel track policy adopted by the United States, is a real challenge to its nuclear non-proliferation concerns and goals.

Threshold nuclear states in the very beginning had adopted tactical policy of nuclear ambiguity perhaps with an understanding that if the nuclear superpowers, namely U.S, Russia and China, were really serious about the global non-proliferation and disarmament by dismantling their huge nuclear arsenals, they might not exercise their nuclear option. But their waiting proved

unrewarding and finally India and Pakistan conducted the nuclear tests in May '98. In his speech before the Asia Society on September 28, 1998, Indian Prime Minister Vajpayee outlined the reasons that led India into the tests in the following words — "we were forced to exercise our nuclear option both for reasons of national security and as a challenge to the practitioners of nuclear apartheid. With this firm action we have reminded the nuclear club that the voice of $1/6^{th}$ of humanity cannot be ignored".[7] India has always shown a favour for global disarmament or the exercise of the principle of equal and legitimate security for all.[8] India having failed to register even the slightest advance on nuclear disarmament felt compelled to opt for the second alternative. Pakistan, on its part, said it was left with no choice but to respond to the Indian tests so as to restore the " regional strategic balance," doing so with its own series of nuclear tests on May 28 and 30. [9] Pakistan was pursuing purely Indo-centric postures on the NPT and CTBT. India was cornered by the global community on such a policy.

Predictably, the first reaction of the west has been one of great anger. The G-8 and the U.N. Security Council have condemned the tests, and as the country that went nuclear first, India attracted most of the blame. In press briefings after Pakistans nuclear test, Secretary of State Albright and Defense

secretary Cohen accepted Pakistans explanation that it was forced to go in for the tests in order to match India. As for India's reasons, both dismissed Indian Prime Minister Atal Behari Vajpayee's explanations in his letter to President Clinton after the nuclear tests that India was forced to test its nuclear weapons because of a sharp deterioration in its security environment. Instead both ascribed Indian governments decision to that most irresponsible of motive—the desire of a Hindu nationalist Bhartiya Janta Party government to promote its ideology of a Hindu renaissance, increase its following in the country, and consolidate its hold on power. So exclusively did the U.S. focus blame on India, that about a fortnight before President Clintons visit to Beijing, Albright denied categorically that China had transferred nuclear or missile technology to Pakistan "in recent years".[10] Prem Shankar Jha is of the opinion that not only did Washington turn a deliberate blind eye to the effect that China's transfer of nuclear weapons and missile technology to Pakistan would have on the balance of power between the two countries that the world knew to be de-facto nuclear weapons states, but it also ignored the impact of its Central Asian policy on the source of tension between two countries—the determination of Pakistan to redraw the map of India on religious grounds by separating Kashmir from India. [11] In fact, even Sino-Indian bitterness was viewed by the white House officials as another opportunity to come strategically closer to China and build mounting

pressure on India to sign the CTBT and also resolve the Kashmir issue immediately. It is a different thing that the U.S. administration was not too happy to score substantial strategic gains. [12]

Nuclear weapons tests carried out by India in May 1998 and immediately chased by Pakistan changed the entire strategic and security scenario in the region. The entire world community denounced these tests as a serious setback to the global peace and security.

DANGER TO THE NON-PROLIFERATION REGIME

The Indian and Pakistani nuclear tests have raised concerns among western governments and nuclear non-proliferation activists about the survival of the non-proliferation regime.[13] It is possible that they marked the beginning of a new phase of the nuclearisation in Asia— firstly in respect of their signal to other nuclear threshold powers and secondly, concerning the real functionality of the non-proliferation regime which was initiated and installed by great powers in the sixties. [14] The South Asian nuclear tests represent the first serious challenge to the regime. [15] India's tests in particular, in conjunction with India's consistent and open refusal to accept the legitimacy of the non-proliferation

regime, and India's espousal on nuclear disarmament as an alternative to non-proliferation strike at the very roots of the non-proliferation regime.

The nuclear tests by India and Pakistan, are threatening to burst open the lid that major powers are trying to put on the proliferation of nuclear weapons[16] Since the South Asian tests, several non-nuclear weapon states have noted pointedly that in joining the NPT, they were accepting the existence of Five States that had declared nuclear arsenals, not seven.[17] On the day after the First Indian tests, North Korea threatened that it would withdraw from its agreement with the U.S. over nuclear non-proliferation , as the U.S. had failed to live up to its commitments. Since then it has repeated this threat more than once. Pakistan's test were greeted by celebrations in Iran. Predictably the reaction in Iran triggered a wave of concern in Israel.[18] In the first instance, the open display of nuclear weapon capabilities by each country raises the risk of miscalculation that could bring about a nuclear exchange. The tests could also create wider reverberations, such as fueling intensified efforts by Iran to acquire nuclear weapons and delivery systems and causing other regional states that have decided to forego developing a nuclear weapons capability to rethink their position.[19] The popular enthusiasm in Pakistan (and elsewhere in the Muslim world) over what is seen as the realization of the "Islamic Bomb" has

also renewed fears that Pakistan might transfer its nuclear technology or put its weapons at the disposal of radical states such as Iran and Iraq, or even conservative Saudi Arabia, a traditional major financial benefactor.[20] No one knows how far a Pakistan bankrupted by economic sanctions might go to secure hard currency resources. In addition, the actual collapse of the Pakistani state, either as a result of economic and political crises or a military defeat, could lead to an exodus of Pakistani nuclear scientists and technicians to neighboring Islamic countries.[21] The world therefore faces the spectre of more and more countries thrusting their way into the nuclear club. This concern is reflected in the statement made by Strobe Talbott —

> "If efforts to hold the line against further erosion fail, the tests could spark a chain of withdrawals from the NPT. The unraveling of the Treaty would, in turn, almost certainly jeopardize future progress in arms control and in the movement toward disarmament, since the NPT has made it possible for the nuclear "haves" to pursue arms reductions."[22]

The threat to the very continuity of the Non-Proliferation regime due to the South Asian Nuclear Tests has also attracted wide attention. The non-proliferation regime served the crucial interests of the United States by constraining the spread of nuclear technology to other likely powers, thus

reducing the risks of a challenge to American hegemony and vital American national security interests. Indeed, the U.S. consistently opposed the spread of nuclear technology, well before "nuclear proliferation " because fashionable.[23] The centrality of hegemonic power (U.S.) in the formation of international regimes means that new regimes or new institutional structures bolstering existing regimes are created in response to changes in the perceived interests of the hegemon.[24] Many of the arms control measures taken over the last three decades fall under this category. Changed perceptions of the utility of atmospheric testing led to the Partial Test Ban. Treaty (PTBT) in 1963. Similarly, despite decades of opposition, the US changed track and supported the CTBT in the early 1990s, in response to advances that made possible laboratory and computer stimulated nuclear testing. In both the PTBT and the CTBT, the changes in the U.S. perceptions of its interest were vital to the making of these regimes. Indeed, that the U.S. could get included in the CTBT the provision to conduct sub-critical tests is an indication of the amount of control that it exercises over the framing of CTBT.

Rajesh Rajagopalan, [25] using a Realist perspective on international regimes, has argued that the nuclear non-proliferation regime is unlikely to collapse and is unlikely to be replaced by the disarmament paradigm. India and

Pakistan, will have to determine their options within the existing regime. He outlines three conditions for a change in international regimes: new hegemons— whose perceived interests are not satisfied with existing regimes—have to rise; or the International System should become multipolar without any clear hegemonic power; or the existing hegemons must perceive that current regimes do not satisfy their perceived national interest. However, he emphasizes that none of these conditions is likely to be fulfilled. In essence, the Realist perspective would predict that the nuclear non-proliferation regime will continue and prosper because it not only satisfies the perceived national interests of the United States, but also because no other state is likely to replace the United States as the dominant hegemonic power in the near future. Moreover, even if other likely hegemonic power contenders do arise, they are likely to perceive the nuclear non-proliferation regime as promoting their interests also.[26] A successful challenger could decide that its interests are best served if an existing regime continued. Thus, even if a new hegemonic power such as China should replace the U.S., it is not necessary that such a change should necessitate the demise of the nuclear non-proliferation regime. The changed perceptions of nuclear proliferation agnostics such as France and China, and the rigidly anti-proliferation stance of other possible challengers such as Japan, Germany and the European Union suggest that the non-

proliferation regime would continue even if the U.S. were to the replaced by a challenger as the hegemonic power.[27]

Though a multipolar international system [28] is more likely than one with a new hegemonic power, it is unlikely that this would necessary presage the decline of the nuclear non-proliferation regime. As stated earlier, both the United States and all its major challengers retain a strong interest in the continuation of the nuclear non-proliferation regime. France and China, the two major powers that had exhibited some semblance to opposition to the non-proliferation regime, are now fully supportive of the regime.[29] Given such uniformity among the great powers, the change to a multipolar international system is unlikely to lead to any deterioration of the regime.

The final condition that might lead to the change of an existing regime is if the hegemonic power perceives a change in its interests that leads to corresponding changes in the regime. This is the condition that appears least likely to be satisfied. The United States has strongly supported the regime for several decades; in the post cold war period, it considers nuclear proliferation as a vital threat to its national interest. The U.S. role in the indefinite extension of the NPT, in the strengthening of the NPT verification and inspection procedures, in the transformation of the CTBT from a nuclear disarmament

measure to a nuclear non-proliferation measure, all indicate strong American resolve to promote the non-proliferation regime. Despite the temporary hiccup over the ratification of the CTBT by the U.S. senate, non-proliferation enjoy's strong bipartisan support within American political establishment. Thus, even this condition for the change of regime is also unlikely to be met.

In this way Rajesh Rajagopalan concludes that none of the conditions necessary for changing of the regime is likely to be satisfied in the near future, suggesting that the nuclear non-proliferation regime is likely to continue and prosper. Such breakouts — by India and Pakistan—do not necessarily mean the collapse of the regime.

Furthermore, the threat to the present relatively stable nuclear order does not come from the change-over of the three hitherto undeclared nuclear weapon states to the declared status.[30] Since all the non-nuclear states other than Cuba are signatories to the NPT, there can be no more new nuclear weapon states unless the NPT is violated. The Indian and Pakistani tests cannot be cited as precedents by others since they have all acceded to the Treaty, while India, Pakistan and Israel kept out of it. When the NPT was being renewed and extended unconditionally and indefinately, the international community was fully aware of the status of the three undeclared nuclear weapon states. By

reconfirming the treaty without attempting to bring the three undeclared weapon states into it in some way or the other, they accepted the reality of their undeclared nuclear weapon status. The nuclear tests of May1998 by India and Pakistan only made explicit what has been known implicitly for several years. To this K. Subrahmanyam adds.—

> "A global nuclear regime with 8 nuclear weapon states cannot be considered to be significantly any more unsafe and unstable than one with 5 nuclear weapon powers.[31]"

POST POKHRAN II AND CHAGAI CHALLENGES

The Indian and Pakistani nuclear weapon tests, along with the intensification of charged rhetoric over the Kashmir dispute and other indicators of strained relations between New Delhi and Islamabad, seriously threaten to undercut U.S. non-proliferation and regional security interest. These developments have called for major rehashing of the U.S. policy towards South Asia, in general and India and Pakistan, in particular. At this point of time, the U.S. is busy finding a way to put the bilateral relations with India and Pakistan back on track, and at the same time, maintain its interests and posture on nuclear non-proliferation .

The U.S. keeps stressing that its major concern is related to the dangerously inflammatory situation in Kashmir, where a possibility of a nuclear war in South Asia— by design or accident— cannot be totally overlooked.[32] Since India and Pakistan challenged the nuclear status quo, the symbiotic relationship between the two countries nuclear weapons programs more or less continued, but it has now become enmeshed with the determination of both states to develop a minimum nuclear deterrent in a security environment severely shaken by their latest conflict over Kashmir. United States fears that India and Pakistan's symbiotic nuclear relationship which has now escalated to dangerous level of weaponisation, will continue to shape the regions security environment and to influence, the international arms control agenda.[33] Several factors, especially the continuing instability, along the so called Line of control' (LOC) is a vivid reminder that South Asia remains the most dangerous nuclear flash point in the world. In the aftermath of the latest conflict over Kashmir that erupted last spring, it was reported that the crises brought the two countries "much closer to full-scale war than was publicly acknowledged ..... and raised very real fears that one or both countries would resort to using variants of nuclear devices tested earlier."[34] Even for future, it seems that Indo-Pakistani border unrest would continue to be the dominant form of conflict till 2005. [35] India and Pakistan would continue to rely on their nuclear weapons

programs to prevent provocations from mutating into full-blown challenges directed at one another.

The U.S. feels that the presence of nuclear forces in the arsenals of two neighboring and often quarreling countries increases the likelihood of the use of nuclear weapons in their conflict, which would mean a huge financial and humanitarian loss to both nations, should deterrence fail. At this juncture, the U.S. has repeatedly tried to refute the view that is was nuclear deterrence that led to stability between the U.S. and Soviet Union during the cold war and that it could be same for India and Pakistan today.[36] For this, it emphasises on certain points. Firstly, it look decades for U.S. and the Soviet Union to build robust capabilities which provided a clear picture of the other sides forces, promoted control against unauthorized use and also promise of no second-use even if the other struck first. The two countries had some other advantages too. They were not neighbors, unlike India and Pakistan and had no border problem or any such issue separating them. Whereas in the case of India and Pakistan, there is the border dispute and the Kashmir issue and also there is the history of having fought wars between the two countries. The worst of the situation is that neither side possess the accurate intelligence and warning systems or assured

second-strike capabilities that constitute the bedrock of deterrence. [37] Thus the situation analyzed in South Asia is very dangerous.

At the same time, the U.S. recognizes that it has important interests in both India and Pakistan in addition to discouraging further nuclear proliferation in the region and any transfer of nuclear or missile technology to other parts of the world. These regional interests included preventing war of any sort in South Asia; promoting democracy and internal stability; expanding economic growth; trade and investment; and developing politial, and where applicable military cooperation on a host of regional and global challenges, including but not limited to those posed by terrorism, drug trafficking, and environmental degradation.[38] The US also calls upon itself to play a very constructive role by ensuring that the military balance in South Asia does not become too lapsided.[39] To attain its objectives, the US recognises — India and Pakistan as potential strategic partners of the United States as it seeks to shape the post cold war world.

In this way, the tests pose a difficult challenge for American foreign policy, which seeks with considerable urgency to promote stability in the region, improve relations with both India and Pakistan and minimize any

adverse impact the nuclear tests may have on the global non-proliferation objectives.

As the goals of rolling back the nuclear programs of India and Pakistan appear highly visionary, given India's stance towards the NPT and Pakistan refusal to sign unless India does, the U.S. feels that the possibility of a positive response depends very much on whether the perceived interests of India and Pakistan, on one hand, and the non-proliferation goals of the United States and other major powers, on the other, can be reconciled through diplomacy, persuasion, coercion or a combination thereof.[40]

Three particular challenges are faced by the United States administration and the congress at this time. The first is to find, if possible, an anti-proliferation approach that will in fact appeal to the perceived self- interest of India and Pakistan, whether positively, negatively or both. The second is persuading other major powers and influential countries either to support U.S. initiatives or put forward their own plans that would garner broad international backing. This had become important for U.S. as it acknowledged the fact that while the U.S. still remains a powerful international actor is the eyes of Indian and Pakistani leaders, U.S. influence has become probably more limited now than during the cold war era. In their attitude towards the South Asian

countries, the European powers and Russia appear more interested in offering carrots than using sticks. Japan temporarily suspended more than $ 1 billion of its bilateral aid for an unspecified period, but is no likely to impose any other bilateral economic sanctions. China which has strongly condemned India, nonetheless maintains a blanket policy of opposing the use of sanctions and, moreover sees itself as both a fair and foul weather friend of Pakistan.[41] The third challenge is the problem of reconciling conflicting Indian and Pakistani objectives. Although it is widely agreed that the best way to stop the nuclear arms race in South Asia is to resolve the underlying causes of tension, primarily Kashmir issue, that issue is exceedingly intractable.

Although the Nuclear challenges to the United States in South Asia have a long catalogue. But, primarily the challenge revolves around the premise how India and Pakistan can be encouraged to reduce the nuclear danger without straining United States relationship with them. For in American perception, both countries are crucially important to the non-proliferation regime.

Accordingly, the recent joint report of the Carnegie Endowment and the Council on Foreign Relations[42] has made the following recommendations to the two South Asian countries, aimed at stabilizing the situation in South Asia by capping their nuclear capabilities at current levels and reinforcing the global

effort to stem horizontal and vertical Proliferation of nuclear weapons and announced delivery system :

- To make a formal commitment to refrain from further nuclear weapons testing by singing the CTBT;
- To participate in good faith in negotiations that aim to end the production of fissile material and sign any Fissile Material Cut-off Treaty (FMCT) that results;
- To announce a willingness to participate in a broad-based moratorium on producing fissile material;
- Not to transfer nuclear or missile technology or equipment to any third party and to abide by Missile Technology Control Regime (MTCR) guidelines;
- Not to deploy missiles with nuclear warheads or aircraft with nuclear bombs;
- To implement fully and unconditionally existing bilateral confidence-building measures (CBMS), including regular use of hot lines and the provision of advance notification of military exercises ;

- To negotiate and implement additional CBMS (including regular high level bilateral meetings, increased trade and other exchanges), exchanges of observer at military exercises, and a ban on ballistic missile flight tests in direction of one anothers territory (a prolonged pause in missile flight tests of any kind would enhance confidence even more);

- To initiate political, economic and militancy steps designed to calm the situation in Kashmir while avoiding unilateral acts that could exacerbate tensions there;

- To enter into sustained, serious negotiations with each other on the entire range of issues that divide them. Temporary positive action, followed by a reversion to enmity as has repeatedly been the case in the past, has become too dangerous to be repeated in the new, nuclear environment.

In a context in which India and/ or Pakistan is taking some of the steps outlined above and amid signs that sanctions are working against U.S. foreign policy goals, the Task Force even recommended the U.S. executive branch to remove the bulk of the remaining Symington, Pressler, and Glenn sanctions, keeping in place only those measures that block the provision of technology material, and equipment that has the potential to contribute to Indian and Pakistani missile and nuclear efforts.[43]

Recognizing Kashmir as a major contentious issue between India and Pakistan, an issue which has a potential to trigger a conventional or even nuclear war, the United States considers the dispute not ripe for a final resolution. It is not seen to be ripe even for mediation by the United States or anyone else. Consistent with these realities, diplomacy aimed at now resolving the permanent political status of Kashmir is bound in fail Therefore, the Task Force recommends United States to use its public and private diplomacy in order to encourage India and Pakistan to :

- Refrain from provocative public rhetoric ;
- Convene bilateral talks (as well as three way talks involving Delhi, Islamabad and those representatives of the inhabitants of Kashmir who are willing eschew violence) devoted to discussing ways of calming the situation in Kashmir;
- Accept increase in the number of international observers on both sides of the line of control to monitor troop dispositions and to discourage any armed support for militants; and
- Accept a thinning of Indian and Pakistani forces along the line of control.

In this way, the United States in particular contributes to stability in so far as it can creatively use both its regional policy and its anti-proliferation strategies to influence the forms of security competition on the sub-continent, the shape and evolution of Indian and Pakistani nuclear programs and the general patterns of political interaction between India and Pakistan.[44]

U.S. DIALOGUE WITH INDIA AND PAKISTAN

In late 1997, the Clinton Administration had begun a 'strategic dialogue' with India and Pakistan on a range of issues— particularly nuclear and economic. President Clinton met both Pakistani Prime Minister Nawaz Sharif and Indias than Prime Minister I.K. Gujral at the United Nations in New York. The meetings were followed by a series of visits to the subcontinent by U.S. cabinet and other high-level officials, including secretary of state Madeleine Albright, who visited India and Pakistan in November 1997. In the aftermath of the nuclear tests, Deputy Secretary of State Strobe Talbott began a series of meetings with high level Indian and Pakistan officials, the Indian side being represented by Indian Foreign Minister, Jaswant Singh and Pakistan by Foreign Secretary Shamshad Ahmed. This " quiet diplomacy"[45] of persuasion again establishes American hegemonic hold over international relations-where India

and Pakistan are weak partners in an asymmetrical dialogue with U.S., negotiating as they are under the shadow of sanctions.

According to Strobe Talbott, "Having India and Pakistan stabilize their nuclear competition at the lowest possible level is both the starting point and the near team objective of the U.S. diplomatic effort underway.[46] The closely held —and ongoing — discussions reportedly cover nuclear proliferation ; the Comprehensive Test Ban Treaty (CTBT), The Fissile Material cut off Treaty (FMCT), confidence- building measures, Kashmir and sanctions resulting from the Indian and Pakistani nuclear tests. In a speech at the Brookings Institution on 12 November, 1998, Deputy Secretary of State Strobe Talbott stated that the three goals [47] of these talks were—

1 Preventing an escalation of nuclear and missile competition in the region;

2 Strengthening the global non-proliferation regime;

3 Promoting a dialogue between India and Pakistan on the long term improvement of their relations, including on the subject of Kashmir.

Talbott has further outlined Five steps the United states is urging Pakistan and India to take to avoid " a destabilizing nuclear and missile competition" and reduce tensions in South Asia:

1 Adherence to the CTBT;

2 Moratorium on further production of missile material.

3 Restricting the development and deployment of delivery systems;

4 Non-transfer of dangerous technologies to other countries.

5 Foster or encourage direct dialogue between the two countries.[48]

MAJOR ISSUES OF CONCERN

NON- PROLIFERATION TREATY (NPT).

The NPT, which can also be described as 'No Further Proliferation Treaty is often regarded as a brake on what would otherwise have been a juggernaunt of nuclear proliferation.[49] The NPT was laboriously negotiated for three years from 1965-1968. When it was finally signed in 1968, it was agreed that all those states that had detonated a nuclear device before 1968 would become the 'nuclear-haves'. In effect they would have the right to store, develop

and test nuclear weapons. While this would pass into the group of nuclear 'have-nots' if they accede to the NPT, thereby abjuring the right to develop a nuclear device. The 185 nations, gathering in New York in 1995, decided to legitimise nuclear weapons by extending indefinately and unconditionally the NPT. Only 4 states— India, Pakistan, Israel and Cuba— remain outside the global regime and of these, India and Pakistan have tested nuclear weapons and declared their nuclear status.

The traditional position, with many advocates in the broader community of non-proliferation specialists, is to insist that both countries sign the NPT as non- nuclear weapon states and eliminate their nuclear weapons capabilities accordingly.[50]

India, however complained that the treaty was discriminatory as it protected the rights of five countries — notably including China— to a monopoly on nuclear weapons while consigning the rest of the would to permanent inferiority. The recognised nuclear powers — uncompromisingly reserve the right to possess the deterrent power of nuclear weapons while denying it to others. Strategic threats to the United States may be uncertain but the United States insists on having nuclear weapons to deal with them. Meanwhile, Pakistan and India have identifiable threats to their security—

Pakistan is conventionally overmatched by India, while India borders not only Pakistan but larger and nuclear — armed China. Still the United States blithely insists that they must abjure nuclear deterrence (That the U.S. has been more accommodating to Israel on these points, further undermines diplomacy with India and Pakistan). Nothing in the current and prospective nuclear arms reduction agenda indicates that the nuclear powers are willing to do without nuclear deterrence.[51]

The NPT also threw up some questions. It brought a tendency among the nuclear haves to regard all other countries as potentially irresponsible and incapable of nuclear restraint. It has also been alleged that the NPT brought into effect an "exclusive club of white nation with a yellow strip (China)", perpetuating the myth that the rest of the world is white man's burden. India under Prime Minister Indira Gandhi had to refuse to sign such a treaty, which in principle was not in tune with what Nehru's India stood for.[52] One cannot escape the possibility that race complicates nuclear diplomacy with South Asians. The tolerance of the Israeli nuclear programme is seen as the non-proliferation exception that proves the racial rule. George Perkovich is of the opinion that for many Pakistanis and Indians, whose societies are long time victims of European colonialism , nuclear capability places their nations

sovereignty on par with the greatest world powers. The politics encasing this symbol of sovereignty are difficult to crack. Their decision for not signing NPT was in keeping with the basic objective of maintaining freedom of thought and action.[53]

In their attacks on NPT, Indian commentators and officials have argued that many of the non-nuclear weapons states were duped or pressured into joining a treaty regime that infringed on their sovereignty and security . K. Subrahmanyam feels that Non- alignment was robbed of most of its contest with the two treaties—NPT and CTBT. The first coerced the non- aligned to endorse the legitimacy of nuclear weapons. The second treaty exposed that they did not have the strength to stand up to defend the autonomy of decision-making of these developing nations. In these circumstances India had to opt to reinforce the balance of power in the global system and thereby provide an increased degree of autonomy of functioning to other nations.[54] That is why the Indian dilemma on nuclear weapons was finally resolved with India exercising the nuclear option.

At the global level too, there is no evidence yet on the part of the nuclear weapon states to take decisive and irreversible steps in moving towards a nuclear weapons free-world. The five nuclear weapon powers accepted an

obligation to negotiate, in food faith effective measures relating to cessation of nuclear arms race at an early date, and for nuclear disarmament Nothing was done in the first 25 years before the NPT was extended indefinately and unconditionally. In the two preparatory meetings held for the first quinquennial review conference to be held in 2000 AD, no progress has been registered at all. Various official documents published in the U.S. indicate that it will continue to rely on nuclear weapons for its security in the future. In this context, Harrison Selig stated—

"The conflict between India and U.S. over the NPT not only reflects disagreement on nuclear matters, as such, but also underlines what may prove to be incompatible views conserning the nature of global power structure.[55]

Even Satu. P. Limaye[56] observed " For the United States it has seemed to make eminent sense to try to prevent the spread of nuclear weapons and to restrict their ownership to a manageable number of countries — including of course itself. This was nothing more nor less than an attempt to retain its dominant place in the international system and to shape the international order in a way which suited its interests".

The various weapon reductions that have taken place (START-1, START-II and the withdrawal and elimination of tactical nuclear weapon are

mostly arsenal rationalisation measures,[57] and will still permit nuclear weapon powers enough nuclear weapons to destroy human civilization several times over. Some of these countries have doctrines that permit the first use of nuclear weapons, these countries are also engaged in programmes for modernization of their nuclear arsenals.[58]

There is one significant difference between Indian and Pakistani approaches to the NPT. Pakistan has frequently offered to adhere to the treaty if India did the same. The United States, therefore sees India's continuing opposition to signing what New Delhi considers an inherently discriminatory NPT as symptomatic of India's tendency to obstruct global arms control efforts.

In the aftermath of the May'98 nuclear tests, United States has made the adherence to the NPT by India and Pakistan its long time goal. It has adopted a practical approach with United States foreign policy not sacrificing its many interests is South Asia in order to promote unrealistic aims in the nuclear realm. What India and Pakistan learned from the recent nuclear tests cannot be unlearned. A total roll back to a non-nuclear South Asia is just not possible United States has probably reconciled with the fact that in the near future, neither of the countries would eliminate its stockpile of fissionable material or

declare itself ready to sign the Nuclear Non-proliferation Treaty (NPT) as a non- nuclear state.[59]

The CTBT Negotiations

Often described by President Clinton as the longest sought, hardest fought prize in arms control history, [60] a CTBT is the oldest item on the nuclear arms control agenda, one that congress has debated for years. [61] These negotiations, again reinforce the hegemony of the powerful, freezing a particular status quo or enabling those with greater capability to rationalise their forces. While some hope that the international measures will result in a kind of equalization at zero, arms control is generally undertaken only where the dominant states perceive a reasonable prospect of maintaining the power balances at lower levels of hardware. As became clear during the CTBT negotiations, the groups usefulness in managing decision—making was limited because the level of nuclear development was a greater determinant of negotiating behaviour that membership of a particular group.

One of the very significant issues that is emerging out of this CTBT controversy between nuclear and non-nuclear states is that whereas nuclear weapon states have linked nuclear weapons to their vital security interest, they

have asked India and Pakistan to roll back their nuclear option. In August 1995, U.S. President Bill Clinton reaffirmed the vital role of nuclear weapons in national security. "I consider the maintenance of a safe and reliable nuclear stockpile to be a supreme national interest of the United states.[63]"

The CTBT according to Kathleen C Bailey, was introduced to deal with three challenges which the nuclear Non-Proliferation Treaty (NPT) had failed to unravel" --- the demand for a timetable for 'Zero' nuclear weapons; growing dissatisfaction with U.S. technology transfer restrictions, and erosion of the NPT's contribution to security ---- Simultaneously, however, the nuclear weapon states have continued to rely on nuclear deterrence for security, and they have said that disarmament is a long –term rather than near-term goal.[64]" Such hypocrisy on the part of the nuclear weapon states has induced a desire in the potential nuclear weapons states to come in the open.

Such coinciding and competing interests between the two groups – Nuclear weapon states and Non- Nuclear weapon states dominated the CTBT negotiations, as is evident by a discussion on contentious issues of the Treaty: preamble, scope, and entry-into-force.

The Treaty Preamble :

Ever since the beginning of the talks, the Treaty preamble became an issue of dispute between the G21 (group of non aligned states) and the nuclear weapon powers. The G-21 wanted the Treaty to curb vertical proliferation and make a time-bound commitment for disarmament. This was strongly rebuffed by the P-5 states. In fact, the P-5 strongly rejected any language which made a mention of curbing 'nuclear weapon development' or 'eliminating nuclear weapons .' The Indian proposal on ending qualitative development and elimination of nuclear weapons within a time bound framework' was snuffed out. The final Treaty preamble that evolved just affirmed the Treaty purpose "of attracting the adherence of all States to this Treaty and its objectives to contribute effectively to the prevention of nuclear weapons in all aspects, to the process of nuclear disarmament and therefore to the enhancement of international peace and security."

The Treaty Scope :

The issue of scope relates to what types of nuclear test are to be banned. The absolute final text-adopted in September 1996, prohibits the carrying out of any nuclear weapon test explosion or any other nuclear explosion. This scope

appears to be narrow and would drive testing into laboratories as the PTBT drove testing underground.[65]

The negotiation processes suggest that the members of the P-5 did maipulate the 'scope' as per their wishes. Hydronuclear Experiments (IINEs) became a major contentious issue. At the initial stages of talks, it was proposed to ban any 'explosion which releases nuclear energy'. This would include even the HNEs. But, the P-5 wanted an exemption on the HNE's although they had disagreements about the yield that would be allowed.

The United States promoted yield exemption up to 2kgs, UK upto 40-50kg and the Russians urged a 10 ton threshold exemption. Much to the dismay of the other P-5 members, the Clinton administration later during negotiations announced its decision that the scope would be true zero yield. The United States motivations for this decision are understandable. The much publicised JASON report of 14 nuclear and security experts had earlier concluded that the sub-kiloton test would be of marginal utility to insure stockpile safety. Prior to this, in a safety assessment of United States nuclear weapons, it was concluded that most of the warhead types expected to remain in he United States stockpile beyond 2000 already had advanced safety features. The weapons that lacked such features were set to retire. The cost of going down on HNE may have been

minimal for the United States. It already has an advanced 'Stockpile-Stewardship' programme which may well compensate for the damage. But, by doing so, it forced its allies to cling to their relatively inferior technological position vis-a vis the United States.[66] Although the UK and Russia reluctantly endorsed the United States decision, it definitely had a bearing on the later problems in Geneva, particularly on the entry-into-force issue. France and China later agreed to the United States definition of scope. While the negotiations were on, they conducted nuclear tests.

The Treaty 'Entry-into-Force' (EIF):

Agreeing on the entry into-force (EIF) conditions became a difficult issue during the talks Very early in the negotiations, the Russians, had made the treaty implementation conditional upon the signature and ratification of all states having the capability to conduct nuclear test. It had proposed that the treaty be ratified by all 68 countries on the International Atomic Energy Agency (IAEA) list who are nuclear powers or conduct research. France and the UK had at this state favoured ratification by the 61 member states of the CD. Thus Russia, UK and France had adopted a maximalist position on the issue of EIF. In fact, the idea was to include the P-5 and the threshold nuclear powers-India, Pakistan and Israel. While the US wanted to make the treaty universal, it also

wanted the treaty to be effective as soon as possible. Therefore, it decided against making accession to the treaty by threshold states, a condition for EIF. These positions brought about an impasse on CTBT.

Unable to resolve the issue, the Chair reverted to an idea originally floated by Canada, which made the EIF of the CTBT conditional upon ratification by a particular list of 44 states. The list comprised of those states who were participating members of the CD on 18 June 1996 and also listed by the IAEA's 1995 and 1996 schedules of nuclear power reactors. Also, if this condition was not met, states that had already ratified might convene a conference to decide by consensus what measures, consistent with international law, might be undertaken to accelerate the ratification process, in order to facilitate the early entry into force of this treaty."

This article XIV of the treaty made the CTBT implementation conditional upon ratification by India, Pakistan and Israel along with the P-5. The other participating members had hardly anything to do with the decision as they had already surrendered their weapons option by adhering to the 'discriminatory' NPT. [67]

But India in 1996, ably represented by Ambassador Arundhati Ghosh at the Conference in Geneva, rejected the CTBT in the first instance and later blocked its passage on three counts.

First, the nuclear weapon states failed to give a commitment to eliminate their nuclear weapons in a reasonable and negotiated finite span of time. India felt that in the absence of such a commitment, the Treaty would become an unequal treaty retaining the present discriminatory nuclear regime and sanctioning in effect the possession of nuclear weapons by some countries for their security, while ignoring the security concerns of other states. Thus, adherence to it was seen to degrade Indian core security interests.

Second, the CTBT failed to effectively contribute to nuclear non-proliferation in all aspects. It banned only explosive testing. It was not truly comprehensive as a test ban treaty since it allowed certain types of nuclear weapons related tests to be conducted by the technologically more adept nuclear weapon states – the P5.

Third, the Treaty included the 'EIF clause': Article XIV, making the Indian rectification of the treaty essential for its implementation. This provision contradicted the fundamental norms of international law and was thus unacceptable to India. [68]

Thus, Indian perception then was that subscribing to the CTBT would severely limit India's nuclear potential at an unacceptably low level. Also, its reservations deepened as the CTBT did not carry forward the nuclear disarmament process. On both these counts, therefore, India's security concerns remained unaddressed.[69] For India, getting on board the CTBT would have to be contextualised within this framework of national security interests as dictated by techno-strategic considerations and abiding national values.[70]

Pokhran II and Chagai tests were a blow to Clinton's non-proliferation agenda and his plans for bringing CTBT into force. The United States objective in the strategic dialogue with Jaswant Singh is to soften up India's nuclear and foreign policies so that these demands [71] can be won sooner rather than latter. United States is ready to make a deal on sanctions as a price for accession to CTBT. The United States approach to the dialogue is clear: It is based on the assessment that BJP- led government and the India it governs are badly caught in a pincer movement of economic sanctions, escalated regional tensions and the pressure of tough political demands that have been formulated quite precisely in Washington, Geneva, New York and London.[72]

The various rounds of talks have been characterized by India elaborating on the security rational for its nuclear tests and the United States insisting on

India signing NPT and CTBT without any conditions and with no further delay. It seems Talbott is personally getting convinced of the security rationale behind India going nuclear overtly, but is constrained to push forward the Clinton administration's agenda for non-proliferation and the successful completion of the CTBT process for realising the ultimate objective of nuclear non-proliferation . The U.S. administration has however, not agreed to any linkage between India's signing CTBT and the relaxation of controls on duel use technology. New Delhi's compliance, it said, should be without any pre-conditions.

India's stand on the CTBT continues to be ambivalent. Prime Minister Vajpayee's address to the UN General Assembly earlier in New York where he had talked of India doing its best to bring to a successful conclusion its negotiations with the key interlocutors and not delaying the entry into force clause of the CTBT beyond September 1999 – were seen as positive and helpful signals emerging from India.

On the important issue of signing the Comprehensive Test Ban Treaty, the Indian side has communicated clearly:[73] (a) That our moratorium on further nuclear testing coupled with the pledge of no first use of nuclear weapons is a significant step in adhering to the spirit of CTBT; (b) That India is willing to

adhere to the Treaty once coercive measures like Economic sanctions are removed ; (c) That we do not any more insist on dejure recognition of our nuclear weapon status; (d) That we are perhaps getting reconciled to the ban on transfer of duel use of technologies not being removed in short run; (e) That we also expect the other countries as indicated in Article XIV of CTBT, to adhere to the Treaty without any conditions. This is clearly the import of the statement made by the Prime Minister earlier in the Parliament on 15th December 1998 and the statement issued by Foreign Minster Jaswant Singh in Lok Sabha on February 26, 1999. However both the Prime Minister and Foreign Minster have repeatedly emphasised on the creation of a 'positive environment' or ' national consensus' as a necessary condition for any decision on CTBT.

While the Indian government has launched a desperate search for consensus on signing the CTBT, there is a debate that surrounds India's accession to it. While one school feels that the new strategic environment , after the tests, has completely altered the conditions which led India to object the CTBT, India today has the capability to retain its weapons option and weaponise, if necessary. It, therefore, is in a position to sign the CTBT without compromising with its security. Department of Atomic Energy Chief R.

Chidambaram, adds to this by saying that Pokhran II has yielded all the data Indian scientists needed.[74] This implied there was no longer a disadvantage in signing a CTBT.

The other School emphasises that India's decision to sign CTBT should be evaluated from the security perspective. It admits that the nuclear tests seem to have fulfilled the Indian requirement to design modest warheads, but maintains that it is yet to achieve sufficiency is the delivery systems required to build credible deterrence. India would have to review its "minimum deterrent" and the fetters the CTBT would impose in this context-more so when the USA has long made it clear that the core aim of the CTBT was not disarmament but a means of "locking all nuclear weapon states and aspirants on the learning curve, wherever they were now posed."[75] Also of the five proclaimed nuclear states – the U.S., China, Russia, France and the U.K. – the first three havan't ratified the treaty and continue tests. Chinas last was in June and the US in November. The U.S. even shares its data with France and the U.K. This gives the whole picture a dangerous dimension.

The three varieties of tests- sub-critical, hydro-nuclear and computer simulated-are permitted by the CTBT, but it is being feared that once India signs, it will be under pressure not to conduct any, as under the Non-

Proliferation Treaty, only the Big Five are permitted to do so. India is not party to the NPT, but forcing India to adhere to it would becomes the next challenge for the West.

Pakistan's stand over accession to CTBT also remains ambivalent. Following their may 1998 nuclear tests, both India and Pakistan declared unilateral testing moratoriums and hinted that they might adhere, in some manner to CTBT, with Pakistan saying its accession would depend on Indian actions. During the discussion on the CTBT, Pakistan had made its position clear regarding the signing of the treaty.'Pakistan had informed the nuclear powers of its insistence in a security trade–off with India and not with any other country---Islamabad's security will --- remain under threat as long as India refuses to sign a treaty banning nuclear explosions."[76]. Foreign Secretary Samshad Ahmad said that Pakistan does not have any problem in signing the CTBT, but its vital security interests should be protected. The vital security interests included "effective engagement on the part of the major powers for resolving the Kashmir dispute and for establishing peace and security in South Asia." While the Pakistanis are anxious to convince the Americans and the rest of the World that they could be happy to cut down their nuclear arsenal to zero, anytime, if the Indians are also ready for it or for a proportional reduction, it

disarms the western interlocutor. For him, there is not much to do in Islamabad while much has to be done in New Delhi.

On July 11, 1998, Sharif announced a major reversal of government policy when he delinked Pakistan's nuclear policy from India's, saying Islamabad's decision to sign CTBT would be made independently of Indian actions. Sharif however made clear Pakistan's adherence would take place 'only in conditions free from coercion or pressure," as apparent reference to the sanctions imposed on Pakistan, particularly those by United States, following the May nuclear tests. It has thus linked Pakistan's accession to the treaty to the lifting of sanctions to make any bargain with the U.S. meaningful.

The Sharif Government had come in for considerable criticism for its July 4 accord with the United states to end the Kargil misadventure. With the opposition mounting a challenge through street demonstrations, the Prime Minister would be loath to sign the CTBT at this stage. Had India been in a position to adhere to the CTBT, Pakistan would have taken a decision on signing the Treaty with relative ease . This leads us to the conclusion that what ever be the U.S. decision on lifting Presslar sanctions on Pakistan , Islamabad will still link its decision on CTBT to what India does. It is also clear that for Pakistan, the domestic dimension is crucial to any decision on the Treaty. [77]

In the present scenario, the United States senate's refusal to ratify the CTBT [78] has put a big question-mark on the fate of the Treaty. Ratification by the senate would have allowed the Clinton administration to occupy the moral high ground. Now, owing to the stand -off in the senate, there is a real threat of CTBT itself unrevelling. While arguing for senate's ratification of the Treaty, Secretary of State Madaleine Albright expressed his fear in the following words- "CTBTs prohibition on nuclear explosives would have the practical effect of constraining China and Russia from developing with high confidence more advanced and dangerous weapons. Besides, Albright emphasised, it was the commitment of the nuclear weapon states— expressed at the 1995 Nuclear Non-proliferation Treaty (NPT) review conference — to conclude a CTBT in 1996, which was instrumental in achieving an indefinite and unconditional extension of the Treaty. Inderfurth went on to say that if the senate failed to ratify the CTBT it would produce" negative consequences, jeopardising our interests is South Asia ..... Rejection of the CTBT may cause them to question the wisdom of their moratoria, if not now, their later."[79]

As for now, the Clinton administration faces an uphill task in its efforts to convince the Republican Right on the question of ratification. Signing of CTBT by India and Pakistan is dependent upon the development of national

consensus by the two nations and the dimensions their domestic politics might take— which in itself is quite unpredictable.

FMCT NEGOTIATIONS

In a U.S. sponsored initiative, the United Nations General Assembly (UNGA) in its 1993 session adopted a consensus resolution on the prohibition of the production of Fissile material for nuclear weapons or other Nuclear Explosive Devices. The Fissile Materials, i.e. Highly enriched uranium (HEU) and Plutonium are the major ingredients for nuclear weapons. A ban on their production, it is believed, will limit potential nuclear arsenals. Post Pokhran India has over-come its initial hesitancy and agreed to participate in full faith in the negotiations for the early conclusion of a universal, non-discriminatory and internationally and effectively verifiable treaty banning the future production of fissile materials for nuclear weapons and other explosive devices. This has been described by the Geneva-based diplomats as a significant move in India's contemporary nuclear diplomacy. International pressures and sanctions might have been additional factors in India's decision to participate in the Geneva negotiation on FMCT.[80]

Post Chagai Pakistan too has joined the negotiations and so also Israel (reluctantly though and reportedly after U.S. assurance in regard to its security sensitivities). The U.S. has pointed out to Pakistan that freezing existing stockpiles could work towards Islamabad's advantage. Pakistan, however continues to invoke the concepts of "sufficiency" and unequal stockpile" to ward off U.S. pressure for a moratorium on the production of fissile materials for weapons purposes before substantive negotiations on a Cut-off regime begins in the CD.[81]

But the fact remains that even FMCT, draws a line between 'nuclear haves' and 'have-nots'. Annette Schaper has summarised the underlying conflict in the CTBT negotiations as that of nuclear disarmament Vs nuclear non-proliferation and remarked that the same conflict is now blocking the progress at the CD in the negotiations with regard to an FMC. [82]

An analyst has given two reasons for its discriminatory character . Firstly, the weapons powers do not require further production of fissile materials as they have a substantial amount of fissile material. With the United States and Russian Plutonium down-sized to 50 tons each, with a few hundred tons of HEU, it is said to be enough to make 10,000 thermonuclear warheads. The British stock may be enough to arm 650-700 warheads and the French

stock enough for 1000-1500 warheads. Also, materials retrieved from the retired warheads can also be recycled and used. Therefore any weapon modernization by the P-5 is unlikely to be affected at any stage whatsoever.

Secondly, the FMCT is likely to quantitatively freeze the fissile materials of threshold states at present levels capping these countries nuclear weapons programme. It has been estimated that India by 1995, had a stock of 315-345 kgs. of plutonium. This includes approximately 250 kgs. of plutonium from cirus which may not be used for weaponisation. India has an agreement with Canada which forbids its use for weapons . If only plutonium from Dhruva is to be used, it may not amount for more than 25 weapons.

Thus, a cut off may be highly discriminatory in capping the disparities between the existing stockpiles. A stand-alone FMCT cannot be considered as a step toward, or a prerequisite for, an NWFW, as claimed.[83] It is merely one more non-proliferation measure, directed against the new nuclear weapons states, without any commitment on part of the N-5 to move towards a NWFW – on even to allow disarmament to be placed on the agenda of the CD.

It has been argued that an FMCT will have to be an essential part of any comprehensive nuclear disarmament regime or an eventual nuclear weapons convention. Giving up nuclear deterrence, acceptance of no-first use,

commitment to building up an NWFW, prohibition of nuclear weapons production, possession and use, are essential parts of an eventual Nuclear weapons convention.[84] It is significant that N-5 are avoiding these parts. Partial measures, selected according to the priorities defined by them serve only to tie up NNWS and the new nuclear weapon states, without any concrete commitment on the part of the N-5 that they are heading towards an NWFW, and doing so fast enough. Such partial measures create an illusion of motion in the direction of nuclear disarmament when actually no such movement is taking place.

Also, without a careful enumeration and sequencing of steps in a well designed time-frame, an FMCT will only strengthen the present inequitable and dangerous nuclear regime, wherein the NNWS will continue to be at the mercy of the N-5. A time –frame becomes important because of the lack of seriousness shown by the NWS so far, e.g. in implementing their commitment under Article V1 of the NPT. Without the commitment to a time-frame, nothing prevents the NWS from refusing to take any meaningful steps towards an NWFW after the FMCT is in place.

EXPORT CONTROLS

The essence of the current nuclear non-proliferation system consists of a system of controls over exports of technology that is considered useful for nuclear weapons system. Since India and Pakistan constitute two of the 7 countries that have declared nuclear weapon tests, their cooperation with restricting nuclear technology exports is considered critical to the viability of this system.[85]

The Multilateral Regimes for Non-proliferation Export control, [86] on the other hand have been labeled cartels or embargo regimes and have been regularly denounced by Indian policy makers and analysts as discriminatory. From the Indian view point, they seek to justify their aims as globally legitimate, even though there is no global consensus on the criteria and mechanisms by which they determine to assist or deny technology to countries. These have been the prerogative of those who have dominated technological innovation and advancement. Indian argument has been that it is the elimination of all Weapons of Mass Destruction (WMD's) rather than their selective control, that must be the norm underlying such initiatives.

The MTCR, in particular is considered discriminatory in many ways. [87] It is viewed that the 'United States, the so-called father of the MTCR has completely bent, twisted and tortured the provisions of the MTCR by arbitrarily deciding an issue which does not fall within her domain.[88]

The United States administration, on its part has been holding serious talks at various levels with members of the governments of India and Pakistan since the Pokhran II and Chagai tests. While both countries have given their assurances on maintaining an effective system of export controls and non-transfer of either nuclear weapons or allied expertise to any other country, they have refused to accept full scope safeguards on their nuclear facilities.

While summing up, it is worthwhile to mention here that the United States is likely to continue to persue a policy of engagement in South Asian affaires and continue with its efforts to bring back the two countries back the two American vision of nuclear non-proliferation. A regionally focused approach to the proliferation dilemma lies in resolving or ameliorating the security concerns that have led India and Pakistan to develop nuclear weapons in the first place. But at the same time, the global political currency of nuclear weapons must be devalued. As long as the traditional nuclear weapons states rely for their security on nuclear weapons , it will be seen by the defacto nuclear

weapon states as illogical to deny them the same rationale. At the same time, the U.S. diplomacy can succeed only if it desists from either supporting India at times to win it over or supporting Pakistan to appease it . It must rethink its strategic policies and adopt an independent refrees approach to deal with the region without of course compromising its friendly ties with either of the country at the cost of the other. [89] This would not only contribute to the reduction in the nuclear tension between India and Pakistan but might also help fulfil its non-proliferation goals in South Asia.

Notes:-

1. G. Perkovich, *Three models for Nuclear policies in South Asia: The case for Non-weaponised deterrence,* Chapter in Jasjit Singh's, *The Road Ahead: Indo-US strategic Dialogue;* Lancer International 1994.
2. B.M. Jain, *The United States and Nuclear Challenges in South Asia,* In B.M. Jain and Eva – Maria Hexamer, *Nuclearisation in South Asia,* Rawat Publication, 1999. p. 77.
3. Richard N-Haass, 'What to do with American primacy', *Foreign Affairs,* vol 78, no. 5
4. *Ibid.*
5. B.M. Jain, The United States and Nuclear Challenges in South Asia, *—op-cit...n.2.*
6. Nuclear weapons serve different aspects of national interest of the Five nuclear weapon powers. The United States sees in them the necessary guarantee for maintaining its status as the world's foremost power. With widely proclaimed forecast that the Chinese economy finally may level up with that of United States in overall size and overtake it in due course, the United States apparently sees the next generation weapons as an important instrumentality which will enable it to outrank China in the international hierarchy. Therefore the United States is against delegitimisation and elimination of nuclear weapons. The Russians concede that without their nuclear arsenals they will count for nothing. Britain and France use their nuclear arsenals as a symbol of their superior status over Germany in Europe. For China, the combination of their market size and nuclear arsenal together will make them the "Middle Kingdom" of a resurgent Asia.

   K. Subrahmanyam, 'Nuclear India in Global Politics', *World Affairs,* July- September, 1998, vol 2, no 3, p. 20.
7. M.J. Vinod, ' Nuclear India and Indo-US Relations', *Social Action,* vol. 49, April – June 1999, p. 204
8. Jaswant Singh, 'For India, Disarmament or equal security', *Strategic Digest,* August 1998.
9. Farah Zahra, 'Pakistan's Road to a minimum nuclear deterrent', *Arms Control Today,* July/ August. 1999, p. 9
10. Prem Shanker Jha, 'Why India Went Nuclear ', *World Affairs,* vol.2, no.3, July-September 1998.
11. Prem Shanker Jha has emphasised how for new geo-strategic reasons- now connected with the newly independent central Asian States – the US will give priority to its relations with Pakistan over India.
12. B. M Jain, The United States and Nuclear Challenges in South Asia, *—op-cit..n.2,* p. 78.
13. Thomas Graham Jr., 'South Asia and the future of Nuclear Non-Proliferation ', *Arms Control Today,* vol 28, no.4, May 1998, pp. 3-6
14. Diethelm Weidemann, Nuclear question in South Asia, Chapter in B. M. Jain's, *Nuclearisation is South Asia, —op-cit..n.2,* p. 21
15. Other previous challenge include India's 1974 test and the covert nuclear programmes of Iraq and North Korea, both signatories to the NPT. But India's 1974 test took place during the early days of the regime and the problems of cheating by NPT signatories has only helped to strengthen the regime by reinforcing the inspection and verification mechanisms within the regime.
16. Prem Shankar Jha – 'Why India went Nuclear ', *—op..cit..n.10,* p. 80.
17. Strobe Talbott, 'Dealing with the Bomb in South Asia', *Foreign Affairs,* vol. 78, no. 2, March-April 1999.
18. Prem Shankar Jha, 'Why India went nuclear', *—op..cit..n.10,* p.80
19. *CRS Report for Congress,* ' India – Pakistan Nuclear Tests and United States Response', November 24, 1998, p. 29
20. *Ibid*
21. *Ibid*

41. *Ibid,* p.30.

42. Richard N. Haass and Morton H.Halperin, Task Force Report, *--op..cit.,n.32,* p.8.

43. *Ibid.*

The Congress has already suspended some of the sanctions, and there are signs that it is prepared to give the president the authority to waive more or even most of them.

44. Zalmay Khalilzad and Ian Lassar, Sources of conflict in the 21st Century : Regional Futures and the United States Strategy, Rand, Washington D.C. 1998, p. 161.

45. The term has been used by M. Chintamani in India –U.S. Relations into the 21st Century, Knowledge World and IDSA Publications, 1998.

46. Strobe Talbott, 'Dealing with the Bomb in South Asia', *--op.cit.,n.17,* p. 119.

47. *CRS Report for Congress* : 'India- Pakistan Nuclear tests and U.S. Response', *--op..cit.,n.19,* p.7.

48. Official Text, New Delhi: USIS, Nov.16, 1998, p.3.

49. Strobe Talbott, 'Dealing with the Bomb in South Asia', *--op..cit.,n.17,* p.112

50. George Perkovich, *'Three Models for Nuclear Policy in South Asia: The case for, non-weaponised deterrence',* p. 94. Chapter in Jasjit Singh's : *Indo- US strategic Dialogue,* Lancer International, 1994.

51. *Ibid.*

52. Bravin Sheth, *'Post Pokhran Nuclear Politics: Fresh perspectives on Indo-U.S. Relations'*, Rawat Publishers, New Delhi, August 1999, p. 98.

53. *Paper presented to Parliament on evolution of India's Nuclear Policy,*

Appendix 2 in Amitabh Mattoo, *India's Nuclear Deterrent: Pokhran II and Beyond,* Har Anand Publications Pvt. Ltd., 1999.

54. K. Subrahmanyam, 'Nuclear India in Global Politics', *World Affairs,* vol. 2, no. 3, July/ September 1998.

55. Harrison Selig, *'India and United States: The first 50 years',* Washington D.C., India Abroad Centre for political awareness, 1997.

56. Satu P. Limaye, *United States - India Relations: Pursuit of Accommodation,* Westview Press, Bouder Colorado,1993, p. 94.

57. *Ibid.*

58. Paper presented in Parliament on evolution of India's Nuclear Policy, *--op..cit.,n.53.*

59. P. R. Rajeswari, 'The Independent Task Force Report of the United States on India and Pakistan', *Strategic Analysis,* vol. 22, no. 8, November 1998.

60. The CTBT has been referred as the 'Longest sought, hardest fought prize in arms control history indicating it as a major victory for multilateralism.

61. *CRS Report for Congress :* 'Nuclear Weapons : CTBT', By Jonathan Medalia. Updated September 23, 1998.

62. Rebecca Johnson, 'Nuclear arms control through Multilateral negotiations', Contemporary Security Policy, vol. 18, no.2, August 1997.

63. Smruti S. Pattanaik, 'CTBT: Options before nuclear Pakistan', *Strategic Analysis,* vol. 22, no. 8, November.1998, p. 1142.

64. Kathleen C. Bailey and M. Keeny, Jr., 'The CTBT Treaty and Nuclear Non-Proliferation : The Debate continues', *Arms Control Today,* vol.28, no.2, March 1998, p. 8.

65. Amitabh Mattoo, *'India's Nuclear Deterrent: Pokhran II and Beyond'*, Har Anand Publications Pvt. Ltd, p.331.

66. *Ibid.*

67. *Ibid.*

22. Strobe Talbott, 'Dealing with the Bomb in South Asia', *Foreign Affaires,* vol 78, no.2, p.144

23. In addition to refusing to share its technology with Britain, the original instigator of the war time nuclear weapons programme, the fundamental thrust of the Baruch plan was to ensure that Soviet nuclear facilities and technology would be controlled by the U.S. dominated United Nations. With the Soviet atomic test in 1949, the United States lost interest in the Baruch Plan, seeing nuclear arms now as a necessary means to defend itself. Similarly, the fundamental thrust of the Atoms-for Peace programme was also to ensure that the United States maintained control over the spread of nuclear technology. That the United States failed to gain the advantage it wanted through the Atoms-for Peace programme does not in any way detract from the expectations of the theory. The American embrace of the NPT, despite some initial hesitation, also falls well within the expectations of the theory.

    The end of the cold war in the late 1980's and the disappearance of the nuclear disarmament agenda from the international nuclear politics provide further support for the theory.

24. Rajesh Rajagopalan, 'Why the Non-Proliferation Regime will Survive', *Strategic Analysis,* vol. 23, no.2, May 1999, p. 207

25. *Ibid*

26. It might appear odd for a Realist analysis to conclude that new hegemons are unlikely to replace the United States. Many Realist predictions of the future of the international system have concluded the opposite, that American hegemony would be challenged by the emerging powers.

    While Realists might be correct in asserting that American hegemony will be challenged, it is critical to note that Realists write about the 'eventual' rise of challenges, rather than about any immediate challenge to the United States. Most Realists writings do not specify any time- frame within which new challengers are expected to rise.

27. Rajesh Rajagopalan, 'Why the non-proliferation regime will survive', *--op..cit.,n.24,* P.210.

28. A multipolar World could be one in which several hostile but roughly equal states confront one another, or one in which a number of states, each possessing significant power, work together in common.

    Richard N. Haass, 'What to do with American Primacy', *Foreign Affairs,* vol 78 , no. 5, p. 38.

29. Rajesh Rajagopalan, 'Why the non-proliferation regime will survive', *--op..cit.,n.24,* p.210.

30. K. Subrahmanyam, 'Nuclear India in Global Politics', *World Affairs* July/September 1998, vol. 2, no.3, p.16.

31. *Ibid.*

32. Richard N. Haass and Morton H. Halperin, *'After the Tests: US, Policy toward India and Pakistan',* Report of an Independent Task Force, Co-sponsored by the Brookings Institute and Council on Foreign Relations.

33. Farah Zahra, 'Pakistan's Road to a Minimum Nuclear Deterrent', *Arms Control Today,* July /August 1999, p. 9

34. John Lancaster, 'Kashmir crisis was Defused on Brink of War', *The Washington Post,* July 26, 1999.

35. Farah Zahra, 'Pakistan Road to a minimum nuclear deterrent' *--op..cit.,n.33,* p.10.

36. P. R. Rajeswari, 'The Independent Task Force Report of the US on India and Pakistan', *Strategic Analysis*, vol. 22, no. 8, November 1998, p.1248

36. *Ibid.*

38. Richard N. Haass and Morton H. Halperin, *'After the Tests: US, Policy toward India and Pakistan',* Report of an Independent Task Force Co-sponsored by the Brookings Institute and Council on Foreign Relations. p. 4.

39. Stuart E. Johnson and William H. Lewis, *Weapons of Mass Destruction: New perspectives on Counter - proliferation,* National Defence University Press, Washington DC. 1995, p. 84,

40. *C.R.S. Report for Congress,* 'India – Pakistan Nuclear Tests and US Response ', *--op..cit.,n.19,* p. 29.

68. *Ibid.*

69. Paper presented to Parliament on the evolution of India's Nuclear Policy.(Appendix –2) in Amitabh Mattoo – *'India's Nuclear Deterrent Pokhran II and Beyond'*, Har Anand Publication Pvt. Ltd. P.357,

70. C. Uday Bhaskar, 'India and CTBT: Implications', *Strategic Analysis, vol. 22, no. 8,* November 1998.

71. The 3 key pressing demands being pressed post Pokhran II area :

    (i) Sign and ratify CTBT quickly and unconditionally.

    (ii) Participate positively, and on the basis of agreed mandate in the negotiations at the conference on Disarmament on FMCT.

    (iii) Undo nuclear weaponization and the missile progrmme announced.

    Post Chagai these demands have been pressed on Pakistan, but India has been clearly identified as the principal target.

72. 'What the Vajpayee Government is upto' , *Frontline*, July 31, 1998.

73. P. S. Jayaramu, 'Indo-US Strategic Dialogue', *World Focus*, February 1999.

74. 'A Closed Door consensus', *The Hindustan Times*, Sunday, December 19, 1999.

75. C. Uday Bhaskar, 'India and CTBT: Implications', *–op..cit.,n.70, p. 1239.*

76. Smruti S. Pattanik, 'Comprehensive Test Ban Treaty: options before nuclear Pakistan', *Strategic Analysis*, vol. 22, no. 8, November 1998.

77. Amit Baruah , 'Pakistan's compulsions', *Frontline*, October 8, 1999.

78. John Charian, 'Testing Times', *Frontline*, November 5, 1999.

79. The ratification in the United States has got linked to the 1972 Anti Ballistic Missile (AMB) Treaty, the proposed defence postures of the U.S., the strategic Arms Reduction Treaty (START II), the alleged Chinese nuclear espionage and the nuclear tests by India and Pakistan.

80. 'India, U.S. and the FMCT', *World Focus*, February 1998.

81. Farah Zahra, 'Pakistan's road to a Minimum Nuclear Deterrent', *–op..cit.,n.9*, p.12.

82. B. M. Udgaonkar, 'Fissile Material cut-off', *Strategic Analysis*, vol. 23, no. 9, December 1999, p.1594.

83. *Ibid*

84. *Ibid*

85. Clifford E. Singer, Jyotika Saksena and Milind Thakar, 'Feasible Deal with India and Pakistan after the Nuclear Tests : The Glenn Sanctions and United States Negotiations', *Asian Survey*, vol. *XXXVIII*, no. *12*, December *1998*, p. *1173.*

86. The 4 components of the regime (as part of its post-war efforts) are—The Nuclear Suppliers Group (NSG) and the Zangger Committee in the nuclear sphere; Missile Technology Control Regime (MTCR) for Missile and Space technology; Australia Group (AG) for Chemicals and biological precursors; and the latest, the Wassenaar Arrangement (WA), for advanced technology with duel uses.

87. The MTCR is considered discriminatory because—

    (a) It is specifically targeted at developing countries

    (b) Since, it has become an instrument of foreign policy, it is discriminatory in the treatment of countries accused of violating the MTCR Several countries like Pakistan have not only procured missiles related technology, equipment and components but also get entire missile systems transferred; nothing substantial happened. In 1991, when the news of Chinese missile transfers to Pakistan and Syria came, general American Public opinion and the ruling establishment of the U.S. were infuriated over the transfer of missiles to Syria but not to Pakistan. More importantly, China did not stop supplying missiles even after adhering to the regime. In the same way, another adherent, Israel was also accused of supplying missile

technology to China and South Africa under America's very eyes but the United States preferred turning a blind eye to such transfers.

(c) Of the two categories of sanctions provided in the MTCR, there have been selective uses. Pakistan, despite importing the entire missile systems, was placed under category 11 sanctions of MTCR. A country like India was subject to category 1 sanctions for importing cryogenic engine. This was after India and Russia stated that the engine would be used for peaceful purposes.

(d) The power of arbitrariness in deciding about the end-user certificate is the fourth discriminatory characteristic of MTCR functioning. On one hand, the MTCR promises that it will not pose any hindrance to peaceful space programs and has made provision of the end user certificate for the pursuance of this goal, on the other hand, it resorts to acts like the one that had been done against India.

(e) Within the MTCR there is no equality. There are certain countries which are called members and others are called adherents.

(f) Earlier the U.S had made it obligatory for any nation willing to become an official adherent to enter into bilateral agreement with the U.S. but that is no longer the case now. Nevertheless, for an official adherent, the status has to be approved by MTCR member countries.

(g) Overall the regime has been pushed by the U.S. in almost all spheres. It takes a lead in formulating new clauses, targeting the countries and imposing sanctions on suspected or genuinely involved countries . This has been a matter of discord between the U.S. and European industries. The Europeans consider that the U.S. expects them and other countries to adhere to their unilateral laws and regulations.

88. Rajiv Nayan, *'India and the Missile Technology control Regime'* Chapter in Amitabh Mattoo', *India Nuclear Deterrent: Pokhran II and Beyond, –op..cit...n.65,*

89. B.M. Jain, *'The United States and Nuclear Challenges in South Asia'*, Chapter in B.M. Jain and Eva – Maria Hexamer 'Nuclearisation in South Asia', Rawat Publication, 1999, p.89.

CHAPTER 3

DIPLOMACY OF SANCTIONS

Generally, economic sanctions might be defined as "coercive" economic measures taken against one or more countries to force a change in policies or at least to demonstrate a country's opinion about the others policies.[1] Economic sanctions are used when one country (or alliance of countries) wants to condemn or coerce change in the behavior of another country – its government, individuals, or businesses – that violates important international standards or threaten national interests. The United States government may choose to impose sanctions to :

- Express its condemnation of a particular practice such as military aggression; human rights violations; militarization that destabilizes a country, its neighbors or the region; proliferation of nuclear, biological or chemical weapons or missiles; Political, economic or military intimidation; terrorism, drug trafficking; or extreme national political policies contrary to basic interests of values of the United States (e.g. apartheid communism).

- Punish those engaged in objectionable behavior & deter its repetition;

- Make it more expensive, difficult or time consuming to engage in objectionable behavior.
- Block the flow of economic support that could be used by the targeted entity against the United States or U. S. interests;
- Dissuade others from engaging in objectionable behavior.
- Isolate a targeted country (or company or individual);
- Force a change or termination of objectionable behavior; or
- Coerce a change in the leadership or form of govt. in a targeted country[2]

David A Baldwin[3] has studied sanctions as one of the techniques of economic statecraft. "Such techniques" according him, " have been or might be employed by a statesmen to pursue a wide variety of foreign policy goals, including the following – weakening or strengthening the leadership of another state, changing the policy system of another state, changing the domestic or foreign policies of another state, promoting a particular ideology, deterring war, acquiring or maintaining allies, weakening or strengthening alliance of other states, stopping or reducing the level of violence of an ongoing war, affecting the tariff policy of another state, changing the rate of economic growth of another state, changing the

economic system in another state, acquiring access to the goods and services of another state or denying them, and so on". He further divides them into negative sanctions and positive sanctions – where a political act is taking place in so far as a state is attempting to affect the actual or potential behavior of another international actor[4].

NEGATIVE SANCTIONS

Trade	**Capital**
Embargo	Freezing assets
Boycott	Controls on Imports and Exports
Tariff Discrimination (unfavorable)	Aid Suspension
Withdrawal of most favoured nation treatment.	Taxation (unfavourable)
Blacklist	Expropriation
Dumping	Withholding dues from International Organisations.
Preclusive buying	

—Contains examples of policy instruments associated with attempts to punish or to threaten.

POSITIVE SANCTIONS

Trade	**Capital**
Tariff Discrimination (favourable)	Providing aid
Granting most favourabed nation treatment.	Investment guarantees
Tariff Reduction	Encouragement of private capital exports or Imports.
Direct Purchase	Taxation (favourable)
Subsidies to Exports or Imports	
Granting Licences (Import or Export)	

—attempts to promise or provide rewards

Lloyed Brown John has also grouped economic sanctions into three types : embargoes, boycotts and blockades.[5] Embargo means a bar on export of goods to any sanctioned country by one or more countries. Boycotts, on the other hand, have been defined as sanctions imposed by one or more countries to stop the importation of some or all goods from the sanctioned country. Finally, blockade means the closure of territorial waters of the target country to deprive it from imports and export facilities, for example, the current blockade of Iraqi waters by allied countries.

Economic sanctions lie somewhere in between war and appeasement in terms of continum of 'toughness' Thus, they often get denounced by both sides. Those following a 'soft line' are likely to criticize them as too coercive and confrontational, while 'hard liners' are likely to see them as demonstrating a lack of commitment[6]. This is understandable since economic sanctions are likely to combine elements of appeasement and hostility, to demonstrate simultaneously both commitment and restraint. They are stronger than diplomatic protests but weaker than military attacks ..... They are neither heroic nor saintly measures. They are often designed to defer and reassure simultaneously. Baldwin emphasises that techniques that enable policy makers to demonstrate firmness while reassuring others of their sense of probation and restraint can be highly useful, especially to nuclear powers.[7]

Although Thomas. C. Schelling refers to a blockade, which is properly a military rather than economic instrument, his reasoning can easily be applied to economic sanctions. He feels that compared to other techniques of statecraft, economic measures are likely to exert more pressure than either diplomacy or propaganda and are less likely to evoke a violent response than military instruments. In mixed motive games, in which applying pressure and avoiding the evocation of a violent response are both important goals, economic tools are likely to be especially attractive. "In such situations", Schelling emphasises, "economic sanctions are not just second – best techniques but rather techniques that promise to be effective in ways that military force could not be. They are not merely inferior substitutes for force but rather superior first – best policy alternatives" [8].

Economic sanctions, have become a widely used foreign policy tool in situations ranging from disputes among allies to hostile confrontations with perceived enemies. The west has a long history of using sanctions and technology denials to try and meet its objectives. During the cold war, COCOM, the 17 – member coordination multilateral export control regime, was effectively used to block transfer of technology to erstwhile Soviet Union and the Eastern block countries[9]. Economic sanctions are fast becoming the policy tool of choice for the United States in the post cold war world[10]. Between 1993 and 1996, the U.S.A., the chief protagonist of free

trade, targeted 35 countries for sanctions and has used it 104 times since world war II.

While India is the first country to be affected by sanctions under the Glenn amendment, the United States has already in place economic and trade sanctions against a number of other countries. The Presidents Export Council estimated in mid – 1997 that about 75 countries were subject to or were under the threat of sanctions. Recent estimates of such countries is now 90 and the trend is towards broader unilateral sanctions, even though the council concluded that unilateral economic sanctions have a very poor record of success[11]. The list of countries includes some against whom sanctions have been in force for more than 35 years such as Cuba. Others against whom strict economic sanctions are being maintained include Cuba, Iran, Iraq, Libya, Myanmar, North Korea, Serbia, Montenegro and Serb controlled Bosnia, Sudan and UNITA (Angola)[12].

Sanctions against India and Pakistan

The United States, under the Glenn amendment (Section 102 of the larger Arms Export Control Act of 1994) was lawfully required to impose sanctions on India and Pakistan after their May 1998 nuclear tests [13]. This legislation, authored by former Senator John Glenn, stipulates that when a non-nuclear weapon state detonates a nuclear explosive device, the United

States administration must impose an extensive set of sanctions on the offending countries[14]. Passed into law on April 30, 1994, the Glenn Amendment clarified & amplified previous non-proliferation legislation, i.e. the Glenn / Symington Amendments to the Foreign Assistance Act of 1977 & the Nuclear Non-proliferation Act of 1978.[15]

The Glenn Amendment under which sanctions have been imposed against India & Pakistan, provides for 7 specific sanctions, under its various sections —

1. Sec. 102 (b) (2) (a) provides for termination of United States assistance under the Foreign Assistance Act of 1961, except for humanitarian assistance or food or other agricultural commodities.

2. Sec. 102 (b) (2) (b) provides for termination of United States government sales of defense activities, defense services, design & construction services & licenses for export of any item from the United States Munitions list (USML).

3. Sec. 102 (b) (2) (c) provides for termination of all foreign military financing under AECA, 1976.

4. Sec. 102 (b) (2) (d) provides for denial of any credit, credit guarantee or other financial assistance by any department,

agency & instrumentality of the United States government, excluding humanitarian assistance or congressional oversight of intelligence activities under title V of the National Security Act, 1947.

5. Sec. 102 (b) (2) (e) provides for United States government's opposition to the extension of any loan or financial or technical assistance by any International Finance Institute, like the World Bank or the International Monetary Fund.

6. Sec. 102 (b) (2) (f) prohibits any United States bank from providing loans or credit to the government of India & Pakistan, including loans or credit to purchase food or other agricultural commodities.

7. Sec. 102 (b) (2) (g) prohibits export of specific goods or technology (broadly termed duel use), excluding food, agricultural commodities & congressional oversight.

Since the provisions of this Act had never been evoked earlier, working out the details took some time & the actual sanctions were rolled out over a period of weeks. On June 18, 1998, the United States Department of State, announced the details, along with the goals of the sanctions, namely–

- To send strong message to would-be nuclear testers.
- To have maximum influence on Indian and Pakistani behavior.
- To target the governments rather than the people, and
- To minimize the damage to other U. S. interests.[16]

Apart from United States, Thirteen countries, including Japan, Germany, Australia, Canada, Denmark and Sweden suspended bilateral aid programs as a sanction against India and Pakistan. Among these, however, only Japanese sanctions involved significant amount. Japan cancelled development loans worth $1.2 billion to India, as well as $30 million in grant aid. They also suspended all loans to Pakistan, which totaled $231 million in 1997-98 and cancelled grant aid of approximately $55 million.[17]

The other bilateral programs that were suspended were very small. Germany called off bilateral aid talks with India and put a hold on new developments aid worth $168 million. Denmark froze $28 million in aid, Sweden cancelled $119 million and Canada suspended approximately $9.8 million of non-humanitarian aid, all originally intended for India. Australia, a relatively small lender to South Asia cancelled all non-humanitarian aid to India of $2.6 million. While all of its aid to Pakistan was classified as humanitarian and therefore not cancelled, Australia refrained from a planned increase in aid of a $2.5 million.[18]

More importantly, all of the G-7 countries along with a number of non G-7 nations joined the United States in opposing non-humanitarian lending by the IMF, the World Bank and the Asian Development Bank to India and Pakistan.[19] In May and June 1998, the World Bank halted approximately $1 billion in economic development and infrastructure and related loans to India although it cleared approximately $1 billion worth of social development loans[20]. In addition Asian Development Bank (ADB) lending to India fell from $560, million in 1997 to $250 million in 1998. World Bank lending to Pakistan also declined sharply, down to $440 million in 1998-99 from $800 million the previous year[21].

WAIVERS :

Just 6 months after the sanctions were announced, however, the United States had lifted virtually most of them. The process of weakening the sanctions in place against India and Pakistan had actually begun in July 1998, when the senate voted to exempt food exports from sanctions[22]. The United States farming community was concerned over the loss of its marker in India and Pakistan, particularly the latter, because of suspension of USDA export credit guarantees. (Pakistan is a major user of these credit guarantees under USDA's scheme called GSM –102[23]. India has a credit line but has never made use of it.) This led to the enactment of the Agriculture Export

Relief Act (AERA) on July 14, 1998, which exempted USDA export credit guarantees from the Glenn Amendment provisions till September 30, 1999.[24]

Pursuant to the above-mentioned bar on loans or assistance by international financial institutions, the United States administration claimed on June 18, 1998, that it had gained the support of the G-7 countries and Russia to postpone consideration of non-basic human needs" loans for India and Pakistan. On the same date, the U. S. administration announced that bank-related sanctions (item f as mentioned above) would be implemented through an "executive order". But these remained in the draft stage with the Treasury Department and were not implemented. That is, that particular category of sanctions was not in place.

The dual-use export sanctions were implemented by means of guidelines of the bureau of Export Administration (BXA) of the Department of Commerce issued on June 22, 1998. These were formally incorporated into the EAR as an "interim rule" on November 19, 1998. This rule included an Entities list comprising 40 Indian and 46 Pakistani end-users, along with more than 200 subsidiaries. The sanctions meant a presumption of denial of export licences for items subject to export controls to these entities. A ceiling of 2,000 million theoretical operations per second (MTOPS) on high performance computers (HPCs) was imposed, above which level a licence

would be required for exports with a strong presumption of denial to all the entities. [25]

On October 21, 1998 Congress passed the India-Paksitan Relief Act (IPRA) of 1998. Section 902 of the Act (the Brownback Amendment) authorised the President to waive "for a period not more than a year upon enactment of the Act"certain parts of the Glenn Amendment sanctions. This was necessary because the Glenn sanctions do not provide for the lifting or waiving of sanctions. Significantly, IPRA also gave an authority to waive sanctions pursuant to Section 620(E)(e) of the Foreign Assistance Act (the Pressler Amendment),which allows economic and military assistance to Pakistan. As regards the Glenn sanctions alone, this allowed a waiver of sanctions (a), (d), (e) and (f) as given above but not (b), (c)and (g).

President Clinton partially exercised this authority on December 1,1998,. Even within the scope of (a), (d), (e) and (f) of 102(b), sanctions were lifted only with respect to (1) Eximbank, OPIC and TDA operations; (2) IMET programmes; (3) loans or credits to the two governments by United States banks (though this part had not been imposed); and (4) any loan or financial or technical assitance (only) to Pakistan by international financial institutions in support of the assistance programme that Pakistan was negotiating with the IMF.(On January 14,1999, a $575 million IMF loan

was approved , in the voting of which the U.S. abstained.) The lifting of sanctions on USDA credits ran concurrently but only till September 30,1999, since (1) above did not include the USDA.

Interestingly, on October 1,1999, the President extended the waiver on USDA credits till October 21 so that all waiver provisions expired on that date, although a 20- days difference between the two sets of waivers should not have caused any problems. This seems to have been specifically done in order to enable Pakistan to complete the negotiations with the USDA for a pending $60- million credit line that was opened in January 1999. Between September 3 and October 6, 1999, $36.80 million seems to have been negotiated and approved while $23.20 million remained to be approved. Now if the coup-linked sanctions are put in place, the remaining ones cannot be negotiated u less this amount too has already been approved between October 6 and the imposition of sanctions following the October 12 coup.[26]

While with regard to India it would be easy for the United States administration to adopt the interpretation of a continuing waiver beyond October 21, with regard to Pakistan the issue may be more complex because of the coup-related sanctions. The overthrow of a democratically elected government in a military coup attracts its own set of sanctions under Section 508 of the Foreign Assistance Act which would override the waivers that

were in place till October 21. However, while the coup-related sanctions cover all manner of United States assistance, they do not include the provision to oppose loans from multilateral funding organisations such as the IMF, and the World Bank as the sanctions pursuant to Section102(b) of the AECA do. So, unless the G-7 and Russia decide to postpone decisions on loans to Pakistan, the United States will not oppose such multilateral assistance to Pakistan.

At present, the imposition of sanctions or their waiver, would seem to be stuck in a legislative conundrum in the administrative machinery in the United States as a fallout of the stand-off between the Republicans & and the Clinton administration. The issue would appear to have caught in the Politico-legal mass which seems to have been created over the ratification of the CTBT by the Senate.

The ongoing debates in the various United States congressional committees on the United States policy towards the sanctions on India & Pakistan, & the congressional Acts that might emerge from them are likely to determine the course of future United States action on the issue. The various bills that are concerned with an overall sanctions reforms policy are:[27]

1. The Enhancement of Trade, Security and Human Rights through Sanctions Reforms Act of 1999, H.R. 1244, introduced in the House on March 24 (this seeks to put in place a framework for consideration of unilateral economic sanctions by the legislative and executive branches rather than a Presidential determination alone);

2. The corresponding bill in the Senate, S.757, introduced on March 25, AND called the Sanctions Reforms Act of 1999.

3. The Sanctions Rationalisation Act of 1999, S.927, introduced in the Senate on April 29 (this seeks to authorise the President to delay, suspend or terminate economic sanctions if such termination is in national interest –the Congressional decision on S.927 could form the basis for Cliton's future action on the sanctions against India); and

4. The Economic Sanctions Reforms Act of 1999, S.1161, which was introduced in the Senate on May27 and which, seeks a framework for imposing unilateral economic sanctions under United States law and reiterates the authority vested in the President to impose such sanctions but with a statement of

foreign policy and national security considerations that have led to the imposition.

Unlike the India-Pakistan Relief Act (Brownback I), the new waiver authority bill (H.J. Res. 2561), which now forms part of the DDAB, is a permanent waiver with a provision of imposition only if the country detonates a nuclear device subsequent to the enactment. Otherwise the scope of the wavier is identical to Brownback I in the sense that it does not allow any waiver on (b), (c) and (g) of 102 (b) of he AECA, which means restrictions on dual-use technologies and goods will remain and so will the opposition to loans from international financial institutions.[28]

Broadly, these bills agree on the basic premise that unilateral sanctions need to be imposed on grounds of national security, checking terrorism and curbing the proliferation of weapons of mass destruction, among others. However, they favour a narrowing down of the sanctions and the targeted entities or parties to achieve the objectives of the sanctions without hurting United States business interests. The reforms suggested include a multi-agency review and a cost-benefit analysis before sanctions are imposed. All these are under different stages of discussions at various committees. All these bills point to the myriad forces at work within the United States Congress.

Impact of U. S. Economic Sanctions

Under United States congressional legislation of 1994 Glenn Amendment, the Clinton administration was required to halt bilateral aid and oppose multilateral aid from international financial institutions (IFIs) to Nuclear Non-Proliferation Treaty (NPT) defined non-nuclear states that conducted nuclear tests. These sanctions were originally intended, but ultmately failed, to deter nuclear testing. They nevertheless had a purpose in the post-test situation, one which was not punitive but suppose to be rehabilitative. [29] According to Undersecretary of State, Strobe Talbott, who has become the chief United States interlocutor with the South Asian neighbours since their respective tests.—

> *"The sanctions imposed on India and Pakistan were necessary for several reasons. First, it's the law. Second, sanctions create a disincentive for other states if they are contemplating it. And third, sanctions are a part of our effort to keep faith with much larger number of nations that have renounced nuclear weapons despite their capability to develop them."*[30]

While the Browback Amendment has for the time being rolled back almost all of the original sanctions placed on India and Pakistan, the Glenn amendment— the legislation that required the imposition of the sanctions—

still exists. It is therefore important to evaluate the efficiency of these sanctions and their impacts on India and Pakistan.

IMPACT ON INDIA

The United States had claimed that India would immediately lose aid and other inflows worth $ 20.63 billion on account of sanctions imposed on India in the wake of nuclear blasts. This was contested by the Ministry of Finance of the Government of India which estimated the loss to be much smaller of the order or $1.14 billion. [31]

The United States bilateral aid programmes that were suspended were minuscule relative to India's public sector budget. The termination of foreign assistance under the Foreign Assistance Act cost India $ 51.3 million in aid from the United States in 1998, including $12 million in economic development assistance and $ 9 million under the Housing Guaranty program. Another $ 6 million earmarked for a greenhouse gas program was suspended, as was funding for a reproductive health program. Plans for an Indian electrical testing laboratory, to be partially funded by the United States Agency for International Development (USAID) and designed to implement standards for energy consumption and efficiency, were postponed. Following the tests, the Trade Development Agency also announced that it would not be considering any new projects in region.[32]

United States government lending institutions also severed their ties with India after the May explosions. The US Export-Import Bank estimated that the new prohibition on loans, loan guarantees, and credit insurance immediately affected approximately $500 million of United States exports to India in pending transactions. Based on indications of interest received by the Bank, an additional $3.5 billion of exports might have been affected if the sanctions had remained in place. The Overseas Private Investment Corporation (OPIC) also announced that it too would cease approval of new projects in India.

The Ex-Im Bank and OPIC sanctions affected several major projects in India. Enron Corporation, in a joint venture with GE Capital and Bechtel Enterprises, had started work on a $ 2.5 billion power plant south of Bombay with partial funding from both the Ex-Im Bank and OPIC. Following the imposition of sanctions, this project was delayed indefinitely. In the southern city of Bangalore, withdrawal of $350 million in funding from the Ex-Im Bank stalled the San Francisco-based Cogentrix Energy Company's plan for a 1,000 –MW power plant. The contract for a joint telecommunications venture between Hughes Network Systems and the Indian company Ipast was voided.

It appears that the direct combined effect of suspension of foreign aid and the sanctions imposed by the United States on India against its nuclear tests would be relatively small and bearable in the short run. This is due to various reasons.

(1) India does not receive military assistance from the United States of any consequence. Termination of military sales and financing of a mere $ 0.78 million would not cause any worry. Further defence co-operation in various forms at bilateral level (such as proposed training and joint exercises) can wait. [33]

(2) Since bilateral official aid received by India from United States (including aid received through U. S. Agency for International Development or the U. S. AID) is relatively quite small, the stoppage of all further aid and partial (or total) suspension of existing aid porgrammes (by possible closing down of the office of United States AID) will have only a small adverse effect on the Indian economy.

(3) The drying up of suppliers' and buyer's credit from United States Export Import Bank will certainly affect India's purchases of equipment and planes (Boeings) from the United States. But this will hurt American companies more as India

may be able to successfully negotiate buying similar equipment and planes from British, French (Airbus) and other European countries.

(4) The restrictions imposed on American banks on extending further credit lines to Indian public sector banks (as recently witnessed by the refusal of Chase Manhattan Bank in New York to the State Bank of India in New York) will certainly raise the cost of operation by Indian banks in the United States. However even if this is not done, Indian banks (mainly the State Bank of India) can negotiate required facilities with non-American banks operating in the United States for the former's smooth operations. American banks operating in India have so far not received any clear guidelines or directives on restrictions imposed by United States sanctions on their business operations in India. So far it is business as usual for these banks. Hopefully, they will be left free to operate in India as in the pre-sanctions time. The impact of U.S. imposed sanctions if any, on the Indian operations of American banks will hurt them more by diverting their business to non-American foreign banks (especially European banks) operating in India. [34]

There is already a section of influential senators in the United States which feels (as does Pakistan) that India has not been punished through sanctions as severaly as it deserves. United States Congressman Edward Markey has already proposed to move an amendment to deny MFN status to India for textiles (including garments) and impose restrictions temporarily (and later reversible) on India's exports of these products to the United States market. Such a temporary (and later reversible) step is permitted under the rules of GATT (now WTO) under a special clause invoking 'security' reasons. If such an amendment was to get passed, it will certainly hurt India's crucial exports to the US (currently $ 2.5 billion worth) in this sector. Textile exports to the US (including garments) account for nearly one-third of India's exports from this sector to the US and for one-fourth of India's exports from this sector to the world. One only hopes that the US does not ban or impose any restrictions on imports of textiles from India. More importantly, let us hope that the US does not impose sanctions on exports of other products and services (including crucial software exports). Finding alternative markets for Indian textiles would be a difficult task in the short run. The US may ban or restrict its exports of high technology products which it believes could help India to produce nuclear weapons or other sensitive items for defence[35]. Such sanctions are unlikely to hurt India significantly as they can only delay but not stop India's march to self-reliance

in these areas and in the short run drive India to try to procure them for alternative sources.

The much more serious potential damage from sanctions imposed by the US can come if the US goes for enough in the directions of not only casting its own vote (with its voting power of about 17 per cent, against all fresh loans (including soft loans) from the World Bank to India but also succeeds in persuading many other developed and developing countries (especially its close allies in the western hemisphere) to collectively and overwhelmingly (carrying at least 51 per cent votes) to stall new developmental loans to India. Such a move would very seriously hurt the faster development of the Indian economy especially in the crucial infrastructural sectors (power, ports and airports, telecommunications, roads, railways, etc.) as also in the critical social services sectors (such as urban water supply, waste disposal and sewerage; primary health and other rural development projects); and projects for improving environmental and ecological standards. Further help from the World Bank and (its affiliates) in the form of guarantees required by the municipal corporations like Ahmedabad, Vadodara and currently being negotiated by the Municipal Corporation of Pune for accessing international capital markets for raising resources through municipal bonds (as successfully completed from

domestic capital market by the Ahmedabad Municipal Corporation) could be in jeopardy.

At present, despite continuing industrial recession and virtual stagnation of export earning during the last two years, the balance of payments position is fairly comfortable to enable India to meet its needs for imports, remittances of profit and royalties by foreign companies operating in India and repayment of external debt. In the wake of sanctions, the indirect market perception and market sentiment based effects are potentially likely to be more harmful than the direct effects of the sanctions.

EFFECTS OF THE SANCTIONS ON INDIA'S CAPITAL FLOWS

There was in fact a sharp decline in capital flows to India during the months following the nuclear tests in May. For April-June 1998, the net inflow was about $ 4.2 billion less than in the same quarter in 1997. This amount is modest but not insignificant relative to the whole Indian economy : it is equivalent to about one percent of GDP and four percent of gross domestic investment. Initially, this shrinkage in net capital inflows brought about a decline in India's foreign exchange reserves.

This drop, however, did not induce any panic in the financial or foreign exchange markets, because India's initial reserve position was very strong. At the end of April 1998, the foreign exchange reserves of $ 26

billion equaled about six months worth of imports, which is considered very healthy. Furthermore, India was able to compensate for this initial loss of capital inflows through the sale of the so-called Resurgent India Bonds to nonresident Indians. This bond issue brought in over $ 4 billion, and by October 1998 total reserves exceeded the April level[36].

India's growth fluctuated between 4.7% (for the second quarter, 1998) and 8% (for the first quarter, 1999) and averaged 5.8% for the fiscal year 1998-99, compared to 5% in 1997-98 and 7.8% in 1996-97. India's foreign direct investment (FDI) fell to $1.8 billion in 1998-99 from $3.2 billion the previous year, and India also faced a foreign institutional investment (FII) outflow of $200 million in 1998, although FII revived in early 1997.

Among the types of capital flows, the sanctions could potentially have impacts through three distinct channels :

- changes in financial flows from bilateral creditors and agencies;
- changes in flows from the international financial institutions (IFIs), especially the IMF and the World Bank; and

- changes in private capital flows as a direct or indirect response to the presence of the official sanctions.

Examining the composition of capital flows, we find that flows of official foreign aid changed very little. According to the balance of payments data of the Reserve Bank of India, gross disbursements of external assistance for the period April 1998 through September 1998 were $ 991 million, compared to $ 1.066 billion for the same period in the previous year. For the Indian fiscal year of April 1998 through March 1999, gross disbursements of $ 2.726 billion were only five percent below those of the year before.

The explanation is that the sanctions affected new commitments, not disbursements of previously contracted loans. At present, official foreign aid to India is in the form of "project loans," which normally disburse slowly over several years after commitment. For World Bank project loans, disbursements typically are spread over four to eight years. India, unlike Pakistan, has not been receiving quick-disbursing funds such as IMF financing and adjustment lending by the World Bank, which typically disburse within one to two years. So cutting new commitments of official aid to India would not significantly affect disbursements for several years.

By contrast, there were notable declines in almost all categories of private flows. Foreign investment in India fell sharply in May 1998 and remained well below the levels of 1997, and this involved declines in both direct investment and portfolio investments. Receipts from external commercial borrowing were also significantly lower after May 1998[37].

In addition to the sanctions, three other potentially powerful factors could cause such declines in private capital inflows :

- a decline in international investor appetite for portfolio investments in emerging markets generally following the Asian financial crisis that begin with the Thai baht devaluation in July 1997;
- fear of possible military conflict in the subcontinent; and
- economic policy announcements by the Indian government that created concerns about a weakening fiscal policy, a possible reversal of liberalization policies, and a generally less favorable climate for foreign investment.

In fact, the Indian market rose sharply from the beginning of the new Bharatiyá Janata Party (BJP) government in March until the nuclear tests in early May, even though the rest of Asian markets were almost unchanged. During this period India seemed a relatively safe haven compared to the East

Asian countries in crisis and tended to attract foreign portfolio investments. But, between the May tests and the end of 1998, the Indian market fell about 27 percent, compared to a four percent decline in the rest of Asia. We believe that this decline mostly reflects concerns about the economic policy direction of the Indian government. In particular, in June, India put forward proposals to raise import tariffs and submitted a budget that indicated an unwillingness to tighten fiscal policy despite accelerating inflation. The fact that the stock market has failed to recover since the lifting of the sanctions confirms that this deterioration in economic policy, combined with the increasing fragility of the BJP'S governing coalition and hence the poor prospects for better economic policy, was the most powerful factor.

Nevertheless, during June and July, there were some significant market moves that were apparently driven by the sanctions. Looking through both the Indian and global financial press throughout this period, it is striking that traders paid a lot of attention to the latest news about the scope and potential duration of the sanctions. Immediately following India's tests, as the Bombay Stock Exchange fell six percent relative to other Asian markets in three days, there were wide spread reports that the movements were due primarily to the impending US sanctions.

Just after the United States announced the details of its sanctions on June 18, the Indian market fell almost 10 percent relative to the rest of Asia. On July 10, 1998, following the US Senate vote of 98-0 to weaken the sanctions by permitting agricultural exports credits, the Indian market rose about 12 percent relative to the international market. On July 16, 1998, the day after the Senate approved the Brownback Amendment – legislation that gave the president the authority to waive sanctions-the Indian stock market rose 3.7 percent, and the Times of India headline read "Shares Sparkle on Sanction Waiver Hopes."

There were, of course, other factors affecting market sentiment. In particular, changes in India's credit rating by external agencies caused stock market movements-but these rating changes were to some extent due to the sanctions. On June 19,1998, Moody's announeced its downgrade of the Indian credit rating. While Moody's made it clear that their decision was based primarily on India's long-term lack of economic reform, they did state that the presence of sanctions played a role in their judgment. In fact, Moodys was followed by other credit rating companies like "Standard & Poor, Duff & Phelps' in downgrading India due to imposition of US Sanctions.

This evidence from the stock market and from the statements by the credit rating agencies suggests that the sanctions-although not the most important driver of market sentiment-were a significant factor. The sanctions contributed indirectly to the observed declines in portfolio investments and in external commercial borrowing in large part through their impacts on the attitudes of agents in the global capital markets.

Therefore, the bottom line for the case of India is this : sanctions had a marginal effect on the nation's economy. The indirect effects via private capital flows were far more important than the direct effects of changes in official aid flows. The sanctions would have greater effect if they remained in place for several years and thereby affected significantly not jut the commitments but also the disbursements of official creditors such as the World Bank.

IMPACT ON PAKISTAN

Since Pakistan was more dependent on foreign aid, sanctions had a significantly greater impact on its economy. In recent years, foreign aid averaged approximately 1.5% —2% of GNP and 6% —8% of the governments budget for Pakistan, compared to 0.8%—1% of GNP and 3.5%— 4% of government budget for India. [38] The Pakistani govt. which

before the sanctions had predicted a GDP growth rate of 6% for the 1998—99 financial year (July-June) had to revise this forecast to 3.1%.

Following the nuclear tests, the United States and other shareholders in the IMF formed a coalition to block disbursement of the IMF credit and the parallel adjustment loan from the World Bank. The expectation that the sanctions would block this ongoing IMF support caused a collapse of market confidence, which affected the capital flows, the exchange rate, and aggregate GDP growth in Pakistan. New private inflows virtually stopped. Foreign exchange reserves fell to extremely low levels. In early November, just before President Clinton waived a number of sanctions on Pakistan and India, Pakistan's foreign exchange reserves stood at $ 458 million, a dangerously small amount. The open market (kerb) rate for the Pakistani rupee depreciated from Rs. 45 to the dollar in early May to Rs. 63 in mid July-a 28 percent depreciation. By the end of 1998, when most of the sanctions had been lifted, it remained 16 percent below its pre-test value[39].

This collapse in confidence was also apparent in Karachi Stock Exchange (KSE), which fell sharply after May 1998; by mid-July it had fallen 34 percent more than the rest of Asian stock markets. This mid-July point is important to note, as it was at this time that it became clear that the sanctions would cause the indefinite postponement of IMF funds.

As in the case of India, bad economic policy decisions also contributed significantly to the crisis of confidence and the loss of foreign exchange by Pakistan. In particular, on May 28, 1998, in an attempt to avoid a post-test run on its banks, the government froze all foreign currency accounts in Pakistan. This immediately halted remittances from Pakistanis overseas, which had been a major source of net inflows.

On June 1, the first day the KSE was open after the nuclear test, the market crashed approximately 15 percent, its worst ever performance while all other Asian markets experienced a 4.6 percent drop. After the official June 18 announcement of the US sanctions, the KSE proceeded to fall another 13 percent over the next five days, while all other Asian markets fell 4.7 percent.

The Pakistani markets also reacted positively to any news regarding the lifting of sanctions. On July 16, the day after the US Senate voted to adopt the Brownback amendment, the Karachi Stock Exchange jumped up almost 7 percent. This upward trend continued until the end of the week, when the market closed 14.8 percent higher than it had started at the beginning of the week, compared to a 6.8 percent jump in all other Asian markets.

To sum up, we can say that because of its prior vulnerability, the Pakistani economy was severely affected by the withdrawal of IMF financing by the US-led coalition among IMF shareholder governments, and by the indirect effects of this withdrawal on other capital flows to Pakistan. Sanctions, had a relatively minimal overall impact on India's economy although it would be difficult to isolate the effects of sanctions from the effects of other concurrent economic events & policies. Also, the sanctions were not substantial enough to pressure New Delhi into making major concessions on proliferation issues. They were infact, maintained to signal the international communities disapproval of India's and Pakistan's nuclear tests, but were selectively lifted over the course of their first year to induce concessions from both states as well as to prevent an economic collapse in Pakistan.[40]

NOTES :

1. Barry E. Carter, *'International Economic Sanctions: Improving the Haphazard U.S. Legal Regime'*, Cambridge University Press, 1988, p. 4, Quoted in *CRS Report* by Rennack E. Dianne and Shvey D. Robert: 'Economic sanction to achieve United States foreign policy goals : discussion and guide to current law'. June 5, 1998.
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5. Lutfullah Mangi, 'Sanctions: An instrument of United States Foreign Policy', *Strategic Digest*, July 1998. p. 1119.
6. David A. Baldwin, *'Economic Statecraft'*, *--op.cit.,n.3*, p.4.
7. *Ibid*
8. Thomas C. Schelling, *'Arms and Influence'*, New Heaven, Conn : Yale University Press, 1966.
9. Subash K. Bijlani, 'Coping with Sanctions', *World Focus*, vol. 19, no. 6, June-July, 1998.
10. Richard N. Haass, *Economic sanctions and American Diplomacy*, The Council on Foreign Relations, Inc., Washington D.C., 1998.
11. G. Balachandran, *'Sanctions and Economic Consequences'*, Chapter-7, in Amitabh Mattoo, *India's Nuclear Deterrent : Pokhran II and Beyond*, New Delhi, Har Anand Publishers Pvt. Ltd., 1999.
12. *Ibid*, p. 224
13. For an history of Glenn amendments, see Randy J. Rydell, 'Giving Non-Proliferation Norms Teeth : sanctions and the NPPA.', *The Non-Proliferation Review*, 6 (winter 1999).
14. As neither India nor Pakistan had detonated a nuclear device before January 1, 1967, each is considered to be a non-nuclear weapon state for purpose of 102 (b) (2).
15. Randy J. Rydell, 'Giving Non-Proliferation Norms Teeth : Sanctions and the NPPA.' *The Non-Proliferation Review*, 6 (winter 1999).
16. *Fact sheet* : "India and Pakistan Sanctions" Released by the Bureau of Economic and Agricultural Affairs, United States Department of State, June 18, 1998.
17. Evan Thomas, John Barrey and Melinda Liu, "Ground Zero", *Newsweek*, May 25, 1998, pp. 28-32.
18. Daniel Morrow and Michael Carreire, .'Economic Impact of Sanctions on India and Pakistan', *The Non-Proliferation Review*, Fall 1999.
19. The common stance of the G8 countries (the G-7, i.e. the United States, United Kingdom, France, Germany, Japan, Italy Canada, plus Russia) was announced at the G-8 summit in London on June 12, 1998. This was Significant because United States holds less than 18% of voting shares in these international lending institutions. In fact, the G-7 countries together have only about 45% of the votes in the IMF and the World Bank. Others such as the Nordic countries are required in order to form a coalition commanding a majority of votes shares in these two institutions.
20. World Bank loans were approved for economic restructuring, health care, women and child development agricultural projects but power and road project loans were held back. "World Bank may okey more lonas " Indian Express, June 27, 1998.
21. Pakistan expected to receive loans worth $ 750 million in 1998-99 but eventually received only $ 350 million loan for structural reforms in banking and public utilities and a $ 90

million poverty allevation fund was banned. "Sanctions could Bruise Fragile Pakistan. Badly", *New York Times*, May 29, 1998.

22. Thomas W. Lippman, "Senate Votes to Exempt Food Exports from Sanctions on India, Pakistan", *The Washington Post*, July 10, 1998.

23. Congress members had argued that sanctions would curtail export credits to Pakistan through which it purchased $ 400 - $ 500 million worth of United States wheat and this could devastate United States farmers and ranchers.

24. Additionally, the AERA made the general prohibition of United States credits, credit guarantees and Financial assistance inapplicable to medicine and medical supplies and permanently lifted any sanctions imposed on such items before the date of enactment.

25. R. Ramachandran, 'Sanctions : an Uncertain Status', *Frontline*, November 19, 1998, p. 121.

26. *Ibid*

27. R. Ramachandran, 'Sanctions and Congressional moves', *Frontline*, August. 13, 1999.

28. R. Ramachandran, 'Sanctions : an uncertain status', *Frontline*, November. 19, 1999.

29. Dinshaw Mistry, 'Diplomacy, Sanctions and the United States Non-Proliferation Dialogue with India and Pakistan', *Asian Survey*, vol. XXXIX, no. 5, September-October, 1999.

30. Strobe Talbott, 'United States Diplomacy in South Asia : A progress Report", November 12, 1998, The Brooking Institute, Washington D.C., – U.S. Department of State Dispatch, December 1998, p.4.

31. Charan D. Wadhva, 'Costs of Economic Sanctions,' *The Economic and Political Weekly*, June 27, 1998.

32. Daniel Morrow and Michael Carriere, 'Economic Impact of sanctions on India and Pakistan', *--op.cit.,n.18, p. 3.*

33. Charan D. Wadha, 'Costs of Sanctions' *--op.cit.,n.31,* p. 1605.

34. Ibid

35. Technology embargoes denying nuclear and missile technology to India and Pakistan were in place even prior to their 1998 nuclear tests.

36. Daniel Morrow and Michael. Carriere, 'Economic Impact of sanctions on India and Pakistan', *--op.cit.,n.18*

37. *Ibid*

38. In the mid 1990's Pakistan had been receiving annual disbursements worth $ 100-200 million from IMF, $ 300 million from Japan and $ 1-1.5 billion from the IFI's. In the same period, India received annual aid worth approximately $ 2 billion from the World Bank and other IFI's and $ 1 billion from Japan, which together accounted for Three-Fourth of India's Foreign aid.

39. Daniel Morrow and Michael Carriere, 'Economic Impact of sanctions on India and Pakistan, *--op.cit.,n.18,* p. 10.

40. Dinshaw Mistry. ' Diplomacy, Sanctions and the United States Non-Proliferation Dialogue with India and Pakistan, *--op.cit.,n.29.*

CHAPTER 4

SOUTH ASIAN RESPONSE

"Whether India, Pakistan and Israel are accepted as nuclear weapon states under the Non-Proliferation Treaty or not, the international community cannot overlook their weapon capabilities. There is therefore a global nuclear order with eight nuclear weapon states and the rest of international community under a Non-Proliferation regime."

K. Subrahmanyam[1]

For over half a century, the balance of power in Asia has been determined to a great extent by factors and actors outside Asia. From the South West (Afghanistan and Iran) to the North East (North and S. Korea) countries in the region looked or were forced to look, at external powers in pursuing their own security. In that regard then, the Asian countries, with the exception of China, have been objects, rather than subjects in the international system.[2] Now, in the post-cold war period, there were a number of trends-nuclear, military and political – that suggest that a more genuine Asian balance of power, created and maintained by states within Asia, could be in the making. But as in the past, the policies of the remaining superpower are influencing events, and they are complemented by changes within Asia itself.[3] In this context, the developments in South Asia pose a difficult challenge for American foreign policy. The tests conducted by India

and Pakistan threatened U.S. interests and fuelled American fears of the possibility of an arms race destabilizing the South Asian subcontinent. Thus the principal task before India and Pakistan was to convince the U.S. that the country's new nuclear status was not destabilising to either the international proliferation regime or to South Asian region as a whole. They took upon themselves the goal to normalise relations as soon as possible persuading Washington to accommodate their new nuclear status and lift any sanctions that would follow.[4]

Indian Responses

In a May 12, 1998, letter to President Clinton and other world leaders, Indian Prime Minister Atal Behari Vajpayee listed concerns about the deteriorating security and nuclear environment-with oblique references to China and Pakistan-as the impetus for India's conducting the nuclear tests.[5]

The immediate U.S. response to the tests was a prompt offer by Bill Clinton to Vajpayee that if India agreed to sign the C.T.B.T. he would hold off on economic sanctions. In this respect, the statement issued by Vajpayee's Principal secretary, Brajesh Mishra sought to reassure that India was still a responsible member of the world community but committed itself to the non-proliferation regime as little as possible. Mishra noted the government's support for the goal of a test ban that included sub-critical and

hydronuclear tests "India", he said, "would be prepared to consider being an adherent to some of the undertakings of the Comprehensive Test Ban Treaty."[6] While the government had taken into account the possibility of economic sanctions, he was optimistic that none would be imposed. Mishra stoutly denied suggestions that the Indian action was part of any "deal" or "*quid pro quo*" with Washington on the question of the C.T.B.T. He pointed out that there was a 'big difference' between acceding to the treaty and adhering to some of its undertakings.[7]

Though the details of U.S. policy became clearer in the next few days, it was in these initial days of the tests that some proud Indian diplomats uttered a few statements, for which India had to pay a heavy price. Firstly, the diplomatic confrontation with China proved a major distraction. Vajpayee's categorization of China as a potential threat to Indian security welcomed a harsh Chinese response for the Indian tests. It is not impossible that Beijing would have taken a neutral position regarding India's tests in international fora like the Security Council.[8] India subsequently spent much time trying to reassure China that it had no sinister designs on Beijing. The Indian Prime Minister afterwards repeatedly contradicted his own letter by saying the tests were not country-specific.[9]

Another blunder committed by the Indian diplomats was to link India's nuclear status with Kashmir dispute. Home Minister, L. K. Advani, had

explained how " India's decisive step to become a nuclear weapon state has brought about a qualitatively new stage in Indo-Pak relations, particularly in finding a lasting solution to the Kashmir problem". This brought an angry response from Pakistan – which made best use of the opportunity by internationalising the issue and giving a call for 'third party mediation' to the world community. Albright was soon declaring Kashmir the "root cause" of South Asia's nuclearisation. However, India continued its campaign for a bilateral solution and had to resume its talks with Pakistan on all issues, including Kashmir.

The government also tabled a paper titled "The Evolution of India's Nuclear policy" elaborating the Prime Minister's statement. Outlined here were the first rudiments of the Indian nuclear weapons doctrine:

" India shall not use these weapons to commit aggression or to mount threats against any country; these are weapons of self defence and to ensure that in turn, India is not subjected to nuclear threats and coercion"[10]

Indian Prime Minister A. B. Vajpayee and others in the government have continuously emphasised the need of a minimal nuclear deterrence. After India exploded nuclear weapons in May 1998, there were various rounds of talks between U.S. Deputy Secretary of State Strobe Talbott and Indian Minister of External Affairs, Jaswant Singh. One point repeatedly

stressed by Talbott was the need to define its doctrine of minimal nuclear deterrence.[11] Thus the draft of the doctrine was released by the National Security Adviser, Brajesh Mishra, on August 17, 1999 for the purpose of public debate. The main tenets of the doctrine [12] are :

- India is firmly committed to the principle of "no first use" of nuclear weapons[13].

- India will not resort to the use of nuclear weapons against states which do not possess nuclear weapons or are not aligned with N.W.S. This principle needs to be seen in the context of India's nuclear weapons being for self-defence.

- In the event of failure of nuclear deterrence, and if India is attacked with nuclear weapons, India will use nuclear weapons in a second strike to retaliate and "to inflict damage unacceptable to the aggressor." The credibility of such deterrence will depend upon sufficiency of nuclear weapons. But policy makers do not prescribe any specific number[14].

- India needs to concentrate to make its nuclear weapons invulnerable to a first strike with nuclear weapons either by Pakistan or China or jointly by them. The Nuclear Doctrine speaks of a triad of aircraft, land-based mobile missiles and sea

based assets. Also, in order to make nuclear weapons invulnerable to first strike, India will also have to develop nuclear submarines and deploy anti-ballistic missiles.

- India will also develop or acquire, the necessary protective safety systems for nuclear weapons.

- To raise the threshold of outbreak of both conventional military conflict as well as that of threat or use of nuclear weapons.

- India will continue to emphasise – from a position of strength – global nuclear disarmament.

The U.S., in its capacity as the self-appointed spokesperson of the worldwide non-proliferation order promptly articulated its disapproval of the draft doctrine. In fact, the state department spokesman James Rubin did not mince words when he said that the U.S. did not find it an encouraging document[15]. The Clinton Administration attacked the Vajpayee governments nuclear doctrine as describing "the Indian desire to develop nuclear arsenal which in U.S. view militates against the security interests of the world. However, its relevance came to the fore during the latest Kargil conflict between India and Pakistan which is the first war fought by the two countries after their overt nuclear status. It brought out both the strengths and limitations of nuclear weapons in the context of South Asia. The nuclear

weapons became a strength of Indian Nuclear policy wherein their extreme restraint for the first time brought international support led by the U.S., which asked Pakistan to withdraw its forces from Kargil[16].

Even the sanction's diplomacy of the U.S. has more or less failed to extract any favourable response. The key national security decisions have not been substantially influenced by sanction's consideration. As such, the sanctions were not substantial enough to pressure New Delhi into making major concessions on proliferation issues and Washington did not consider increasing the magnitude of sanctions to achieve its non-proliferation goals. Instead sanctions were maintained to signal the international community's disapproval of India's and Pakistan's nuclear tests, but they were relatively lifted over to induce concessions from both states as well as to prevent an economic collapse in Pakistan[17]. Despite making positive statements on C.T.B.T., neither India nor Pakistan had signed the treaty due to the various domestic and regional developments associated with them . New Delhi and Islamabad made only a minor concession on the F.M.C.T. issue in 1998 by agreeing to participate in international negotiations on the treaty[18]. Having exercised India's nuclear option, the B.J.P. government was determined to negotiate in such a manner as to preserve a weaponisation option. In demanding an end of sanctions and an end to other bans on duel use technology, they asked for concessions that were external to the text of

C.T.B.T. On the other hand, by rejecting both fullscope safeguards and any freeze on further missile development, Mishra made it clear India would defend weaponisation option.

Pakistan's Response :

Pakistan's nuclear weapons program has a symbiotic relationship with Indian nuclear weapons policy. In the two weeks interval between Indian and Pakistan's tests, the U.S. and other countries launched a vigorous but ultimately unsuccessful – campaign to convince Pakistan not to follow India's lead. Amid fears by non-proliferation experts that India's tests would prompt testing by Pakistan, President Clinton dispatched a high – level team headed by Deputy Secretary of State Strobe Talbott, to Pakistan to try to dissuade Islamabad from responding in kind.[19]

While the tide of public opinion was clearly in favour of going nuclear a small majority of opinion makers boldly challenged the majority view urging the government to desist from a tit-for-tat response. While India was weighed down by international sanctions, they argued, the U.S. and other western power would reward Pakistan generously if it showed restraint. Such a course of action would guarantee Pakistan a steady flow of foreign investment and perhaps even lead to a rescheduling – if not waiving – of the country's foreign debt. There was also the possibility that Pakistan would be

supplied sophisticated conventional weapons, including of-course the famous F-16 fighter aircraft, it has paid for but not received. In the eyes of the west, at least, Pakistan would also have scored a moral victory emerging as the responsible one in South Asia and perhaps further isolating India in the international community[20]. It was incentives such as these which U.S. President Clinton later described as the "priceless opportunity" which Pakistan missed by deciding to go nuclear.

The declaration of India's nuclear tests created an overwhelming compulsion in Pakistan to respond in kind and as such Nawaz Sharif described his decision as 'inevitable'. He spoke is terms of settling scores with India, or 'restoring the balance of power' which was disturbed by the Indians explosions[21].

After the May 1998 tests, Pakistani Foreign Minister Shamshad Ahmad assured the world that "In South Asia, nuclear deterrence may ..... usher in a new era of durable peace between Pakistan and India[22]." However, only two day after the release of the Indian draft nuclear doctrine, the Pakistani Foreign Minister downplayed the idea of a durable peace in South Asia during a press briefing and asked instead, "If India operationalizes its nuclear weapons, Pakistan will be obliged to follow suit .....and what would be the consequences? [23]" As a response to India's doctrine, Pakistan sticks to

what it calls the "basic tenets" of its nuclear policy. The three tenets of Pakistan's nuclear policy are [24]:-

a) Nuclear threats warrant nuclear responses;

b) Its nuclear force will act as a force multiplier to balance the asymmetry in conventional forces;

c) There should be a regional solution to non – proliferation issues.

Pakistan's own imperative continues to revolve around bringing attention to the damage India is doing to non – proliferation and arms – control, and going ahead with whatever it can achieve in the field itself, declaring only what is necessary and keeping the rest veiled.

India's declaration on "no first use" and "no use against non-nuclear weapon states" has been matched by Pakistan's offer of talks on a comprehensive non-aggression pact. It is generally assumed that a nuclear first strike is a principal part of Pakistan's nuclear doctrine. Two factors suggest that Islamabad will maintain its first-strike posture. First, the asymmetry between Indian and Pakistani conventional forces makes a first–strike capability an equalizer for Islamabad. Second, the development of a first–strike capability is less cumbersome for Pakistan. Investment in

retaliatory forces requires intense planning and enormous resources, which Pakistan cannot afford.

In this way, ever since India and Pakistan challenged the nuclear states quo, the symbiotic relationship between the two countries nuclear weapons programs more or less continued, but it has now become enmeshed with the determination of both states to develop a minimum nuclear deterrent in a security environment severely shaken by their latest conflict over Kashmir. It will be difficult to establish a strategic restraint regime in South Asia's current security environment. It appears that Pakistan will keep insisting that its program is India-specific, continuing the conditioning of its weapons programs and policies on Indian actions.

Options for a Nuclearised South Asia

With the nuclearisation of South Asia, there are 3 choices before India and Pakistan :

- First, to proceed with weaponisation along with suitable delivery systems to "deter" aggressions as defined separately by India and Pakistan.

- Secondly, to join the non-proliferation regime and sign the N.P.T. and the other instruments of non-proliferation.

- Thirdly, to stop short of deployment of nuclear weapons and enter into a dialogue with each other and with the world community for bringing about de-escalation in both the nuclear and conventional areas[25].

If the first option is followed, the economic and political costs will be extremely high and perhaps unbearable. There will be a spillover effect into the adjoining countries of South Asia including and in particular, Iran. The United States of America, China and Russia might perceive the nuclear developments in South Asia as a threat to their strategic interests and offensive nuclear capabilities in South Asia would become targets for monitoring by spy satellites and for suitable action including pre-emptive strikes. Even the world community at large will have little tolerance for a highly charged and nuclearised South Asia and will devise appropriate measures to discourage and neutralise these developments. In such a climate, it is difficult to visualise any improvement in Indo-Pak relations or a resolution of the ongoing dispute over Kashmir.

The second option seems to be most unlikely given India and Pakistan's past record. Even the U.S. has stopped insisting on Indian and Pakistani immediate accession to the NPT and rather places it among its long-term goals in the non-proliferation front. The nations of South Asia, however, need to stop busying themselves in satisfying the moment and

forgetting the hour: they would need to work out a regime of regional cooperation in this field that effectively checks the qualitative arms race and directs the new and emerging technologies towards peaceful purposes.

With regard to the third option, it appears that most likely scenario will be that India and Pakistan would decide to keep their weapons and slowly develop their nuclear arsenals. But it is possible to go down this road only for a while and not indefinitely. Neither India nor Pakistan possess the economic resources or fissile material stockpiles and manufacturing capabilities to engage in an unrestrained nuclear arms race. Restraint, is therefore in a sense built into the objective circumstances in South Asia.[26] The world community has begun to turn against nuclear weaponry, and even major nuclear powers are beginning to realise the futility of nuclear arsenals. The G-7 countries along with Russia are getting mobilised to stop nuclear escalation in South Asia. These countries are likely to work more actively on their agreed agenda of insisting that India and Pakistan should not enter into nuclear arms race, not weaponise and deploy nuclear weapons, stop nuclear tests, terminate development of nuclear-capable missiles, reduce tensions, and resolve their disputes (including the Kashmir dispute) through peaceful negotiations. They do not seem to be silent spectators while the subcontinent drifts towards a possible nuclear confrontation and economic disaster. The May 1998 nuclear blasts by both countries have suddenly

brought about a realization that South Asia has acquired the dangerous potential for initiating a nuclear conflict at regional and global levels which the world so desperately would wish to avoid.

In sum, the fact of the matter is that, in the absence of a comprehensive political settlement, one can only discuss the possibilities of a weapon-control, not a weapon free nuclear regime in South Asia.[27] Even the arms- control approach is likely to make little oı slow progress. Non-proliferation initiatives can be advantageously pursued only in tandem with proposals aimed at allying regional political tensions and apprehensions. This is not to belittle the efficacy of confidence-building measures or de-escalation of tensions through the dialogue process. In these circumstances, the best course of action for the United States is to keep on engaging India and Pakistan in substantive dialogues on non-proliferation and regional security issues and to encourage and support their efforts to resolve their differnces.[28] A more realistic approach might well be to recognize that, until Indo-Pakistan relations have normalised, both countries should have freedom to acquire weapons to safeguard what each side perceives to be its legitimate security concerns. In the short term, arm – racing is inevitable, and may arguably be beneficial in maintaining peace through the operation of a South – Asian deterrence. In the long run, the disputes must be resolved and roots of inter-state conflict eliminated.

Notes :-

1 K. Subrahmanyam, 'Nuclear India In Global Politics', *World Affairs,* vol.2, no. 3, July-September 1998, p. 16.

2 Deepa. M. Ollapally, 'Arms, Politics and the Emerging Asian Balance of Power', *Asian Affairs,* vol. 25, no. 2, Summer 1998, p. 105

3 *Ibid.*

4 Amitabh Mattoo, *India's Nuclear Deterrent: Pokhran II and Beyond,* Har Anand Publications Pvt. Ltd., 1999.

5 Indian Prime Minister's letter to President Bill Clinton, 11 May, 1998, *World Affairs,* vol. 2, no. 3, July-September 1998.

6 Text of Brajesh Mishras statement "India has proved its nuclear capability", *The Hindustan Times,* May 12, 1998.

7 *Ibid.*

8 China's ambivalence to the international non-proliferation regime and common denunciations of U.S. hypocrisy on nuclear non-proliferation made it more sympathetic to India's views on global non-proliferation. But this possibility was scuttled following Vajpayee's letters.

9 Amitabh Mattoo, 'India's nuclear deterrent ---*op..cit.,n.4,* p. 208.

10 'Evolution of India's Nuclear policy' document tabled in Parliament on May 27, 1998, *Strategic Digest,* July 1998.

11 P.M. Kamath, 'Indian National Security Policy: Minimum Nuclear Deterrence' *Strategic Analysis,* vol. 23, no. 8, November 1999, p.1264.

12 *Ibid.*

13 The obstacles today in achieving the goal of 'no first use' of nuclear weapons, are the U.S. and Pakistan which have based their doctrines of nuclear deterrence on the basis of a first strike.

14 Though the government is reluctant to indicate the number, former Army Chief of staff, General K. Sundarji believed that India needs a minimum of 20 nuclear weapons of 20 kiloton each to deter a small country and about 50 such weapons to provide a credible nuclear deterrence against a large country.

15 Manpreet Sethi, 'The Indian Nuclear Doctrine', *Strategic Analysis,* vol. 23, no. 7, October 1999, p. 1222.

16 P.M. Kamath, 'Indian National Security Policy' ---*op..cit.,n.11,* p.1271.

17 Dinshaw Mistry, 'Diplomacy, Sanctions and the U.S. Non-Proliferation Dialogue with India and Pakistan', *Asian Survey,* vol XXXIX, no. 5, September/October 1999, p. 758.

18 The actual drafting of an FMCT did not even begin due to a deadlock at the CD between non-aligned G-21 countries and the P-5 states, and neither India nor Pakistan (who both assume leading roles in the G-21) took any constructive steps to break this deadlock. Thus, India and Pakistan are likely to continue to produce as much fissile material as possible before signing any future FMT.

19 *CRS Report for Congress,* Cronin. P. Richard and Le Poer Leitch Barbara: 'India-Pak Nuclear Testes and United State Response', September, 17, 1998.

20 Zaffar Abbas, 'The Nuclear Debate in Pakistan', *Strategic Digest,* vol. 28, no. 8, August 1998, p. 1211.

21 Zahid Hussain, 'The Bomb and After', *Strategic Digest,* August 1998, p.1225

22 Ahmed, Shamshad, "The Nuclear Subcontinent", *Foreign Affairs,* July/August. 1999, p. 125.

23 Farah Zahra, " Pakistan's Road to a Minimum Nuclear Deterrent." *Arms Control Today,* July/August 1999, p. 9.

24 *Ibid.*

25 Ross Masood Hussain, 'The Nuclear Issue in South Asia', p. 148, Chapter in B.M. Jain and Eva Maria Hexamer, *Nuclerisation in South Asia,* Rawat Publishers. New Delhi, 1999.

26 Dilip Lahiri, ' Formalising Restraint : The case of South Asia', *Strategic Analysis,* vol. 22, no. 4, July 1999, p. 564.

27 Ross Masood Hussain, 'The Nuclear Issue in South Asia', ---*op..cit.,n.25,* p. 150.

28 Farah Zahra, 'Pakistan's Road to a Minimum Nuclear Deterrent', *Arms Control Today,* July/ August 1999, p. 13.

CHAPTER 5

KARGIL CRISIS : AN ANALYSIS OF U.S. – SOUTH ASIA INTERACTION

The probability of Kashmir emerging as a nuclear flash point in South Asia almost came true when Pakistan and India equipped with nuclear weapons and warheads indulged in a warlike situation over the Kargil heights in the disputed state. The fighting which erupted along the LOC in the first week of May 1999 led to an escalation in tension apart from generating a debate with regard to the sanctity of LOC. A war hysteria engulfed the civilian and military echelons of Indian establishment, which insisted that LOC was inviolable. Contrary to this, Pakistan asserted that according to the Simla Agreement of 1972 LOC was a temporary arrangement pending the final settlement of Kashmir issue. This line of reasoning also found expression in Pakistan's stand that Kargil conflict could not be isolated from the Kashmir dispute.[1]

It was at this hour of crisis that 'more-than positive' international responses especially those from Washington – appear as an important factor in hastening the Pakistani decision to order an earlier-than- expected retreat. This does not, in any way undermine the sheer guts and perseverance of Indian soldiers which provided the most critical input in ensuring Indian victory in the recent Indo – Pak conflict in Kargil.

INTERNATIONAL RESPONSES

Diplomatically, Pakistan's foolhardy Kargil venture isolated it completely, perhaps as never before, with its international credibility touching an all time low.[2] United States was clear and unequivocal that the intruders should withdraw to Pakistan's side of the LOC and restore and respect the *status quo ante.* The G-8 Summit also reiterated the United States line much to the dismay of Pakistan who thought that at least the western powers would come to its rescue.[3] Very brief country –wise approaches annotated below provide a flavour of the isolation Pakistan suffered[4]—

USA : The LOC stands clearly demarcated and recognised by both sides for years. Issue needs to be resolved bilaterally.

Russia : India's military action to evict intruders is fully in accordance with its sovereign right of self-defence.

China : Both sides must exercise restraint and prevent the Kashmir situation from deteriorating.

Germany/G-8 : Respect the LOC, call a cease-fire and return to talks. The G-8 would not play the role of a "mere spectator."

In assessing the approaches and responses of the major world powers, the post-cold war transmutations in the global security framework and national interests of countries that may have impelled their policy shifts assume their

own prominence.[5] In fact, China's stand — a radical departure from its pro-Pakistan support during previous Indo-Pak wars marked what seemed, to Indian analysts, an unexpected neutral trend. At a cursory glance, when the United States concluded the critical Clinton-Sharif deal of July 4, 1999, it may have finally facilitated an honourable retreat for the Pakistani armed forces, yet, looking at the factors that actually made the deal possible, it was clearly China's continued posture of neutrality that provided the most decisive input in convincing the Pakistani leadership of the futility of continuing to back up its losing armed forces as also of seeking to internationalise the Kashmir issue in the face of Pakistan's growing global diplomatic isolation.[6] More precisely, it was the Chinese decision to stand by their policy of neutrality even after a visit to Beijing by Prime-Minister Nawaz Sharif that can easily be identified as the single most decisive factor that may have compelled the Nawaz Sharif government to look for an honourable retreat. Given China's track record of the last 50 years, there has to be an element of continued scepticism in Indian minds about Beijing's commitment to neutrality. This time again, this scepticism was especially strong in view of New Delhi's not-so friendly ties with Beijing following India's nuclear explosions during May 1998. Besides, at the very core, these three countries share a rather complicated history and geography and their trilateral China-India-Pakistan security ties have to be kept in mind while trying to gauge the overall character of Beijing's neutrality over

the recent Kargil conflict.[7] China's strategy on Kargil was largely shaped by the unambiguous post-Cold war paradigm of every country responding to international issues on the basis of its national interests. Seen from Beijing's perspective, the following can perhaps be cited as the major current concerns that make its posture of neutrality appear to be the wiser policy, in dealing with the issue of Indian and Pakistani claims, of sovereignty over the state of Jammu and Kashmir.[8]

First of all, Pakistan's continued and successful nuclear and missile tests have since, continued to occasionally embarrass China's leaders, with the U.S. (as also other concerned countries) repeatedly asking them to strengthen their export controls and to abide by their commitments to the Missile Technology Control Regime (MTCR). Lately, China has also been accused of stealing nuclear and missile technologies from the United States facilities, which has also made the Chinese all the more cautious about their foreign policy choices.

Secondly on the larger platform of international politics, Pakistan no longer plays the role of the frontline state for bleeding the Soviets white. This means that it no longer enjoys the same special equation with Washington D.C. Instead, Islamabad's continued involvement in Afghanistan has only further discredited its profile with more and more countries becoming increasingly worried about the menace of expanding Pak-controlled heavily armed mercenaries. Now China does not want to be perceived on the wrong side of

the fence on the question of international terrorism whose epicenter lies in Pakistan-Afghanistan with tremors constantly arising, not just in neighbouring India but in places as far afield as the United States, Russia, Central Asia and China's own Xinjiang province.[9]

Thirdly, amongst some of the more immediate factors, the fear of escalation-with all the three sides now possessing nuclear weapons and missiles – was also visible in all the Chinese descriptions and analysis of the Kargil Conflict. It is not yet clear if this has emerged from Beijing's declining leverage in restraining Pakistan's adventurist policies or from the fear that any debate or controversies regarding India-Pakistan nuclear weapons could also bring China's own nuclear arsenals under scrutiny.

Fourthly, given China's own recent diplomatic stand-off with the United States following congressional allegations of China stealing U.S. nuclear and missile technologies, the fear of such a conflict leading to a possible western intervention in the region was also repeatedly highlighted by the Chinese. At the same time, projecting its polices as an emerging global power of the 21st c and not simply responding to short-term gains in terms of either rescuing an old ally or reciprocating to its perceived adversaries. Given China's recent diplomatic standoff with Washington, the American interest (in pushing Pakistan hard to restore the LOC in Kashmir) perhaps made Beijing very

conscious of its responsibilities as the next emerging global power responding to a conflict in its periphery.

And finally, the trends in the general international response to the Kargil Conflict may have also influenced China's decisions. Going by the report, what appears particularly remarkable is the fact that, for the first time, world opinion, seemed to be clearly one-sided, endorsing India's policy stance on the Kargil conflict. There was indeed a great contribution of this positive international response in both facilitating the maintenance of restraint and in achieving an early termination of this fourth India-Pakistan conflict.[10]

Like the G-8, of which it is a member, Russia too counseled India and Pakistan to exercise restraint and refrain from escalating tensions. But its posture was expectedly more up front than that of China and perhaps more supportive to India than the American position.[11] Initially, it appeared interested to play a mediatory role for the solution of Kashmir problem but knowing Indian sensitivities on this point, the official position has gone along with the formulation that the Simla Agreement and Lahore Declaration provide an excellent base for peaceful resolution of India-Pakistan problem.[12]

Of the major powers, Japan's stand on Kargil reflected certain biases unrelated to the objective reality of the conflict. It generally associated with the conclusive statement of the G-8 and urged both countries to exercise restraint and respect the LOC. But in a somewhat disingenuous position adopted on the

intrusion, Japan officially stated it does not have sufficient means to verify whether the militants who have infiltrated to the Indian side are backed by the Pakistani regular forces. Japans anti-India predilection would appear to have stemmed from its hard and inflexible stand over Indians nuclear tests in May 1998. Japans resolute efforts to isolate India, block multilateral economic aid to it, impose economic sanctions, endeavour to internationalise Kashmir and stall Indian efforts to normalise bilateral relations, all contributed towards the year-long phase of mutual bitterness.[13]

Predictably, many countries took the safe path of even handedness. Egypt generalised to advise a return to tranquility. Libya counselled restraint and avoidance of escalation. Iraq accused the United States of igniting the problem and expressed the fear that crossing the LOC by one or both would give an excuse to the United States to try and disarm India. The Approach of Saudi Arabia and Iran were on expected lines: the former sought U.N. intervention to resolve the conflict, while the latter proposed a 'hold back' and resolution of differences, offering to mediate in that process.[14] In this way while the overall G-8 position was greatly influenced by the American stand, there were subtle differences in the approaches of individual countries.

American Approach

In a marked departure from its decades-long tilt towards Pakistan, for once the United States took a position that was unequivocally in favour of

India. After having discussed the issue with President Clinton,[15] not only did Nawaz Sharif fail to get United States support, but he and Clinton issued a joint statement that amounted to 'a slap on Sharif's wrist'.[16] They announced that the Line of Control — the *de facto* border between India and Pakistan in Kashmir since 1972—would be respected, further stating that "concrete steps will be taken for the restoration of the Line of Control." Had Pakistan not agreed to withdraw, ties with Washington would have been strained irreparably, with grim economic consequences for it. The danger of economic isolation, including America's threat to reimpose the ban on aid from international organisations if Pakistan did not withdraw its forces, also seemed to have worked. This compromise on Kargil inked in Washington is being seen as Pakistan's worst-ever defeat on the diplomatic, political and media fronts. At the same time this development is seen as the first signs of a new era of friendly diplomatic engagement between India and the United States.

Certainly this changed attitude of the US was not only surprising but also painful and humiliating to Pakistan. That Pakistan is not as important today in the American security perspective as it was in the Cold War years is generally known to all including Pakistan herself. In the economic eyes of the US, Pakistan is a small and politically insignificant country when compared to the two Asian giants, China and India. The vastness of the potential market of a country is as important as its geopolitical status for America in this era of

liberalisation and globalisation. The present strategic partnership of the US with communist China fully illustrates this paradigm shift in the US policy. There were really half a dozen thorny problems between America and China, all of which have been put on the backburner by both the countries and they entered into a new era of partnership. President Clinton's visit to Beijing appeared as the high mark of this new-found friendship.

By the same token and practical thinking India is an equally important country of Asia which the US should woo and bring within its sphere of influence and friendship in Asia. This seems to be the thinking of the policy-makers of the American administration. Not only that Pakistan is not of much use to US economically, they are becoming politically a liability. True, they were a trusted member of American regional military alliance SEATO, no less important than NATO in Europe in the Cold War years. To say that they should be carried on the head always to profess the old sense of gratitude is politically stupid. In the radically changed global situation America has indeed to protect more weightier interests in Asia as elsewhere as they are now the only superpower and arbiter of the world.[17]

Moreover Pakistan might become a great danger to Western civilisation if Islamic fundamentalism gains firm ground in that country as in other 'rouge nations' with its looming danger of terrorism symbolised by Osama Bin Laden. According to the famous American political scientist, Samuel P. Huntington,

the wars of the next century will be civilisation wars in which the first round might be between Western civilisation and Islamic civilisation, the two most imcompatible ones as Huntington sees it. The US is not on friendly terms with any of the frontline Muslim countries except Saudi Arabia, Egypt and United Arab Emirates (UAE). On the other hand, there is perhaps a new awareness in the U.S. that a country like India, with its vast economic and strategic potential has been at the receiving end of cross border terrorism for over a decade and deserves far greater respect.

Also in this world situation, America's hectic diplomatic activity in the Kargil issue means much more than the sole superpower's concern for peace in South Asia. Following the dissolution of Soviet Union, U.S. analysts and foreign policy experts focussed on China as a hurdle in achieving America's global objectives. They pondered over ways of containing the fast growing military and economic muscles of China at regional level. A new strategy of 'balance of power' was formulated that totally shifted the United States setting in South Asia.[19] Under this new U.S diplomacy in the region, India because of its vast potential, appeared a much more likely candidate to be built as a counter-force to China.[20]

Thus, There is no denying the fact that Washington exerted diplomatic pressure on Pakistan right from the start of the Kargil crisis both at the bilateral and multilateral levels. President Clinton's telephonic admonitions to Nawaz

Sharif, the G-8 communique, the visit of General Zini, commander-in-chief of the US central command and the raising of the issue at the South Asia Task Force meeting in Kiev were reflective of this effort. It culminated in the visit of Nawaz Sharif to Washington and his promise to ensure the withdrawal of all Pakistani and Pakistan supported forces from the Indian side of the line of control.

However, it is important to remember that the US has not acted out of love for India or India's Kashmir policy. The US is hardly driven by altruism in the matters of international relations. A paradigm shift in the US polices has clearly not occurred. The US has its own reasons to take a tough stand against its traditional ally Pakistan. In the first place, the phenomenon of the crumbling of the Pakistan state and its coming under the domination of various extremist groups and a rogue army might have led the US to take a realistic view on Kargil based on its own national security interests.[21] President Clinton's announcement of the sanctions on the Taliban rulers of Afghanistan points to the seriousness with which the western world is taking the threat of Islamic militancy. Significantly, President Clinton acted within two days of his talks with Nawaz Sharif on the Kargil conflict. The twin developments should disabuse Indians of any notion that the US and the G-8 nations have acted out of any love for Indians or India's Kashmir viewpoint. Secondly, President Clinton is now effectively into his last year as President. He has already

indicated what he wants to do next—bring peace to the world. India and Pakistan are crucial to his legacy, since without their signatures, the Comprehensive Test Ban Treaty means very little. Peace on the sub-continent, therefore, is on the President's agenda.[22]

The real significance of the joint statement is President Clinton's statement that he would take a personal interest in encouraging an expeditious resumption and intensification of bilateral efforts between India and Pakistan to resolve all issues dividing the countries, including Kashmir, which has the potentiality of being internationalised in the long run.[23] Pakistan has long sought to drag the US into the Kashmir conflict as an international mediator, as a strategic ploy to enhance its position in the conflict. From Pakistan's standpoint it would be delighted if the US persuades India not to deal with Kashmir on its own terms. It is in this contest that the joint statement which talks of President Clinton's personal interest in the matter assumes significance.

The 'personal interest' that President Clinton has displayed in resolving the Kashmir issue is a direct move to internationalise the dispute not by mediation or crude intervention but by subtle persuasion.[24] Its soft approach is a continuation of a well thought out strategy to create for itself a permanent presence in the sub-continent and Kashmir to meet its geopolitical requirements.[25]

In fact, as a spokesperson of the G-8, even Germany's threat that this body (G-8) would not be mere spectator was indicative of the unity and power of the so called "international community".[26] Thus, if the Kargil conflict had expanded, activation of the major powers would have been a distinct possibility.

It is true that the predominant American position reflects an almost international consensus on support for the Indian position on bilateralism. Americans have of late tended to downplay their possible mediatory role and instead laid greater emphasis on Indo–Pak dialogue. Prime Minister Vajpayee's outright rejection of third party mediations in Kashmir has set at rest any misgivings on President Clinton's personal interest in restoring the bilateral dialogue. However, the process of exerting pressure on Pakistan may generate a certain level of internationalisation in an amoral, anarchic global order in which no country is a complete friend or permanent enemy- its polices being governed by its national interests.[27] Should the ongoing clashes escalate into wider hostilities, Pakistan's calls for a United States authored end to the conflict in Jammu and Kashmir may just find sympathetic ears abroad.[28] Thus, it may be premature to talk about a paradigm shift in United States policy in India's favour, when no such opinion has been formally expressed from their side. Their support, in fact, has been Kargil–Specific.

Notes:-

1 Farzana Shakoor, 'The Kargil Crisis : an analysis', *Pakistan's Horizon*, vol 52, no. 3, July 1999.

2 Kapil Kak, 'International Responses' p. 193, chapter in Jasjit Singh's, *Pakistan's Fourth war for Kashmir*, New Delhi, Knowledge World, 1999.

3 N.A. Karim, 'Regional Dimensions of U.S. stand on Kargil', *Mainstream*, July 31, 1999, p. 5.

4 Mariana Babbar, 'In Isolation ward', *Outlook*, Junc 28, 1999.

5 Kapil Kak, 'International Responses', chapter in Jasjit Singh's, *Pakistan's Fourth war for Kashmir*, New Delhi, Knowledge World, 1999.

6 Swaran Singh, 'The Kargil Conflict : Why and How of China's Neutrality', *Strategic Analysis, vol. 23, no. 7*, October 1999.

7 *Ibid*

8 *Ibid*

9 Kapil Kak, 'International Responses', ---op..cit.,n.2.

10 In a broader framework of changing global equations, various other factors may have also influenced China's foreign policy choices with regard to the Kargil conflict. It is, for example, a well known fact that China remains worried about the eastward expansion of the North Atlantic Treaty Organisation (NATO), towards its borders as also of the rising anti-China sentiments in the United States which have been further fuelled by the recent controversies of China's alleged hand in stealing nuclear and missile technologies from various United States laboratories. More recent issues like the bombing of its embassy in Belgrade and now the controversy regarding Taiwan, may have further added to Beijing's reasons to see Kargil in the broader context of global politics. And here, China as a principle has also been against encouraging any unilateralism in international relations, and for some years, has seriously been pushing for a multipolar post-cold war world, though there are powerful sections in China which believe the world is becoming increasingly bipolar, with Washington and Beijing being the two most dominant players. It is this self-image of being the next global power, that may have also contributed to China's neutral posture in the Kargil conflict.

11 Kapil Kak, 'International Responses', ---op..cit..n.2.

12 Russia perceives Pakistan as a source of International terrorism and religious extremism and has deep-rooted suspicions on this count that can perhaps be traced to the days of Soviet occupation of Afghanistan.

13 Kapil Kak. 'International Responses', ---op..cit..n.2.

14 *Ibid*

15 Anthony Spaeth, 'Rock and Hard Peace', *Time*, July 19, 1999.

16 America's active concern is reflected in the fact that President Clinton received Pakistan Prime Minister Nawaz Sharif in the White House on July 4, the National Day of the country and a holiday, to give the final decisive word regarding America's position.

17 N.A. Karim, 'Regional Dimension of U.S. stand on Kargil', *Mainstream*, July 31, 1999.

18 *Ibid.*

19 Ahmad Ejaz, 'India–US strategic Partnership : New Alliance System in South Asia', *Regional Studies*, vol XVII, no. 4, Autumn 1999.

20 'U.S. Diplomacy in Asia', *Dawn*, Karachi, March 30, 1998.

21 Dr. Saleem Kidwai, 'US Approach to Kargil : No Paradigm Shift in South Asia Policy', *Journal of Peace Studies*, vol. 6, Issue 3, May–June, 1999, p. 9.

22 *Ibid*

23 *Ibid*

24 'Understanding Washington in Kargil' (Editorial), *Mainstream,* July 17, 1999.

25 Rajindar Sachar, 'Need for a National Response to U.S. Machinations', *Mainstream,* July 17, 1999.

26 Kapil Kak, 'International Responses' ---op..cit..n.2, p. 192

27 *Ibid,* p. 198.

28 Praveen Swami, 'Renewed hostilities', *Frontline*, February 18, 2000.

CHAPTER 6

CONCLUSION

Every American Administration since the days of President Truman has professed a special commitment towards the attainment of non-proliferation. Each presidency has attempted to leave its own unique imprint on the country's nuclear non-proliferation policy either by facilitating the conclusion of treaties to that effect, persuading a maximum number of countries to endorse these treaties or through some other unilateral, bilateral or multilateral initiative.

The pursuit of this objective has, nevertheless, never been allowed to stand in the way of securing and safeguarding American core interests. Both have gone along at different levels with American nuclear strategy remaining unaffected by the broader foreign policy objective of promoting international non-proliferation. Consequently, pledges on nuclear non-proliferation have been secured from other countries in a bid to check horizontal proliferation, deemed to be a major threat to international peace and stability. Meanwhile, the qualitative and quantitative refinement of the American nuclear arsenal has continued unchecked. The United States, thus approaches arms control in its characteristic national style and that style, together with the unavoidable features of the U.S. policy making process in general, exerts a substantial influence on arms control policy.[1]

Recent U. S. Actions and Their Impact on Non-Proliferation:

Right from the early years of Clinton's presidency, non-proliferation emerged as a major plank of American foreign policy. The most prominent among his accomplishments considered is to be the realisation of the extension of the NPT in 1995. The fate of the treaty had then appeared uncertain, troubled by the possibility of some nations opposing its indefinite extension. The United States then took it upon itself to ensure the treaty's indefinite and unconditional extension. An all out effort was mounted not only to get nations still outside the NPT regime to join it but also to compel the state parties to extend the NPT. Amongst the other significant achievements of President Clinton on non-proliferation are included efforts to denuclearise Belarus, Ukraine and Kazakhstan, the implementation of the Nunn-Lugar Cooperative Threat Reduction (CTR) programme in the states formerly comprising the Soviet Union, and the successful conclusion of the CTBT.[2]

However, it cannot be overlooked that the Clinton Administration has undertaken a similar, if not a larger number of actions that have added to the clout and legitimacy of nuclear weapons rather than diminishing it.

Less than two years after President Clinton reaffirmed United States commitment to the pursuit of systematic and progressive efforts to reduce

nuclear weapons globally at the NPT Extension Conference, he also signed the Presidential Decision Directive 60 in November 1997. The directive affirmed that the United States would continue to rely on nuclear arms as a cornerstone of its national security for the "indefinite future." The same point had been made little more than a year earlier by the 1996 annual report of the Department of Defence released in March 1996. It categorically stated that notwithstanding the transformed international scenario in the post-Cold War period, "strategic nuclear deterrence remains a *key US military priority*". All these statements illustrate the importance US strategic thinking still attaches to the national nuclear arsenal. In fact, this attachment has been amply demonstrated in a number of documents that have originated from within the Clinton Administration over the last half-decade.

Even the document crafted by the White House detailing a national security strategy for the 21st century has explicitly stated that "nuclear weapons serve as a hedge against an uncertain future, a guarantee of our security commitments to allies and a disincentive to those who would contemplate developing or otherwise acquiring their own nuclear weapons. The United States must continue to maintain a robust triad of strategic forces. We must also ensure the continued viability of the infrastructure that supports US nuclear forces and weapons."[3] Entrenched in such thinking, Washington has refused to consider making any unequivocal no-first-use

pledge. Rather, a German proposal to this effect year was immediately squashed.

United States also continues to allocate huge amounts for defence spending. It has been announced that an additional $300 billion would be pumped into the US defence budget by 2003. This statement, however, must be seen in the light of the fact that the US defence budget is already 18 times that of the combined spending of the Pentagon-identified rogue states.

Even more relevant from the nuclear proliferation point of view is the fact that the US continues to maintain nuclear arsenals on hair trigger alert, despite the end of the cold war. Of course, the U.S. has eliminated more than dozen different types of nuclear warheads, yet during the same period, it has also initiated programmes to develop several new and more lethal warheads, besides modifying those already existing. These include the work being done on the B-61/11, a new earth-penetrating warhead; the research and development of another new warhead to be deployed on the Trident I and II missiles; a refurbishment of the W87, currently used on MX missiles and improvements in the B 83.[4]

While the US intends to sign CTBT, it has not hesitated in violating its spirit, by simultaneously initiating the Stockpile Stewardship and Management Programme (SSMP). Rather it will probably provide design capabilities potentially greater than those available during the Cold War

since it retains all the traditional facilities such as the weapons laboratories, industrial plants, etc. This also includes the Nevada test site where sub-critical testing is conducted and which is maintained in a state of readiness to rapidly resume full-scale underground testing. The US shall also continue with its National Ignitior Facility which attempts to achieve nuclear fusion, besides several other facilities at Los Alamos and Livermore.

The US claims to have ceased Production of fissile materials like plutonium & highly enriched uranium in February 1996. However, its existing stockpiles constitute 85 tons of weapon-grade plutonium, 14.5 tons of fuel and reactor-grade plutonium, and 750 tons of highly enriched uranium.[5] Only a small fraction of this has been declared "excess" and even less has been converted to forms where it cannot be used for weapons. Besides in December 1998, U.S. Secretary of Energy Bill Richardson announced that the United States would produce tritium at the Tennessee Valley Aughority's nuclear power plant. All these plans have serious proliferation implications.

Another blow to non-proliferation was dealt when after reaffirming its commitment to the Anti-Ballistic Missile (ABM) Treaty at Helsinki in March 1997, the American government sought a budget allocation of nearly 54 billion to be spent on the research and development of an effective national ballistic missile defence (BMD) system. The American actions

vitiate the spirit of the treaty and put Russia on the defensive. At the same time, China too feels threatened by an enhanced American missile defence system and feels compelled to respond through an upgradation of its own capabilities. China has criticised the proposed US endeavour as an unacceptable effort designed to achieve strategic superiority in the 21st century. It states, "It will disrupt global and regional strategic balances and stability, and possibly trigger off a new round of arms races." Indeed, a new arms race would become inevitable which would slowly encompass new nations and trigger proliferation of weapons of mass destruction (WMD).

Recent NATO actions too do not bode well for the future prospects of the international non-proliferation order. The USA maintains that NATO remains the anchor of American engagement in Europe and the lynchpin of trans-Atlantic security. Consequently, it is clearly stated in the Alliance strategy that the "presence of US conventional and nuclear forces in Europe remains vital to the security of Europe, which is inseparably linked to that of North America. Consequently, Washington remains bound to maintaining nearly 100,000 military personnel in Europe to fulfill its commitments towards NATO. Also nuclear weapons are stored in the territory of six NNWS who are also given training in their use.[6]

In this way, the nuclear weapons are considered essential to preserve peace. Such a stance can hardly be expected to act as a disincentive to other

countries that do not yet have a nuclear weapons capability, but are desirous of achieving it.

In this way, Non-proliferation activity and proliferation –support activity are not opposites for a nuclear power like the United States. The communiqués from Washington and from G-7 summitry constantly harp on non-proliferation as a priority on western agenda. Yet the pattern of behaviour of those who advocate non-proliferation shows a preference for controlled nuclear proliferation in alliance context and for non-proliferation in a conflict context.[7] The historical record of the five nuclear powers shows a pure commitment neither to non-proliferation nor to proliferation. The choice of selective proliferation or a selective non-proliferation strategy depends on the situation and the context. It depends on interests and trade-offs in a basket of issues and is governed neither by non-proliferation regime norms and rules nor by legal and moral conerns.[8]

An element of nuclear danger is, of course, unavoidable, as long as nuclear weapons exist, and this element of danger is present in South Asia just as it is in every part of the world that hosts nuclear arms. It is imperative, therefore, that the US take some sort of a meaningful and clear lead towards the realisation of nuclear weapon-free world. The longer the weapons are available with even a few nations, the greater the chances of their becoming entrenched in the military strategy of many more and, consequently, the

greater would be the inertia to get rid of them. If global nuclear disarmament will remain a distant dream, nuclear weapons in South Asia are there to stay.[9]

Diplomacy of President Clinton's visit to South Asia and the Nuclear Issue.

Days before President Clinton left for his South Asia expedition, an "independent task force" sponsored by two influential advocacy groups – the Brookings Institution and the Council on Foreign Relations – addressed an open letter to Clinton. The purpose was to define the parameters and scope of American political engagement in South Asia.

Composed mainly of liberal foreign policy analysts like Stephen Cohen, Teresita Schaeffer and Geroge Perkovich, the task force waged the President to "resist the temptation to place ambitious nuclear weapons-related goals at the centre of U.S. aims. The need, rather, was to adopt" more modest but still significant goals in the nuclear realm."[10]

It is apparent that in the nuclear realm Clinton followed the broad blueprint that had been laid out by the independent task force. In an article published in the media the day he arrived in Delhi, Clinton expressed his hope that India and Pakistan would soon sign the Comprehensive Text Ban Treaty (CTBT), as they had committed to do. But addressing Parliament, he chose prudently not to hint at any such commitment, which conceivably

could have only been made in the secret confines of Jaswant Singh's long-running "strategic dialogue" with U.S. Deputy Secretary of State Strobe Talbott. Rather there was an effort at persuasion to bring India around to the view that accession to the CTBT and the forswearing of the nuclear weapons option would have no adverse security implications.[11] However it was clear during the course of the Clinton visit that the full-blooded security relations the present Indian government wanted between the two countries would be possible only after India signed the CTBT and the Nuclear Non-Proliferation Treaty (NPT).[12] If the visiting President offered to work with India to strengthen cooperation against terror , he firmly linked full realisation of Indo-U.S. ties with a "genuine partnership" against proliferation . Making a strong case for accession by India, as also the U.S., to the CTBT, the President remarked: " If Indian's nuclear test shook the world, India's leadership for non-proliferation can certainly move the world....".[13] In his view, not only should India and US join CTBT but strengthen export controls and work to launch negotiations on a treaty to end production of fissile material for nuclear weapons. It was certainly an extraordinary statement made by the President of a country that opposes even international negotiations on disarmament and that maintains the world's most lethal nuclear arsenal. Also, as was expected, President Bill Clinton's visit to India brought with it some sops on the sanctions front but nothing of signficance.[14] The substantive sanctions, namely loans from the IFI's and export controls

on duel-use technologies, are still in place and the linkage of the permanent waiver of all sanctions to the CTBT has again been emphaised.

Many Indians have interpreted Clinton's support for LOC sanctity, restraint and absence of violence as an India-favourable shift in US policy on Kashmir, an impression reinforced by his latest statement that "elements within the Pakistani government" are aiding militants. But US Secretary of State Madelaine Albright has flatly rejected the Indian assessment.[15]

India has also been trying privately to sell the idea to Washington that the LOC should be converted into a permanent border. Clinton only stuck to the US position that the sanctity of the LOC should be respected. New Delhi has interpreted this position as an endorsement of its demand that Pakistan should stop cross-border terrorism. Islamabad, on the other hand sees this statement as a guarantee that the Indian troops will not be allowed to cross the LOC to retaliate against Pakistan- sponsored terrorist activities.[16] It should be noted that Clinton's respect for the LOC line is not new. It was at the heart of his July 4, 1999, agreement with Nawaz Sharif.[17] Islamabad has been one of the most reliable allies of the US in the region and Washington will continue to have strategic ties with Islamabad in the foreseeable future.

Furthermore, regardless of the President's claim that his tour of South Asia wasn't aimed at mediating in the Kashmir dispute, his formulation,

when read in its entirety, left enough scope for third party influence in Indo-Pak affairs.

Those Indians who congratulate themselves that 'their' point of view has been finally endorsed by the U.S., fail to realise that U.S. concerns about terrorism stem from U.S. interests, not Indian ones. If Pakistan plays ball on the crucial issue of Osama bin Laden and terrorism, India might find U.S. becoming less harsh on Islamabad. American foreign policy is determined by its national interests, and not extraneous considerations. And, as everyone knows, the national interest is an ever-changing concept.

U.S. Options

The Indian & Pakistani nuclear weapon tests, along with the intensification of charged rhetoric over Kashmir dispute and other indications of strained relations between New Delhi and Islamabad seriously threaten to undercut U.S. non-proliferation and regional security interests. At this point, the goals of rolling back the nuclear programmes of India and Pakistan appear highly visionary, given India's stance towards the NPT and Pakistan's refusal to sign unless India does.[18] U.S. options are limited by the evident determination of India and Pakistan to preserve and develop nuclear weapons capabilities.

Lewis Dunn has divided non-proliferation efforts into three phases. The **first** is prevention of spread of nuclear weapons to a region; the **second** is containment of that weapon is a region (and preventing its spread to other areas) and the third phase is management of the strategic consequences of proliferation .[19]

Already, some analysts are suggesting that the international community must shift its focus away from policies aimed at restoring the situation before the tests and preventing further weaponisation/ proliferation on the subcontinent to a more realistic goal of managing it.[20] Indeed, while certainly less desirable than non-proliferation , 'managed proliferation' would

help ensure that emerging nuclear arsenals are as stable and secure as is humanly and technically possible – reducing thereby many of the dangers which can accompany their development. Managed proliferation derives from the conviction that, in the face of a demonstrated nuclear capability and efforts to develop and deploy nuclear weapons, international policy should focus less on eliminating nuclear arsenals and more on the problem of preventing their use. Depending upon circumstances, such polices might include:

- The creation and maintenance of secure and reliable command, control, communication, and intelligence (C31) (that is, hardening command posts, development of dedicated nuclear hotlines);

- The development of safety features on all nuclear weapons (that is, Permissive Action Links [PALS] improvements in warhead design aimed at avoiding unintended detonation);

- Measures aimed at ensuring the existence and maintenance of secure second-strike capabilities (that is creation of invulnerable basing options, including hardening missile sites and shelters for strike air-craft, effective force dispersal, and improved early warning and readiness procedures);

- The development of reliable procedures for the conduct of nuclear operations, and

- Measures aimed at ensuring greater physical safety and security of nuclear weapons, materials, and facilities.[21]

Such an approach offers a realistic and pragmatic alternative to the unrestricted development and acquisition of nuclear arms – accepting their possession on one hand while eliminating or at least reducing their most dangerous consequences on the other. Properly conceived and applied, a managed approach would enable states to maintain nuclear deterrents which are credible, secure, and relatively finite in both quantitative and qualitative terms. Furthermore, it would not preclude the pursuit of nuclear disarmament as a longer – term objective.[22]

To the extent that it forms the basis for future policy in South Asia, it should focus exclusively on the creation of safe, stable nuclear deterrents. No assistance must be provided for the development of nuclear war-fighting capabilities. In fact, the material and technical assistance offered should be strongly linked to recipient support for a variety of confidence – building, arms control and non-proliferation measures, as well as Indo-Pakistan accession to and active participation in the non-proliferation regime. Such measures would include: participation in a CTBT, the negotiation of a FMCT, exploration of limitations or an outright ban on ballistic missiles, and commitments to no-first use or no-early use nuclear doctrines. Beyond this, the parties should be encouraged to engage in discussions aimed at resolving

the various issues which continue to generate political and military tensions between them (for example, Kashmir).[23]

On a broader, more global plane, donor countries must redouble their efforts to ensure the active pursuit of global disarmament It is duplicity of this nature which makes the present nuclear regime a suspect in the eyes of even those who do not harbour nuclear ambitions. The US may disingenuously claim, as its representative has done in her opening remarks, that it shares the frustration of the others at the lack of progress towards a nuclear free world, but its contribution towards legitimising these doomsday weapons by giving them an aura of power and prestige is enormous. Unless a more honest approach is adopted based on a time-bound programme to eliminate them, neither NPT nor CTBT nor any other flawed treaty will remove the fear of a sudden catastrophe, which seemingly haunts the US as well.

Notes

1. Stephen J. Cimbala, 'Arms Control and U.S. Nuclear Strategy;' chapter in 'Nuclear Strategizing : Deterrence and Reality' Praeger Publishers, Madison Anenue, New York, 1998.
2. Manpreet Sethi. 'U.S. Pursuit of Nuclear Non-proliferation : Check and Checkmate', *Strategic Analysis*, vol. 23, no. 8, September 1999, p. 914.
3. 'A National Security Strategy for a New Century', A White House documents, October 1998, *Strategic Digest*, vol. XXIX, no 4, April 1999.
4. The number of nuclear weapons still pending in American arsenals besides active operation warheads include spears that are kept at the bases where nuclear weapons are deployed; augmentation or "hedge" warheads for uploading missiles if needed; and reliability replacement. Besides these categories, the Departments of Energy has custody of retired warheads. It also maintains a "strategic reserve" that includes additional warheads. It has been estimated that if all these additional warheads are included, the total would cross a figure of 10,000.
5. Manpreet Sethi, 'U.S. Pursuit of Nuclear Non-proliferation', *—op..cit.n2, p. 917.*
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7. Ashok Kapur, 'Rogue States and the International nuclear order', *International Journal*, Summer 1996, p. 428.
8. Idid
9. Dilip Lahiri, 'Formalising Restraint : The case of South Asia', *Strategic Analysis*, vol. 22, no. 4, July 1999.
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11. *Ibid*
12. John Cherain, 'Bilateral Thrust', *Frontline*, April 14, 2000, p. 15,
13. 'Clinton links growth ties with N-issue', *The Hindustan Times*, March 23, 2000.
14. These sanction waivers are mainly in the nature of non-humanitarian development assistance-in the areas of clean energy & environment – Through programmes funded by the United States Agency for International Development (USAID).
15. While opposing use of armed force to change borders, Albright has again talked about "Zones of Occupation", challenging Indians description of Jammu and Kashmir as a territory that is lawfully ceded.
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APPENDIX

Appendix : 1

THE PRESSLER, SYMINGTON AND GLENN AMENDMENTS

Nuclear Proliferation Prevention Act of 1994

(Amends Arms Export Control Act)

International Security and Development

Cooperation Act of 1985

Sec. 902, Nuclear Non-Proliferation Conditions on Assistance for Pakistan (Pressler Amendment)

Section 620E of the Foreign Assistance of Act 1961 is amended by adding at the end thereof the following new subsection:

"(e) No assistance shall be furnished to Pakistan and no military equipment or technology shall be sold or transferred to Pakistan, pursuant to the authorities contained in this Act or any other Act, unless the President shall have certified in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, during the fiscal year in which assistance is to be furnished or military equipment or technology is to be sold or transferred, that Pakistan does not possess a nuclear explosive device and that the proposed United States assistance program will reduce significantly the risk that Pakistan will possess a nuclear explosive device."

Sec. 101. Nuclear Enrichment Transfers

(Symington Amendment)

(A) Prohibitions; Safeguards and Management.

Exceptt as provided in subsection (B) of this section, no funds made available to carry out the Foreign Assistance Act of 1961 or this Act may be used for the purpose of providing economic assistance (including assistance under chapter 4 of part II of the Foreign Assistance Act of 1961), providing military assistance or grant military education and training, providing assistance under chapter 6 of part II of that Act, or extending military credits or making guarantees, to any country which the President determines delivers nuclear enrichment equipment, materials, or technology to any other country on or after August 4, 1977, or receives such equipment, materials, or technology from any country on or after August 4, 1977, unless before such delivery :

(1) the supplying country and receiving country have reached agreement to place all such equipment, materials or technology, upon delivery, under multilateral auspices and management when available; and

(2) the recipient country has entered into an agreement with the International Atomic Energy Agency to place all such equipment, materials, technology and all nuclear fuel and facilities in such country under the safeguards system of such Agency.

(B) Certification by President of Necessity of Continued Assistance ; Disapproval by Congress.

(1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited under such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that (a) the termination of such assistance would have a serious adverse effect on vital United States interest; and

(b) he has received reliable assurances that the country in question will not acquire or develop nuclear weapons or assist other nations is doing so.

Such certification shall set forth the reasons supporting such determination in each particular case.

(2) (a) A certification under paragraph (1) of this subsection shall take effect on the date on which the certification is received by the Congress. However, if within thirty calendar days after receiving this certification, the Congress disapproves the furnishing of assistance pursuant to the certification, then upon the enactment of that resolution the certification shall cease to be effective and all deliveries of assistance furnished under the authority of that certification shall be suspended immediately.

(b) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

Sec. 102, Nuclear Reprocessing Transfers, Illegal Exports for Nuclear Explosive Devices, Transfers of Nuclear Explosive Devices and Nuclear Detonations (Glenn Amendment)

(A) Prohibitions on Assistance to Countries involved in Transfer of Nuclear Reprocessing Equipment, Materials or Technology; Exceptions, Procedures Applicable.

(1) Except as provided in paragraph (2) of this subsection, no funds made available to carry out the Foreign Assistance Act of 1961 or this Act may be used for the purpose of providing economic assistance (Including assistance under chapter 4 of part II of the Foreign Assistance Act of 1961), providing military assistance or grant military education and training, providing assistance under chapter 6 or part II of that Act, or extending military credits or making guarantees, to any country which the President determines—

(a) delivers nuclear reprocessing equipment, materials, or technology to any other country on or after August 4, 1977, or receives such equipment, materials, or technology from any other country on or after August 4, 1977 (except for the transfer of reprocessing technology associated with the investigation, under international evaluation programs in which the United States participates, of technologies which are alternatives to pure plutonium reprocessing), or

(b) is a non-nuclear-weapon state which, on or after August 8, 1985, exports illegally (or attempts to export illegally) from the United States any materials, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of a nuclear explosive device.

For the purposes of clause (B), an export (or attempted export) by a person who is an agent of, or is otherwise acting on behalf of or in the interest of, a country shall be considered to be an export (or attempted export) by that country.

(2) Notwithstanding paragraph (1) of this subsection, the President in any fiscal year may furnish assistance which would otherwise be prohibited under that paragraph if he determines and certifies in writing during that fiscal year to the Speaker of the House of

Representatives and to the Chairman of the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of the United States non-proliferation objectives or otherwise jeopardize the common defence and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

(3)(a) A certification under paragraph (2) of this subsection shall take effect on the date on which the certification is received by the Congress. However, if, within 30 calendar days after receiving this certification, the Congress enacts a joint resolution stating in substance that the Congress disapproves the furnishing of assistance pursuant to the certification, then upon the enactment of that resolution the certification shall cease to be effective and all deliveries of assistance furnished under the authority of that certification shall be suspended immediately.

(b) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provision of section 601(b) of the International Security Assistance and Arms Export Co ·trol Act of 1976.

(B) Prohibitions on Assistance of Countries Involved in Transfer or Use of Nuclear Explosive Devices; Exceptions; Procedures Applicable: (1) Except as provided in paragraphs (4), (5) and (6), in the event that the President determines that any country, after the effective date of part B of the Nuclear Proliferation Prevention Act of 1994.

(a) transfers to a non-nuclear-weapon state a nuclear explosive device,

(b) is a to non-nuclear-weapon state and either :

(i) receives a nuclear explosive device, or

(ii) detonates a nuclear explosive device,

(c) transfers to a non-nuclear-weapon state any design information or component which is determined by the President to be important to, and known by the transferring country to be intended by the recipient states for use in, the development or manufacture of any nuclear explosive devices, or (d) is a non-nuclear-weapon state and seek and receives any design information or component which is determined by the President to be important to and intended by the recipient states for use in, the development or manufacture of any nuclear explosive device, then the President shall forthwith report in writing his determination to the Congress and shall forthwith impose the sanctions described in paragraph (2) against that country.

(2) The sanctions referred to in paragraph (1) are as follows :

(a) The United States Government shall terminate assistance to that country under the Foreign Assistance Act of 1961, except for humanitarian assistance or food or other agricultural commodities.

(b) The United States Government shall terminate :

(i) sales to that country under this Act of any defence articles, defence services, or design and construction services and

(ii) licenses for the export to that country of any item on the United States Munitions List.

(c) The United States Government shall terminate all foreign military assistance for that country under this Act.

(d) The United State Government shall deny to that country any credit, credit guarantees, or other financial assistance by any department, agency or instrumentality of the United States Government , except that the sanction of this subparagraph shall not apply:

(i) to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 (relating to congressional oversight of intelligence activities) or

(ii) to humanitarian assistance.

(e) The United States Government shall oppose, in accordance with section 701 of the International Financial Institutions Act (22 U.S.C. 262d), the extension of any loan or financial or technical assistance to that country by an international financial institution.

(f) The United States Government shall prohibit any United States bank from making any loan or providing any credit to the government of that country, except for loans or credits for the purpose of purchasing food or other agricultural commodities.

(g) The authorities of section 6 of the Export Administration Act of 1979 shall be used to prohibit exports to that country of specific goods and technology (excluding food and other agricultural commodities), except that such prohibition shall not apply to any transaction subject to the reporting requirements of tittle V of the National Security Act of 1947 (relating to congressional oversight of intelligence activities)

(3) As used in this subsection;

(a) The term 'design information' means specific information that relates to the design of a nuclear explosive device and that is not available to the public; and

(b) the term 'component' means a specific component of a nuclear explosive device.

(4)(a) Notwithstanding paragraph (1) of this subsection, the President may, for a period of not more than 30 days of continuous session, delay the imposition of sanctions which would otherwise be required under paragraph (1)(a) or (1)(b) of this subsection if the President first transmits to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations of the Senate, a certification that he has determined that an immediate imposition of sanctions on that country would be detrimental to the national security of the United States. Not more than one such certification may be transmitted for a country with respect to the same detonation, transfer, or receipt of a nuclear explosive device.

(b) If the President transmits a certification to the Congress under subparagraph (a), a joint resolution which would permit the President to exercise the waiver authority of paragraph (5) of this subsection shall, if introduced in either House within thirty days of continuous session after the Congress receives this certification, be considered in the Senate in accordance with subparagraph 2 of this paragraph.

(c) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(d) For purposes of this paragraph. the term 'joint resolution' means a joint resolution of the matter after the resolving clauses of which is as follows: "That the Congress having received on a _____certification by the President under section 102(b)(4) of the Arms Export Control Act with respect to _____the Congress hereby authorizes the President to exercise the waiver authority contained in section 102(b)(5) of that Act", with

the date of receipt of the certification inserted in the first blank and the name of the country inserted in the second blank.

(5) Notwithstanding paragraph (1) of this subsection, if the Congress enacts a joint resolution under paragraph (4) of this subsection, the President may waive any sanction which would otherwise be required under paragraph (1)(a) of (1)(b) if he determined and certifies in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that the imposition of such sanction would be seriously prejudicial to the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

(6)(a) In the event the President is required to impose sanctions against a country under paragraph (1)(c) or (1)(d), the President shall forthwith so inform such country and shall impose the required sanction beginning 30 days after submitting to the Congress the report required by paragraph (1) unless, and to the extent that, there is enacted during the 30 days period a law prohibiting the imposition of such sanctions.

(b) Notwithstanding any other provision of law, the sanctions which are required to be imposed against a country under paragraph (1)(c) or (1)(d) shall not apply if the President determines the certifies in writing to the Committee on Foreign Relations of the Senate and the Committee on Governmental Affairs of the House of Representatives that the application of such sanctions against a country would have a serious adverse effect on vital United States interests. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

(7) For the purposes of this subsection, continuity of session is broken only by an adjournment of Congress sine die and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation any period of time in which Congress is in continuous session.

(8) The President may not delegate or transfer his power, authority, or discretion to make or modify determinations under this subsection.

(C) Non-Nuclear-Weapon States defined. As used in this section, the term 'non-nuclear-weapon state' means any country which is not a nuclear-weapon state, as defined in article IX(3) of the Treaty on Non-Proliferation of Nuclear Weapons.

Appendix : 2
FACT SHEET: INDIA AND PAKISTAN SANCTIONS RELEASED BY THE U.S. DEPARTMENT OF STATE, BUREAU OF ECONOMIC AND AGRICULTURAL AFFAIRS
June 18,1998

The United States imposed sanctions on India and Pakistan as a result of their nuclear tests in May. In imposing these sanctions, we seek:

- To send a strong message to would- be nuclear testers;
- To have maximum influence on India and Pakistan behavior;
- To target the governments, rather than the people; and,
- To minimize the damage to other U.S. interests.

Our goals are that India and Pakistan:,

- Halt further nuclear testing;
- Sign the Comprehensive Test Ban Treaty (CTBT) immediately and without conditions;
- Not deploy or test missiles or nuclear weapons;
- Cut off fissile material production for nuclear weapons;
- Cooperate in Fissile Material Cut-of Treaty (FMCT) negotiations in Geneva;
- Maintain and formalize restraints on sharing sensitive goods and technologies with other countries; and,
- Reduce bilateral tensions, including Kashmir.

Accordingly, the United States:

- Terminated or suspended foreign assistance under the Foreign Assistance Act, with exceptions provided by law (e.g., humanitarian assistance, food, or other agricultural commodities).
    - $21 million in economic development assistance and housing guarantee authority for India terminated.
    - $6 million Greenhouse Gas program in India suspended.
    - Trade Development Agency will not consider new projects.
    - Most assistance to Pakistan had already been prohibited.

- Terminated foreign military sales under the Arms Export Control Act, and revoked licenses for the commercial sale of any item on the U.S. munitions list.

  - Suspended delivery of previously approved defense articles and services to India.

- Halted any new commitments of USG credits and credit guarantees by USG entities (EXIM, OPIC, CCC).

  - The Administration will support legislation to permit CCC credits for food and agricultural commodities.

  - OPIC had only recently reopened in Pakistan; however, India was one of OPIC's top five countries receiving an average of $300million annually in OPIC support.

  - EXIM had only recently reopened in Pakistan with one expression of interest pending for $1.1 million; $500million in pending financing in India will not go forward.

- Gained G-8 support to postpone consideration of non-basic human needs (BHN) loans for India and Pakistan by the International Financial Institutions (IFI) to bolster the effect of the Glenn amendment requirement that the U.S. oppose non- BHN IFI loans.

  - $1.17billion in IFI lending postponed for India.

  - Although no IFI loans for Pakistan have been presented for board consideration, $25milliom in IMF assistance has been postponed for failure to meet economic benchmarks.

- Will issue Executive Orders to prohibit U.S. banks from extending loans or credits to the Governments of India and Pakistan.

- Will deny export of all dual-use item controlled for nuclear or missile reasons Will presume denial for all other dual- use exports to entities involved in nuclear or missile programs.

  - Will toughen existing controls for government military entities;

  - will continue denial of nuclear exports licensed by NRC or authorized by DOE; and

  - will continue to favorably consider on a case-by-case basis other transactions which do not support nuclear, missile, or inappropriate military activities.