

# AsiaPacific

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## I S S U E S

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**SUMMARY** For nearly half a century Indian and American relations were strained by rival cold war alignments. Following the dissolution of the Soviet Union and nearly a decade in which to reappraise each other, the two countries are now engaged in both high-level diplomatic and “expert” level talks. Though the dialogue began in response to U.S. denunciations of India’s nuclear tests in May 1998, the talks have been constructive and suggest a growing recognition on both sides of common interests in preserving South Asian regional security and stability. There remain important areas where Indian and American interests diverge, such as nuclear weaponry and NATO’s activism and unilateral interventions into internal conflicts. Furthermore, U.S. rhetoric about constructing a “strategic partnership” with China in Asia remains a major stumbling block to developing Indian-American relations. Any of these issues could generate problems, but recent events indicate willingness in both capitals to insulate the more positive aspects of their relationship from problem areas. This represents a significant shift away from the past, when divisive issues affected every dimension of the bilateral relationship.

*The U.S. has a fundamental interest in maintaining security in a region inhabited by two nuclear-armed states, an interest India shares*

Events during the past two years indicate that Washington now has a better appreciation of Indian policies and interests than possibly at any time during the preceding five decades. New Delhi, too, has recently exhibited greater sensitivity toward American global concerns—the recriminations that once typified their rhetoric in disagreements have notably diminished. While serious differences remain between the two countries on certain issues, there are compelling shared concerns which raise the possibility of significant cooperation on many fronts, including issues of regional stability and security. Paradoxically, the changing nature of Indian-American relations became evident in the aftermath of the recent Indian nuclear tests. India's response to initial U.S. denunciations was firm but not shrill. Moreover, both sides were eager to enter into dialogue to explain their positions and explore points of agreement, even on the divisive issue of nuclear proliferation.

It was apparent from that episode that suspicion of the United States—deep-seated among Indian policymakers during the cold war era—has eroded substantially. It also suggested that Washington has begun to reappraise India's importance to its foreign policy regarding both Asia and the global nuclear non-proliferation regime. Indian and American negotiators, led by Indian Foreign Minister Jaswant Singh and American Deputy Secretary of State Strobe Talbott, have maintained the most extensive and intensive dialogue between the countries in fifty years. Nine rounds of discussions on sensitive issues have displayed little acrimony or mistrust. Moreover, several rounds of talks among “experts” have explored technical issues related to nuclear non-proliferation.

American appreciation of India's stance on India-Pakistan relations, especially regarding Kashmir, became clear during the Kargil crisis of June-July 1999, after India discovered that a large number of Pakistani troops and Pakistan-supported irregular fighters had crossed the Line of Control (LOC) during the preceding winter months claiming to be Kashmiri “freedom fighters” struggling against India's “oppressive” policy. During the Kargil crisis, the U.S. administration held Pakistan directly responsible for violating the LOC and for initiating

the trouble and demanded that it respect the sanctity of the LOC in Jammu and Kashmir. Washington made clear that it had no intention of actively mediating in or internationalizing the Kashmir dispute, and that it would have to be resolved bilaterally, based on the Shimla Agreement of 1972. This was taken in New Delhi as an unequivocal endorsement of the Indian position.

President Clinton spoke several times with Indian Prime Minister Vajpayee during and after the Kargil crisis, particularly to keep the latter informed of his crucial negotiations with then-Pakistan Prime Minister Nawaz Sharif. The Clinton-Sharif talks of July 4, 1999, provided Pakistan with a face-saving formula to cover the withdrawal of its regular troops and Pakistan-supported irregulars from Indian-controlled territory. Washington's stance on the Kargil crisis was neither a favor to India nor an attempt to ingratiate itself with New Delhi. Rather, it resulted from America's fundamental interest in maintaining security in a region inhabited by two nuclear-armed states, an interest shared by India, the region's status quo power.

In my judgment, these recent signs of improving Indian-American relations are not merely straws in the wind, but reflect a growing recognition on both sides of common interests in preserving South Asian regional security and stability. There remain, of course, important areas where Indian and American interests and objectives diverge, such as nuclear weaponry, and NATO's activism and repeated unilateral interventions into internal conflicts around the globe. Furthermore, U.S. rhetoric about constructing a “strategic partnership” with China in Asia remains a major stumbling block in developing Indian-American relations. Any of these issues could generate problems, but recent events indicate willingness in both capitals to insulate the more positive aspects of their relationship from problem areas. This represents a significant shift away from the past, when divisive issues affected every dimension of the bilateral relationship.

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#### **Elements of a Changing Relationship**

Several factors brought about this transformation. Probably the most important has been the end of

the cold war. The first post-cold war decade has given both countries time to adjust and revise their views of each other. Many of America's earlier suspicions resulted from India's close political and military links with the former Soviet Union, India's leading arms supplier. Beyond harming the political relationship, this inhibited Washington from sharing defense technologies with India for fear that they might fall into Soviet hands.

Another crucial change occurred when, simultaneously with the end of the cold war, the Soviets withdrew from Afghanistan. This drastically reduced Pakistan's strategic importance to the United States, and removed a major aggravation in Indian-American relations: Washington's "strategic tilt" toward Pakistan. The U.S. supply of sophisticated weapons, including F-16 aircraft, to Pakistan during the 1980s upset the military balance between India and Pakistan and was seen by New Delhi as fueling a South Asian arms race. In 1990 President Bush refused to certify that Pakistan was not building nuclear weapons, and U.S. military aid was therefore suspended under the Pressler Amendment. Thus, India's principal concern regarding the U.S.-Pakistan relationship was alleviated.

Another factor in improving U.S.-India relations was the economic liberalization policy adopted by New Delhi in 1991. This raised India's economic profile in the United States, and simultaneously awakened Indian policymakers to the U.S.'s potentially critical role in their country's future development. The United States had already been India's leading trade partner, but the opening of the country to foreign investment, and reductions in trade tariffs and other restrictions, magnified America's economic importance. India's economic liberalization also led to the emergence of a business lobby in the United States with a strong interest in maintaining a political climate conducive to American investment in and trade with India.

Indian-American trade statistics for recent years reveal a significant imbalance in India's favor—during the Indian fiscal year 1997-1998 exports to the United States totaled \$7 billion and imports \$3.8 billion. In recent years Indian exports have constituted about two-thirds of Indian-American trade.

Note, however, that U.S. exports to India nearly doubled between 1991-1998, from \$2 to \$3.8 billion. This figure would have been much higher if not for U.S. restrictions on the export to India of dual-use technology and nuclear-related material. These were imposed primarily under the provisions of the Nuclear Non-Proliferation Act passed by the U.S. Congress in March 1978 following the Indian explosion of a nuclear device in 1974. India has been keen to import American technological knowledge and products. However, despite the Memorandum of Understanding on Technology Transfer signed by the two countries on November 29, 1984, the United States did not fully exploit this potential market during the 1980s and the 1990s. This reflected congressional legislative restrictions, and also the reluctance of the Defense and Energy Departments to share sensitive technologies with a country considered uncomfortably close to the Soviet Union. Both constraints persisted in the 1990s despite the Soviet Union's collapse, largely because of U.S. nuclear proliferation concerns, and continuing apprehension in segments of the Washington bureaucracy that technology transferred to India might be passed to unfriendly governments.

The United States is not only India's biggest trading partner, but also its largest source of foreign investment. According to available figures, foreign direct investment (FDI) approved by the government of India or the Reserve Bank of India from 1991 to 1998 totaled Indian Rupees (INR) 158,766 crores (a crore is equal to ten million), or \$40.2 billion, of which the United States accounted for 25.5 percent. The United Kingdom was the next largest source at just over 6.5 percent. Actual inflows of FDI from 1991 to 1998 were INR 35,332 crores, or \$9.5 billion with over 30 percent coming from the United States. FDI in India, in absolute dollar terms, trails that in China, but this \$9.5 billion inflow was a quantum jump over the \$1 billion of the previous two decades. Foreign Institutional, or Portfolio, Investment (FII) in India has also received a fillip with the opening of its stock market. Total FII in India up to May 1997 was \$8.2 billion, a major portion coming from the United States.

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Many of the foreign corporations investing in India belong to the Fortune 500.

The opening of India's economy, and in the case of portfolio investment the financial sector, has qualitatively changed India's relationship with the industrialized countries, above all the United States. India is currently less significant than China in America's business and economic policymaking circles, but it promises to become increasingly important to American investors, business people, and economic decision-makers. This is likely to be the case as the share of the service sector expands in the global economy. India, with its large concentration of technologically skilled manpower with competence in English, is in a better position to exploit this shift than probably any other country in the developing world.

India has been identified by American economic circles as one of six "Big Emerging Markets." If India's economy continues growing at the current annual rate of around 6 percent, it will double in size in 12 years. This should bring a corresponding increase in India's influence on American economic calculations, especially since the risks of investing in East and Southeast Asian economies have become clearer with the Asian financial crisis. India escaped this crisis virtually unscathed.

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**India's Advantage**

India has several long-term advantages for attracting foreign, and especially American, investment. These include a highly skilled workforce proficient in English, and a middle class estimated at 150 to 200 million people with buying power that, in purchasing power parity terms, matches southern Europe. India also has an established legal system modeled on Anglo-Saxon traditions of jurisprudence, capable of enforcing commercial contracts and preventing local or national authorities from acting arbitrarily vis-à-vis foreign investors.

Furthermore, India has bright prospects for stability and continuity in its economic policy since it has been adopted within a democratic framework. In democracies, fundamental transformations in economic policies usually take place slowly. But,

once a consensus has been established and changes introduced gradually, policies are unlikely to be reversed overnight. It became very clear during the run up to the national elections in September-October 1999 that both the leading political formations in India, the ruling Bharatiya Janata Party (BJP) and the opposition Congress party, are committed to sustaining and accelerating economic change. The contestation between them on economic policy boiled down to who would be able to better implement economic reforms and manage the social consequences of economic change. This demonstrates the solid political foundation on which economic liberalization in India is based.

India possesses certain other qualities that should make it easier for American opinion molders and decision-makers to both comprehend and empathize with its problems and prospects. Most obvious here are similarities in the Indian and American political systems. All else being equal, the democratic nature of the two polities should foster mutually positive images. Moreover, decision-makers on both sides are familiar with the complexities, challenges, and compromises involved in democratic policymaking rendering them more tolerant of each other's problems. Unfortunately, for much of the past half century, other things have not been equal because America viewed India through the cold-war lens of U.S.-Soviet rivalry and Indian perceptions of the United States were largely determined by the latter's alliance with Pakistan. Now that Indian-American relations have disentangled from these issues, the affinity of their political systems should become more consequential.

Other factors also bode well for developing a more cooperative India-U.S. relationship. Both sides have a common interest in combating terrorism, especially that espoused by Islamic extremists. In August 1998 American embassies in Kenya and Tanzania were bombed by Islamic extremist elements linked to Osama bin Laden, who is being protected by the Taliban in Afghanistan. The Taliban were once protégés of the Pakistani military and intelligence services, and still receive substantial support from Islamabad. This has highlighted the threat that fundamentalist terrorists pose to U.S.

*Shifting U.S. perceptions of India also reflect changing Washington conceptions of what regional systems around the globe should look like*

interests around the world, and their connection, even if at one remove, with Pakistan.

Meanwhile, a fundamental change has occurred in the nature of the insurgency in Indian-controlled Kashmir. During the initial years of the uprising, in the early 1990s, it was largely an indigenous Kashmiri affair, although the Pakistani military was key in providing the wherewithal to confront Indian security forces. From the mid-1990s, the movement has fallen increasingly into the hands of Pakistani-trained and armed fundamentalist groups, and has become almost exclusively terrorist in approach, targeting civilian populations.

Furthermore, many if not most, of the terrorists are foreign mercenaries—Afghans, Pakistanis, and Arabs—trained in the fighting in Afghanistan. Their ties to the Taliban and bin Laden have become increasingly apparent, as has their being trained, armed, and financed by the Pakistan Inter-Services Intelligence. These links were underscored when American bombings of several bin Laden bases in Afghanistan in August 1998 inflicted casualties among so-called “freedom fighters”—Pakistanis, Afghans, Arabs, and some Kashmiris—being trained there prior to their infiltration across the LOC into Indian-controlled Kashmir. Reports surfaced in October 1998 that bin Laden’s mercenaries were infiltrating the Kashmir Valley to intensify terrorist activities there. The Kargil crisis of June-July 1999 reinforced the conclusion that these terrorist elements were working hand-in-glove with the Pakistan army.

These events have made Washington and New Delhi realize that they face similar terrorist threats, and both have recognized the need to work together to combat this menace, among other things by sharing intelligence. For the first time, high-level talks were held in September 1999 between the two governments on the situation in Afghanistan and the terrorist threat emanating from that country. Pakistan’s role as the principal conduit for Afghanistan-based terrorism was bound to have been discussed during these talks. The American decision to declare the Harkat-ul-Ansar, a militant group with links to bin Laden and active in Kashmir, a terrorist organization also signaled these converging interests between

the United States and India. Pakistan’s links to the Taliban regime in Afghanistan and to the Harkat-ul-Ansar (and therefore, indirectly, to bin Laden) seem to have affected American perceptions of Pakistan and may lead to a reassessment of its place in America’s Middle East and Central Asia strategy. The military coup in Pakistan in October 1999 can be expected to augment Pakistan’s negative image in Washington. This is likely to redound further to India’s favor.

**Changing Political Visions and the Chinese Factor**

Shifting U.S. perceptions of India also reflect changing Washington conceptions of what regional systems around the globe should look like. These have undergone drastic revision since the cold war. During the period of bipolarity, American perceptions of regional orders were determined primarily by distinctions made between cold war allies and adversaries. America’s friends, allies, and clients were supported militarily, economically, and politically, with little regard for how superpower competition might affect regional stability and security.

But the 1990s brought changes in how America measures the effectiveness and legitimacy of regional orders. As the lone superpower and major provider of public goods in the international system, the United States has come to realize the importance of pivotal regional powers and the fact that international order can attain legitimacy and stability only if these same qualities are first achieved within regional orders. This realization is likely to contribute to greater appreciation of Indian sensitivities in current Washington policies.

The growing acceptance by the United States of India’s role as the security manager for South Asia (minus Pakistan) became evident in the mid-1980s when President Reagan acknowledged India’s regional significance and its importance to U.S. foreign policy goals. It was reiterated in 1987 when the U.S. endorsed the India-Sri Lanka Accord of July 1987, which legitimized India’s position as the principal arbiter of Sri Lanka’s civil war. Such endorsement also signaled America’s recognition of India’s

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right to exclude other powers, including the United States, from interfering in vital security issues in the Indian subcontinent (minus Pakistan). This had been the centerpiece of the “Indira Doctrine,” India’s version of the Monroe Doctrine, promulgated in 1983 at the beginning of the Sri Lankan conflict.

India would like the “Indira Doctrine” to apply to Pakistan also, but realizes that as long as Pakistan can “borrow power” from elsewhere (principally from China and the United States, secondarily from Saudi Arabia and other oil-rich Gulf monarchies) it can defy Indian managerial aspirations. Here, the American policy of military and political support to Pakistan remains crucial. This is why New Delhi welcomes any signs that this support is weakening, such as the 1990 halt to U.S. economic and military aid, and U.S. condemnation, even if thinly veiled, of Pakistan’s policies during the Kargil episode.

However, the United States is not Pakistan’s only powerful supporter—China has been an equally, in some ways more, important source of “borrowed power.” Beijing has been crucial in building Pakistan’s nuclear weapons and missile capabilities, supplying designs, technologies, and components that have been invaluable to Pakistan’s nuclear and missile competition with India. China has posed a three-pronged threat to India—engaging in territorial conflict, helping Pakistan to neutralize India’s military superiority, and supporting insurgencies in the Indian northeast in order to weaken the Indian state. It is not surprising that most of India’s strategic community sees China, not Pakistan, as India’s greatest security threat. New Delhi has always considered the Pakistani threat containable on its own, but its military links with major powers, particularly its collaboration with China, have transformed the nature of that threat. In fact, with increasing revelations regarding the transfer by China to Pakistan of material and technology in the nuclear and missile arenas, many in India have come to view the Pakistani threat to India’s security as an extension of the threat posed by China.

In this context, Washington’s proclaimed desire for a “strategic partnership” with Beijing was bound to undermine the prospects for improved Indian-American relations. New Delhi considered it the

height of insensitivity to Indian concerns when, during a June 1998 visit to Beijing, President Clinton issued a joint statement with the Chinese President condemning India’s nuclear tests. To add insult to the injury, the statement appeared to accord Beijing joint responsibility with Washington for maintaining peace and order in South Asia, among other things by denying India status as a legitimate nuclear power.

India continues to chafe at what it sees as its shoddy treatment by Washington relative to American deference toward China, especially in matters pertaining to Asia. That America accepts China as a legitimate nuclear power, while denying India the same status, is seen by many Indians as the hallmark of a discriminatory policy. Until recently, America viewed India’s nuclear ambitions primarily in the context of the India-Pakistan equation, despite India’s insistence that the primary factor in its nuclear policy was China. Only since the post-test negotiations between Singh and Talbott has the United States begun to appreciate India’s position. However, this appreciation has yet to be translated into concrete policy measures, such as recognition of India’s need for a credible nuclear deterrent vis-à-vis China.

The China factor, then, remains a significant irritant in Indian-American relations. However, aspects of this situation have received inadequate attention—there is considerable potential for Chinese-American discord over a host of issues including Taiwan, trade, human rights and, above all, conflicting interpretations of China’s future place in the Asian and world orders. An alternative vision of China as a “strategic competitor” rather than a “strategic partner” has recently emerged within U.S. national-security debates. This has been particularly the case among Republican circles, a fact that is reflected in some of the foreign policy rhetoric emanating from the camp of George W. Bush, the leading Republican presidential contender.

Two interrelated developments, neither of which can be ruled out, could cause a sharp deterioration in Chinese-American relations. The first would be an aggressive deployment of Chinese missiles targeting Taiwan, and their threatened use in response to

Taiwanese assertions of independence. The second would be the deployment by the United States of a theater missile defense system (TMD) in East Asia in collaboration with Japan and South Korea. The deployment of such a TMD is likely to result from increasing American concerns over North Korean medium range missiles, now capable of reaching Japan. But Beijing has made it clear that it would view such a deployment as a derogation of its own nuclear deterrent capability and, therefore, as an anti-Chinese move.

China (like Russia) has applied this same logic to criticize American plans to deploy missile defense systems on U.S. territory. America says that it wants the defenses to guard against “rogue” states, such as Iraq and Iran, that might acquire missile capabilities, but Beijing (like Moscow) argues that they will neutralize its deterrent capability vis-à-vis the United States. This has led a growing number of U.S. analysts to believe that Beijing sees itself eventually becoming a “strategic competitor” rather than a “strategic partner” of the United States. This feeling has been reinforced by alleged Chinese attempts to steal American nuclear secrets, and their apparently successful theft of the design of the W-88, the most advanced miniaturized warhead in the U.S. nuclear arsenal.

Additionally, it is clearly in America’s interest that no single country dominate Asia and that when shifts in the Asian balance of power occur they happen peacefully. Both objectives will likely run up against the Chinese objective of becoming the dominant power in as much of East and Southeast Asia as possible, using force if necessary to demonstrate its regional primacy (as it did earlier in relation to Vietnam, and may perhaps in the future in Taiwan or the disputed islands in the South China Sea).

Currently, the United States does not want to create an Asian alliance against China for fear of pushing China into open confrontation. However, an increasing number of American observers believe that Beijing’s long-term plans are not to cooperate with the United States in East Asia, but rather to compete for dominance there. Moreover, some believe China’s ambitions are not merely regional, that its eventual goal is an international bipolar

power structure, akin to that of the cold war era, with itself as a pole of global power.

It can thus be argued that it is in America’s interest to balance Chinese power by building strategic connections in Asia with powers that share this goal. Japan is an obvious candidate, except that it has not yet overcome its wartime legacy, or recognized openly that a major power must possess and be willing to use both economic and military clout. Moreover, Japan’s attitude toward China is ambivalent because of its economic interests there, and because Tokyo thinks it might need China to counter an overbearing America in the future.

The United States, therefore, must build alliances with other Asian powers in case of future clashes with China. India is a logical choice—its interests vis-à-vis China will likely coincide with America’s, and only India likely has the requisite military and economic potential and political will to counter China’s emergence as the dominant power in Asia. Furthermore, India’s political and security aspirations are limited to managing the South Asian regional order. It has neither the capacity nor the desire to project power into East Asia, which is so vital to the United States. And yet, because it shares America’s objective of balancing China’s power in Asia, India would willingly work with the United States toward this end outside of South Asia, especially in Southeast Asia and the Indian Ocean.

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### **Remaining Obstacles to Partnership**

It is in India’s interest to establish a strategic understanding with the United States, and to make the possible Chinese challenge to both countries the centerpiece of the U.S.-Indian security relationship. Unfortunately, several factors inhibit India from frankly discussing this issue with the United States. First, the Indians fear this approach may run against the prevalent wisdom among the Clinton administration’s experts on East Asia who advocate a “strategic partnership” with China. It may, therefore, turn out to be counterproductive. Also, an intelligence leak from Washington about such discussions could further sour India’s relations with China, and perhaps incite China to more blatantly support

*Given America’s continued ambivalence toward China, India prefers to keep its own options open*

Pakistan. In short, given America's continuing ambivalence toward China, India prefers to keep its own options open as well.

There is one notable area of convergence in Indian and Chinese foreign policies that India would like to cultivate, particularly in the absence of indications that the United States considers India, too, a "strategic partner." This is the shared apprehension regarding recent American/NATO proclivities to intervene "out of area," especially in the internal affairs of other states without the explicit sanction of the UN Security Council. The American-led intervention in Iraq in order to provide a safe haven for Kurds was seen by both India and China as an unacceptable derogation of Iraqi sovereignty, but it was viewed as a unique event. However, the recent NATO bombing of Serbia and subsequent intervention in Kosovo have raised new and sharper concerns.

Both the Gulf War and NATO's Balkan interventions have highlighted the widening gap in conventional military capabilities between the major Western powers in the forefront of advances in military technology, the so-called Revolution in Military Affairs Powers, and other states. It is increasingly assumed that the United States individually and NATO collectively can conduct high-tech, "painless" wars against even major countries that violate U.S. and/or NATO visions of a proper international order. Strategic analysts in both India and China have warned that today it is Kosovo, tomorrow it may be Kashmir or Tibet.

To allay Indian apprehensions about external military or political intervention in the Indian subcontinent, the United States must do two things: unequivocally recognize the LOC in Kashmir as the de facto international border between India and Pakistan (something it came close to doing during the Kargil crisis), and abjure any intentions of interfering in relations between New Delhi and the people of Indian Kashmir. The United States currently endorses a bilateral approach between India and Pakistan over Kashmir, which India favors. But Washington has previously signaled a willingness to consider international intervention in the "disputed" territory, and India fears a reversion to this interven-

tionist mode. New Delhi is loath to burn its bridges to Beijing without assurances of an American hands-off policy regarding Kashmir that would, in effect, affirm Washington's acceptance of the accession of the bulk of that state to India.

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### **Nuclear Non-Proliferation: An Outmoded Regime**

Despite the Talbott-Singh dialogue, a gulf remains between the American and Indian positions regarding nuclear non-proliferation. The United States has acknowledged that India will not accede to the Non-Proliferation Treaty (NPT) in its present form. Nevertheless, Washington has been insisting that New Delhi sign the Comprehensive Test Ban Treaty (CTBT) without linking such signature to quid pro quo either in transfers of dual-use technology or international acceptance of India's position as a nuclear weapons power. However, with the U.S. Senate's rejection of the CTBT in November 1999 and little chance of the ratification process being resurrected before 2001, American leverage with India on this issue has been drastically reduced. In fact, the American official position on the CTBT now bears a remarkable similarity to that of India—voluntary adherence to the main provisions of the treaty without acceding to it formally.

But, it is America's reluctance to accept India's need for a minimum credible nuclear deterrent (including deployable warheads and delivery systems) that lies at the heart of the difference between the two countries on the nuclear weapons issue. A draft of India's nuclear doctrine, formulated by the National Security Advisory Board (NSAB) was released on August 16, 1999, for public discussion and debate. It reiterated India's need for a credible nuclear deterrent with an effective C4I2 capacity (command, control, communication, computer, intelligence, and information), and advocated a triad of delivery systems including aircraft, land-based mobile missiles, and "sea-based assets." While denying any "first use" intentions, the draft made clear that "minimum deterrence" must be based upon the "maximum credibility" of such deterrent capacity.

*After Senate rejection of the CTBT, the U.S. position is now remarkably similar to India's: voluntary adherence to the treaty's main provisions without acceding to it formally*



The Indian nuclear doctrine, as presented in the NSAB's draft, is obviously unacceptable to Washington's non-proliferation lobby, and may stall security cooperation. Moreover, the gap between the Indian and American perceptions of the optimum technological balance in the Indian subcontinent can be expected to widen as India further tests the IRBM Agni, and adopts it and the short-range Prithvi into its force structure. These delivery systems, especially the Agni, make sense only in concert with deployable nuclear warheads—they are essentially nuclear weapons delivery systems. The draft nuclear doctrine of August makes this point clearly.

From India's perspective, a genuine strategic dialogue to map out common interests and objectives will require U.S. recognition, in some form, of India's need for a credible nuclear (including missile) deterrent capability vis-à-vis China. With such a recognition, India would likely sign the CTBT, especially since its scientists have concluded that the 1998 tests yielded data sufficient to produce sophisticated nuclear weapons and, therefore, further testing is unnecessary. Furthermore, New Delhi believes that Washington should be more flexible in its non-proliferation policies, and argues that those who institute them can revise international regimes. New Delhi, therefore, believes that the United States, as the prime mover behind the non-proliferation regime, has sufficient clout to modify or circumvent the restrictions this regime imposes on India.

This is an argument that Washington needs to consider seriously especially since the events of May 1998 have left the impression that the non-proliferation regime is an anachronism in the context of modern global realities. With the Indian and Pakistani nuclear cats out of their bags, only Israel maintains a policy of "deliberate nuclear ambiguity," and its nuclear capability has been widely acknowledged, including by the CIA, since 1975. Moreover, Israel for practical purposes falls under America's nuclear umbrella and, given its conventional superiority over potential adversaries who are all non-nuclear, it has no need to go overtly nuclear.

It is also clear that the nuclear ambitions of "rogue" states, even if they are signatories to the

NPT, will have to be kept in check not by the provisions of that treaty but by American power or largess. The NPT by itself, as North Korea has demonstrated, cannot prevent their going nuclear. Other threshold powers, such as Brazil, Argentina, and South Africa, have abandoned nuclear aspirations and signed the NPT more because of improvements in their regional security environments during the 1990s (and, in South Africa, the end of apartheid) than any commitment to non-proliferation.

In this context, the United States might do well to take a fresh look at its relations with India, free of non-proliferation ideological baggage. Washington may then conclude that its future security interests lie in helping India to become South Asia's regional security manager, and to acquire the capabilities needed to counterbalance China in the wider Asian region. This would not mean India acting as a South Asian proxy or surrogate for the United States, a role New Delhi would never consider. Rather, it would mean greater coordination of security policies for mutual benefit, without eroding the strategic autonomy of either partner. This may also become the model for post-cold war relations between the United States and preeminent regional powers elsewhere, serving America's goal of maintaining a legitimate and stable international order through cultivation of those same qualities within regional orders.

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#### **Suggestions for Further Reading**

For a review of Indian-American relations from the 1940s through the 1980s, see Dennis Kux, *India and the United States: Estranged Democracies*, Washington, D.C.: National Defense University Press, 1993. For an in-depth analysis of Indian-American relations during the 1980s, see Satu Limaye, *U.S.-Indian Relations: The Pursuit of Accommodation*, Boulder: Westview Press, 1993. For Indian-American relations in the 1990s, see Gary Bertsch, Seema Gahlaut, and Anupam Srivastava (eds.), *Engaging India: U.S. Strategic Relations with the World's Largest Democracy*, New York: Routledge, 1999. On the impact of India's nuclear tests on Indian-American relations, see Mohammed Ayoob, "Nuclear India and Indian-American Relations," *Orbis* 43 (1999).

*Washington may conclude that its future security interests lie in helping India to become South Asia's regional security manager*

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