

Snehalata Panda

POKHRAN II: RESPONSE OF US, RUSSIA, CHINA AND PAKISTAN

Abstract

The nuclear explosion by India on May 11 and 13 has spurred an array of debate in both domestic sphere and international arena concerning the rationale of such explosion. The concurrent reaction of Pakistan with six detonations on the other hand, has been accepted with less depreciation by the international community. Nevertheless, after the detonation, India is now facing economic sanctions imposed by the international community, specially by the two of its largest economic partners, the United States and Japan. The withdrawal of economic commitments, both by these two countries and other European countries and financial institutions is likely to disrupt Indian economic advancement. However, the denial of technology specially hi-tech computers, has mismatched the Indian leadership's strategic calculations regarding the possible entrance in the nuclear club and as the permanent member of the UN Security Council. This paper attempts to examine the diverse reactions of the United States, Russia, China and Pakistan on the issue of India's nuclearisation. It also tries to appraise the strategic calculations of these states in this regard and the possible options left to India to manoeuvre the international environment.

Snehalata Panda, Ph. D., is Reader, Department of Political Science, Berhampur University, Orissa, India.

A major public debate has been triggered in the country and abroad after India conducted nuclear tests on 11 and 13 May 1998. At one extreme of intellectual deliberations the tests were condemned as a major fall-out of India's foreign policy which put on hold the process of normalisation of its relations with China and also economic aid by U.S. and quite a few western countries. At the other extreme, Vajpayee government has been acclaimed as the most courageous, unwavering in its electoral promise by relieving India of its deep psychological distress which it suffered in a discriminatory nuclear system and giving an appropriate dimension to its security perceptions. The objective of the paper is not to concentrate on either of the view and judge their propriety but to address the diplomatic and strategic posture for the policy makers which would repair the damage done to its economy after the international community effected sanction on India and emerging security threats to the country due to polarisation of numerous forces. The delineation of the problem and its likely effect, takes into account the responses of United States of America, Russia, China and Pakistan to India's nuclear detonation as these are the countries with which India attempted to improve its relations after the Cold War had ended. The explosion by India brought into fore Russia's positive response whereas US-India ties ran into rough weather. China emerged as a 'Policeman' and Pakistan responded by detonating six nuclear bombs. Russia as the successor of the former USSR has initially cold shouldered India's attempt to maintain the same relationship which it had when it was a part of USSR but had changed its posture since the last two years which crystallised after Pokhran II. India does not figure as much either in the US foreign policy agenda or of China as these countries figure in India's foreign policy making. But their reaction to nuclear explosion by India disparaged the assiduously designed economic integration process and security environment. Pakistan continues to be a formidable adversary and its links with major powers in Asia, the west and Islamic countries has strained the

nerves of Indian leadership. The paper seeks to address India's policy after Pokhran II towards these countries and to emerge as a credible and responsible possessor of nuclear power.

India and US

The post-Cold War world system perceived by the United States is a nuclear free world where the weapons of mass destruction should not proliferate. The five declared nuclear powers have a high stake in the present nuclear order as it affects their ability to supply strategic materials (conventional as well as nuclear) and their command over markets and resources which together affect their growth and prosperity. They have made strenuous efforts in preserving this order and have succeeded in denuclearising Brazil, South Africa, Ukraine, Bylorussia and Kazakistan. In denuclearising Ukraine an advance payment of about \$1 bn. was made. Similarly enormous cost was incurred in downgrading the resupply for generating electricity from fissile material unloaded from warheads surrendered by Russia. Sizeable cash payment was made for freezing North Korea's nuclear programme.¹ The US which spearheads the nuclear non-proliferation agenda desired that India should not test nuclear bombs, neither should it deploy missiles capable of delivering nuclear weapons. The tests conducted by India threatened US interests indirectly, because US has a real interest in stopping proliferation and stopping arms race which can be destabilising in the Indian subcontinent.

The nuclear tests were conducted by India at a moment when India began to see the US as a strategic partner and one of the casualties of the sanctions is the breach of US military ties with India. The Glenn Symington Amendment came into force on 13 May 1998 which details the series of sanctions to be imposed on India.²

1 *The Hindu*, 21 May 1998.

2 The sanctions include:

*Termination of assistance under the Foreign Assistance Act of 1961, except for humanitarian assistance or food or other agricultural commodities.

*Termination of sales of defence articles, defence services or design and construction services under the Arms Export Control Act and revocation of licences for the commercial sale of any items on the US Munitions List.

*Termination of all foreign military financing under the Arms Export Control Act. Denial of any credit, credit guarantees or other financial assistance by any department agency, or instrumentality of the United States Government.

*Opposition to the extension of any loan for financial or technical assistance by any international financial institution.

*Prohibiting US banks from making any loan or providing any credit to the government of India and Pakistan except for the purpose of purchasing food or other agricultural commodities.

*Prohibiting export of specific goods and technology subject to export licensing by the commerce department.

*Pursuant to the Secretary of States determination under Section 2(b) (4) of the Export-Import Act of 1945, the Board of Directors of the Export-Import Bank may not give approval to guarantee, insure and extend credit, or participate in the extension credit in support of US exports to India and Pakistan. US sanctions will not 'cripple' India's economy, *Washington File*, June 18, 1998. Jacquelyn S. Porth "South Asian Nuclear Testing Raises Specter of Arms Race", *USIA's Washington File*, May 28, 1998.

As per the estimates of *Economic Times*, \$960mn. World Bank aid already in the pipeline could be stuck. If this be so--

- a) Powergrid corporation may be denied \$ 450 mn. loan.
- b) IREDA may not receive a \$ 270 mn. loan for a highway project.
- c) A diversified UP Government company may be denied \$130mn. assistance.

US has frozen bilateral financing for several projects which include

The Nuclear Proliferation Prevention Act of the US Congress restricts export of materials for military use including high-tech computers. It will also freeze US aid, withdraw federal government guarantees and restrict lending by private banks. Withdrawal of US guarantees would result in declining FDI by US based companies. The sanctions imposed by US should not be viewed lightly as India is a marginal-player in the international game of capital flows. This is reflected in the abrupt decline in India's foreign trade.³ In this context the Sino-Pak strategic and defence equation and US-China nexus on security and non-proliferation issues can be understood as India centric. India's nuclear weaponisation is not perceived just in terms of its general non-proliferation and arms control concerns. The fact is that Indian tests have disrupted US plans for preventing a horizontal missile and nuclear non-proliferation which was the core of its world order after the Cold War has ended. Moreover, US is troubled by the strategic equations among the countries in the Asia

\$ 500mn. from the US Exim Bank

\$ 300 mn. from the Overseas Private Investment Corporation

\$ 21 mn. economic development assistance to Housing Guarantee authority of India suspended.

\$ 6 mn. green house gas programme cut off.

US Banks prohibited from lending to the Indian Government.

Trade Development agency will not consider new projects.

Delivery of previous approved defence articles and services to India suspended.

Foreign military sales under the Arms Control Act terminated.

Licenses revoked for commercial sale of any item on the US munition list.

Export of dual use items banned.

Economic Times, June 1998.

3 *Times of India*, 8 July 1998.

Pacific region which would damage US dominance in the region. A nuclear confrontation between India and Pakistan⁴ would also hamper the interest of US in Central Asia, Western Asia, the ASEAN and the Gulf.

Sanctions imposed by US and quite a few Western countries would be damaging for India if it continues for a longer period. In the short run, however, India's loss of economic aid and loan package by the US will be minimal as most parts of them have been disbursed. But loans of about \$ 2.2 bn. by IBRD and IDA may be delayed or postponed for the moment. Imports from US may be affected since the federally funded US Exim Bank may withhold trade credit and guarantee. But credit from private banks can be obtained, maybe, at a higher cost of interest. Some US companies involved in large scale sales to India would lobby against trade sanctions. The President of USA has the power to lift sanctions in the national interest. Even then the sanctions would be adversarial for India if it is not waived early. If the sanctions continue for a longer period its indirect impact on the economy and polity will be highly damaging. For example, now that Pakistan is insisting on multilateralisation of Kashmir issue, should India's effort to keep it within the bilateral forum fails, conflict may escalate which, in turn, would compel the government to divert its resources from the essential sectors like health, education, housing etc. to defence. Terrorist activities may increase both in Jammu and Kashmir and the North East which would force the government for large scale resource allocation for internal security. Taxes may be imposed to raise internal resources putting a heavy burden on the public.

4 The apparent ability of both nations "to employ nuclear weapons greatly magnifies the potential costs of fourth Indo-Pakistan War"... unresolved disagreements, deep animosity and distrust, and the continuing confrontation between their forces in disputed Kashmir make the subcontinent a region with significant risk of nuclear confrontation". Jacquelyn S. Porth, *USIA'S Washington File*, June 18, 1998.

Prior to the imposition of sanctions, United States was India's largest trade and investment partner. "In 1997 US exports to India were valued at \$3.6 bn. while US imports from India would totalled \$ 7.3bn." The exports "included aircraft and aircraft parts, computer and components", and chemicals and imports were "textiles and apparel, diamonds and jewellery". US exports to India in 1997 increased nine percent over 1996 and increased 81 percent between 1991 and 1997. As of 1996 the United States accounted for 17 percent of actual foreign direct investment in India and 27 percent of FDI approvals".⁵

So far there is no indication of FDI being affected as large number of foreign investment projects have been signed after the nuclear blasts. FDI will be affected due to the short term profit consideration. Hence there may be a downswing in the stock market so long sanctions are in force. The freezing of foreign loan and aid would compel the government to depend on private foreign investment which can be preferred at the cost of adversarial bargain.

A positive indication in improving US-India ties is on the anvil after the Senate passed by a voice vote the India-Pakistan Relief Act of 1998.⁶ Under the Act the President is empowered to waive sanctions⁷ for a period not exceeding one year. This gives the

5 "US Sanctions will not cripple India's Economy", *USIA's Washington File*, June 18, 1998.

6 *Frontline*, 14 August 1998.

7 Karl Inderfurth told the Senate foreign relations subcommittee that US sanctions are intended to "influence behaviour not to punish" Indian and intends that India should "sign the CTBT, halt production of fissile material and participate constructively in FMCT negotiations, accept IAEA Safeguards on all nuclear facilities, agree not to deploy or test missile systems, maintain existing restraints against sharing nuclear and missile technology or equipment with others and agree upon a framework to reduce bilateral tensions including Kashmir. In order to do this we will need to work cooperatively with the international community". Further the sanctions would least harm US business interests and does not push India and Pakistan into the behaviour of

administration the needed flexibility in dealing with nuclear problem in South Asia and in subserving the American business interests threatened with huge economic losses. But the sanctions can be waived only if significant progress is made in meeting "the non-proliferation objectives" of the world.

The sanctions imposed by US can be viewed on the "stick" to alert India about the possible economic consequences. But as stated by Inderfurth⁸, US will remain engaged with India and Pakistan "in order to produce concrete action" which "include signing and ratifying the CTBT without conditions, refraining from missile tests, and agreeing not to weaponise or deploy missile systems, halting the production of fissile material cut-off treaty, formalizing existing pledges not to export or transfer nuclear and ballistic missile technology or expertise, and for the sake of regional stability and

rogue regimes-- countries considered outside the world communities". Inderfurth Details US Policy Towards India, Pakistan At Senate, *USIA's Washington File*, June 03, 1998 and Administration Grappling with India, Pakistan sanctions, *USIA's Washington File*, June 03, 1998. Harold A. Gould writes that India should not be isolated and US policy towards South Asia should be as its policy towards China, that is "principled pragmatism and constructive engagement". It should not isolate India which is the second most populous country in the world with a sizeable market for US business only because it is becoming assertive despite its dependence on US aid. "From constructive political interaction with the international community at the key moment when they have given an nuclear edge to their already grave domestic problems and cross border tensions would seem to be no less counter productive than anything that might arise from the US adopting a strong punitive stance towards China."

- 8 In achieving its objective US will 'continue to work' with the P-5 and G-8 and also with countries having the 'ability to acquire nuclear capabilities such as Argentina, Brazil, Ukraine and South Africa who were invited to join a luncheon in the G-8 meet along with China and Philippines.' US Chagrined to Implement Sanctions on India, Pakistan, *USIA's Washington File*, June 18, 1998.

prosperity, resuming direct dialogue to address the root cause of tension including Kashmir”.

India and Russia

Russia's posture⁹ after the nuclear explosion by India has diplomatic as well as economic dimensions. Over the last two years its foreign policy in the near abroad has reverted back to the Cold War period, and its policy towards India reflects the Cold War diplomacy though with a difference not in approach but in its priorities. Russia as the successor of the former Soviet Union finds it difficult to reconcile with its marginalisation in the international sphere. Domestic pressure is growing to assert as a potential power in the face of the emergence of nationalist forces. NATO is knocking at its boundaries and popular resentment is increasing due to the clear manipulation of the Western countries to reduce it to a raw-material supplying country. Russia is in search of strategic partners in the near abroad. Its declining preeminence in Asia and the emerging 'Sino-US condominium' suggest that Russia is not taken into confidence by the US. Therefore, Russia is trying to frame its diplomacy by working out its strategic allies who might be helpful in challenging the diplomatic machinations of the United States. It is unable to assert in the Eastern European countries which are well on the way to be NATO members. Therefore, it is concentrating in the Central Asian countries, South and East Asia. During Kozyrev's period, India was virtually neglected by Russia when it did not supply cryogenic rocket technology to India. But after Primakov succeeded him a new dimension has been given to Russian foreign policy. The focus is now shifted to strengthen relations with Asian

9 On 21 June 1998 Russia and India signed the supplementary agreement on nuclear powerplant at Kodankulam. The increase in the exchange of visits by the high officials of both the countries reiterating expansion of defence items crystallised Russian policy towards India after Pokhran II.

giants like China and India who will act as 'power centres' in its vision of a multipolar world. Therefore, Russia is delighted over India's defiance of US restraint on its nuclear weapon programme. It has disagreed with US to impose sanctions and similar actions taken by other European countries, Canada and Australia.

Apart from diplomatic reasons, economic considerations influenced Russia's posture in taking a softer stand on India's nuclear test. It has signed with India seven contracts amounting to billions of dollars backtracking from which would seriously jeopardise Russian economy. Russia has not discontinued the construction of two nuclear plants in Kudankulam and as per either agreement the two kilo class submarines will be delivered to India. Economically, Russia is not very strong but is still influential in the international sphere and therefore, the western stand on imposing sanctions on India after nuclear explosion lacks in consensus.

India and China

Sino-Indian relations after Pokhran II can be analysed in the backdrop of its claim on Indian territory, economic and military cooperation with Pakistan, emergence as a potential military and economic power with a perspective to influence Asian countries and recognition by United States as the guardian of peace and non-proliferation in South Asia.

After the end of the Cold War, China is in the process of acquiring all its territory which it claims to have belonged to it historically with the conviction that "any territory that it had occupied at one time necessarily belongs to it subsequently". Now its claim is revived as it perceives itself to be strong, militarily as well as economically. It considers its action as legitimate as it is "taking back those territories which legitimately belonged to it earlier". China has territorial dispute with India over 38,000 sq. kms. in

Ladakh, Aksai Chin region, 4,000sq. kms. in POK located in the West of Karakoram, 30 sq.kms. of Wang Dong in Arunachal Pradesh which are under its occupation. Apart from these it claims 90,000 sq.kms. of Barahoti grazing grounds which are currently observed as a demilitarised zone. The territorial claim being the bone of contention, India is constantly on vigil lest it would unnecessarily be compelled to fight a war with China which it does not intend. It perceives that to win a war is not to ever fight it which will be possible through continuous preparation and the nuclear explosion of 11 and 13 May exactly aims at that end.

A highly damaging regional development in India's perception after it exploded the bomb was Pakistan's nuclear explosion. Reportedly Pakistan has been assisted by China in its missile and nuclear programme. China has emerged as the main beneficiary from the hostile relations between India and Pakistan. In the Sino-Pak-India triangular play China has reinforced its strategic presence in South Asia. The losers are Pakistan and India who have failed in asserting their position as major powers with strategic presence in the continent particularly South, East and South-East Asia. The hostility between India and Pakistan ever since 1947 has provided China with an opportunity to project itself as a major power. Taking the cue from the British, China has constantly attempted to assuage the feeling of insecurity of Pakistan. Over the years, it has strengthened its relation with smaller nations in the Subcontinent as a bulwark against Indian predominance in the area. The developing military ties between China and Pakistan since 1964 are aimed at checkmating India further. Due to its economic capability it can follow an independent foreign policy uninterrupted by the comparatively weak economies of the region. Even it attempted to override the non-proliferation concerns of the United States. Its territorial location is a handicap to establish hegemony in the Gulf, South and Central Asia. Its arms deals with Pakistan and Saudi

Arabia aim to be closer to distant countries in the continent with the objective of exerting its influence in the long run.

President Clinton's visit to China in July 1998 and his recognition to China as the manager of Asian crisis elevated it to the level of a giant Asian power. US is not prepared to recognise India as a power neither does it perceive India to be a responsible possessor of nuclear power. Asking China to 'police'¹⁰ the nuclear programmes of India and Pakistan not only equates India and Pakistan but also impinges the sovereignty of India. Further, China cannot be unprejudiced if it takes up the matter in view of its territorial dispute with India, the Kashmir issue, and its military and diplomatic proximity with Pakistan. President Clinton's desire that China should supervise nuclear weaponisation in South Asia reflects "the hegemonistic mentality of a by-gone era".¹¹ If China has agreed to US "to stop the transfer of technology to countries that might misuse it, not to assist unsafeguarded nuclear facilities and to consider joining the worldwide system that prevents exportation of dangerous technology", it is unfortunate that US has not taken into consideration Sino-Pakistani military collaboration against India.¹²

India and Pakistan

Pakistan exploded six nuclear bombs reportedly of high capacity to claim parity with India in the possession of nuclear power. Strong domestic pressure might have compelled the leaders to detonate the bomb despite economic offers from USA and Japan and security offer from USA and the threat of losing such assistance if it exploded the bomb.¹³ Pakistan perhaps had less credibility on US assurance

10 Following President Clinton's visit, China has called for a five party meeting on Kashmir which includes India, Pakistan, China, USA and Russia. *The Statesmen*, 16 July 1998.

11 Kuldip Nayar, *Indian Express*, 7 July 1998.

12 K. Subrahmanyam, *Times of India*, 7 July 1998.

13 Inderfurth, *Washington File*, June 3, 1998, op. cit.

after the F-16 episode. It also assessed that India would be recognised as a nuclear power and elevate its status in the global power structure, which Pakistan can do by detonating the bomb. Mild reaction from the international community following India's nuclear blast and lack of consensus among the big powers to impose sanctions prompted it to conduct the tests even though its economy is out of gear in the face of international sanctions.

Economically as well as geographically Pakistan is no match to India but has remained as a formidable foe ever since a portion of India was torn apart to create the holy Islamic country. So far there were as many as three wars fought between India and Pakistan. Kashmir has been the bone of contention and Pakistan has spared no opportunity to multilateralise the Kashmir issue. Now Pakistan is lobbying for discussing the Kashmir issue in a multilateral forum. The emerging Sino-Pak axis is the direct consequence of India's nuclear tests conducted on 11 and 13 May 1998. Pakistan's perception of India's nuclear programme has been succinctly expressed as follows: India tested the bomb in 1974 for global prestige, regional primacy and parity with China. Since 1960 India has had a 'multi-pronged' nuclear project which India justified on the ground of deterrence. The absence of "extra territorial geopolitical role and Pakistan's assertion of equality with India irrespective of its size and resources propelled its leaders to acquire nuclear power".¹⁴ Pakistan followed India due to several reasons on

14 Iftikar H. Malik, "A Nuclearised South Asia: View from Outside" *Economic and Political Weekly*, May 30, 1998. Further he writes, "Pakistan has posed a dilemma to Indian leaders whose view of the country is an amalgam of two extremes. On the one hand, Pakistan is seen as posing a real, sometimes exaggerated threat to India. On the other, Indian leaders have been belittling Pakistan as a tenuous communalist, fundamentalist artifact vulnerable to its own authoritarian military bureaucratic elites. This anomalous attitude towards a weak formidable enemy spawned India's embrace of nuclearisation which

top of which was the domestic compulsion but did not initiate the process and therefore, its action¹⁵ is not seriously viewed by the big powers.

Kashmir problem is unresolved till now as much due to the obstinacy of Pakistan as it is to Western perception of Pakistan as a counterweight to India. In 1952, when there was an agreement between Sheikh Abdullah and Jawaharlal Nehru on the autonomy of Kashmir, the Anglo-American view was not in favour as that would affect Pakistan held Kashmir and its ultimate absorption by India. Following Nehru-Abdullah talk some Western leaders visited Kashmir and persuaded the latter to demand independence of Kashmir. The Gilgit Agency in Jammu and Kashmir where Britain had a military base was considered important for the Western powers because it was proximate to the former Soviet Union and China. Therefore, only nine days after Kashmir's accession to India the British controlled Gilgit Scouts helped Pakistan in occupying Gilgit. India was cutoff from Afghanistan and rest of Central Asia. With Gilgit under its possession Pakistan secured a vital strategic advantage. Neither the big powers nor Pakistan is interested for an independent Kashmir as that would undo the gains made by Pakistan in the War of 1947-48. The manner in which Pakistan is propped by the Western countries indicates that they will not mind India losing a portion of Kashmir but will be upset if Pakistan loses the gains of 1947-48 war and China loses its control over a portion of Jammu and Kashmir territory. The internationalisation of the Kashmir problem is the dangerous outcome of the nuclear explosion by India.

was seen as guaranteeing India global prestige and equation with China besides regional primacy and a way out for its contested nationalism".

15 "Pakistan's nuclear programme is driven by its need to counter India's superiority in conventional forces", Jacquelyn S. Porth, *op. cit.*

Policy Options for Confidence Building

By exploding the bomb, the BJP government has fulfilled its election manifesto promise which while reversing India's earlier nuclear policy would end discrimination and "ensure for India a role in world affairs commensurate with its size and capability". But contrary to its expectation, India has become isolated. The strategic collaboration between China and Pakistan and between US and China is all the more disturbing for India in view of India's inept conduct of its relations with China. By exploding the bomb India lost credibility on the issue of two-tier nuclear policy of the P-5 against which it struggled so far. The government's calculation went wrong on its demand for nuclear weapon status¹⁶ for joining the NPT and CTBT. After the explosion, India's chances of joining the Security Council as a permanent member is remote. Pakistan can convince the world that its nuclear explosion was due to India's acquisition of nuclear power and had India not conducted the test Pakistan would not have done so which is a convincing argument to mobilise international opinion against India. A military dimension has been added to the existing hostile political relations between India and Pakistan.¹⁷ Pakistan has an edge over India in enlisting the support of China, smaller countries in South Asia and the Muslim World.¹⁸ It has declined India's offer to sign the no first use pact and a regional CTBT which indicates that Pakistan will pose a formidable challenge to India in the years ahead. Real adversarial consequences are

16 The United States has ruled out any proposal for India or Pakistan to join the NPT as a nuclear weapon state, Karl Inderfurth, *USIA's Washington File*, June 03, 1998.

17 "Today both Indians and Pakistanis are less safe... For both nations the strategic environment is now far more complicated and grave. Both face the prospect of an arms race which neither can afford". Secretary of State's Remarks to Stimson Center, *Washington File*, June 10, 1998.

18 Kuwait helped Pakistan to clear its international loan which is an indication of polarisation of Islamic countries. *Times of India*, 18 July 1998.

developing against India outside the economic sanctions on the Kashmir issue which Pakistan is trying to multilateralise. The 'hot and cold' remarks of the big powers on Kashmir has revealed their intention to support Pakistan. Linking India's nuclear explosion with China has further strengthened Sino-Pak relations.

The notion that nuclear weapons as 'weapon of war' has lost credibility and as 'weapons of deterrence' has few takers in view of the easy accessibility to nuclear technology. But there are reasons for justifying India's nuclear explosion. India is not covered by nuclear guarantee in lieu of developing nuclear weapons, which US has provided to some countries. Despite threat to its security India exercised considerable restraint in detonating the bomb. But after the Cold War ended, regional strategic compulsions made the Vajpayee government to exercise the nuclear option by exploding the bomb. As a threshold nuclear power India struggled against the "discriminatory nuclear non-proliferation system" and suffered considerable psychological discomfort. The denial of technology by the developed countries further worsened the psychological discomfort of India's political leadership. The emerging Sino-Pak military cooperation was again a disturbing factor for India as in the past it had to fight unnecessary wars with these countries. The terrorist activities in Jammu and Kashmir further accelerated the threat to India's security. But as reiterated by the Indian government, India's acquisition of nuclear weapons is only for deterrence aimed at safeguarding the country's security and its nuclear policy is not for matching weapon to weapon.

India's nuclear explosion has stirred the hornet's nest seriously jeopardizing the non-proliferation agenda of the P-5 and G-8.¹⁹ Therefore, it has to make serious efforts in evolving confidence building measures to overcome its 'isolation' in the regional as well

19 In the Colombo SAARC Summit India declared to waive import duties from 2000 items provided they are indigenously manufactured by the SAARC countries.

as international spheres. First of all, its arms control policy needs to be more open. But at the same time it should be careful to change its posture on nuclear policy. The '*status quo plus*' in the nuclear capability has given it the option to join the nuclear non-proliferation mainstream and cooperate with the United States to contain nuclear proliferation. India shall abide by the CTBT and FMCT which will ensure its credibility as a responsible possessor of nuclear weapon. It can take up a complete overhaul of its arms control position. India cannot join NPT as a nuclear weapon state for obvious reasons. But it is seeking admission into global mechanisms like Nuclear Suppliers Group and the modification of many domestic and multilateral regimes that prevent the export of civilian nuclear space computer and other technologies to India. Integration of India into these mechanisms will be helpful for US in consolidating its global programme of non-proliferation. It should be committed to global nuclear disarmament but at the same time should not alter its stand on non-discriminatory treaties for global disarmament. India, therefore, has to make a credible articulation of a nuclear policy both at the regional and international levels. It has to convince the world that the acquisition of nuclear weapon "is solely for the purpose of deterrence, prevent other nations from blackmailing" and stop "coercive diplomacy against it". India has to shift its emphasis from "disarmament to arms control" and continue the campaign for nuclear disarmament by participating in nuclear arms control agreements. It should delink disarmament from CTBT and sign the treaty which will help it in reducing the political as well as economic costs following detonation of the bomb.

In the neighbourhood India should engage Pakistan and China to prevent a war with these countries. Being the first country in the region to go nuclear it should continue its dialogue in military confidence building which will reduce the threat from its neighbours. To minimise the influence of Pakistan in the South Asian region

India should follow the 'Gujral doctrine'.²⁰ It must also take up appropriate measures to lessen the economic dependence of the country.

Sino-Indian relations improved in the eighties and nineties the pace of which accelerated after the Cold War ended. Pokhran II put an hold on the progress and strengthened Sino-Pak and Sino-US strategic alliance threatening its security. Not only has China very good relation with US and Pakistan , but its relations with almost all the countries in South and South-East Asia is comparatively better than India. Keeping this in view India should now attempt to engage China and give up rigidity in statecraft. India should strengthen its military and economic ties with China and also convince China to consider bartering Aksai China and reciprocate with *quid-pro-quo* in Barahati and Arunachal Pradesh. A strategic alliance with China and United States is most welcome at the moment to end India's isolation.

While nobody disputes the resolution for self-reliance, none can deny the role of trade and commerce as the lifeline of a nation particularly in the present world order where the whole of the world is in the process of economic integration. External aid is needed for a developing country for sectoral development. In 1996-97 India received Rs. 17,141 crores as external assistance , Rs. 14,209 crores as loan and Rs. 2,932 crores as grants. Japan provided around 3.7 bn dollars during 1985-93 under the ODA programme. After the explosion, Japan has frozen the aid. Denmark decided to give only 190 mn Kroners in aid instead of 300 mn as earlier decided for project assistance for drinking water, health, agriculture including livestock. Sweden cancelled its agreement for 900 mn SF. Australia has declared to suspend all ongoing and future non-humanitarian

20 "The G-8 will continue to work collectively to support postponement of loans to both countries for any purpose other than meeting basic human needs", Karl Inderfiarth, *op. cit.*

projects which will affect Rajasthan and Delhi. Canada has cancelled future development assistance including ongoing development assistance plans. It has also decided to oppose loan sanction to India in IMF and WB. Export orders from India to U.S. Australia and Nordic States were cancelled. The unofficial trade sanction will widen trade deficit of about \$10bn. The world Bank funded deferred power-grid, renewable energy and highway projects have serious implication for employment of skilled and unskilled labour. Indian leadership cannot deny the role of foreign aid in development of the country. While the central and state government funds were mainly for running the establishment, the aid-money helped specific development programmes to be completed within a time frame with measurable results. The contention that nuclear build up in the two countries leads to equilibrium and will maintain stability in the region is not very true in the present world order when the rivals are involved in constant interaction where dialogue, compromise and rule formation are possible.²¹ India can raise its status in the international sphere by becoming an economic superpower. But the economic difficulties following the bomb explosion hardly endow it with the capability to channelise its economic resources for socio-economic development as most part of the resources would be diverted to defence and internal security.²²

If India has to play a larger role in the regional as well as global affairs, it has to move out the 'shadow' of adversarial relations with Pakistan and need to alter its negotiating posture with Pakistan. It has to convince the US that the arms control agenda to be prepared by India would not have been possible without the test. A stable balance of power in Asia can emerge through a process which involve Russia, China and India while not ignoring the security concerns of smaller states in the region.

21 *The Hindu*, 24 May 1998.

22 *Business World*, June 7, 1998.