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## South Asia in 2020: Future Strategic Balances and Alliances

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**SOUTH ASIA IN 2020: FUTURE STRATEGIC  
BALANCES AND ALLIANCES**

**Edited by  
Michael R. Chambers**

**November 2002**

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## CHAPTER 1

### INTRODUCTION

**Michael R. Chambers**

Whither South Asia? This is not a question that has troubled many Americans, although the number has been growing over the last few years. The nuclear weapons tests of 1998 and the Kargil crisis of 1999 helped to increase that number. But as this is written in June 2002, perhaps more Americans than ever are concerned about the future of South Asia. This, of course, is a result of the attacks on the United States on September 11, 2001 (9/11 as it is often referred to) and the resulting war on terrorism that has been conducted in part through Pakistan. It is also a result of the December 13, 2001, attack on the Indian Parliament by Islamic militants out of Kashmir, and the escalation of tensions that followed between India and Pakistan. By June 2002, these two nuclear-armed neighbors seemed on the threshold of war.

In an attempt to answer this increasingly pressing question, the Asia/Pacific Research Center and the Center for International Security and Cooperation of Stanford University joined the U.S. Army War College's Strategic Studies Institute to cosponsor a conference on January 4-5, 2002. This volume consists of revised versions of papers presented at that conference. While there are numerous ways to approach the question of "whither South Asia?" the conference organizers decided to focus on the future of strategic balances and alliances in the region, with 2020 as the target date. This choice of topic allowed the conference participants to talk not only about the patterns of amity and enmity within the region, but also about the role of extra regional powers and issues such as social and economic trends, domestic political conditions, strategic culture,

and the role of nuclear weapons. These factors can affect the relative power of countries as well as their relations of friendship and hostility.

### **The Effects of 9/11**

The attacks of September 11 had a very profound effect on this conference. First of all, the conference was originally scheduled for September 14-15, 2001, but had to be postponed in light of the events. Second, and more substantively, the attacks and the resulting war on terrorism led to important changes in the South Asian region and in U.S. policy toward the region that affected the discussions. Possibly most significantly, it ended America's relative isolation of Pakistan and its tilt towards India in the regional system. Because of the need to conduct the war against the Taliban regime and the al Qaeda terrorist network in Afghanistan at least in part through Pakistani territory and airspace, the United States quickly reestablished military relations that it had severed a decade earlier. Moreover, the United States was not merely more intensely engaged again in South Asia, it was seeking good, cooperative relations with both India and Pakistan at the same time—something it had not done previously.

Besides this new American engagement in South Asia, the events of September 11 also forced changes in Pakistan, albeit changes that may have already been in the works in the few months previous to September. The Pakistani government—or at least the Inter-Services Intelligence agency (ISI)—had helped to create the Taliban regime in Kabul and maintained close relations with it. Islamabad had also colluded with Islamic militants in Kashmir to keep pressure on India to end its rule in this disputed territory. When asked on September 12 whether Pakistan would be with the United States or against it in the war on terrorism, President Pervez Musharraf chose to side with the United States, severing Pakistan's relations with the Taliban and cracking down on Islamic militancy within his country. Following

the December 13 attack on the Indian Parliament, and under pressure from the United States and the international community, he cracked down on Islamic militant groups in Pakistan—including a ban on the two groups that allegedly carried out the December 13 attack and the arrest of their leaders. Subsequently, in June 2002 Musharraf pledged to “permanently” end the infiltration of Islamic militants into Indian-controlled Kashmir.<sup>1</sup> The combination of these developments—the new policies in Islamabad and the new involvement of the U.S. in the region—led many conference participants to express optimism that perhaps the situation in South Asia could finally be turned from one of conflict and animosity between India and Pakistan to one of more cooperation.

### **Common Themes**

This cautious optimism, that relations between India and Pakistan might finally be put onto a more cooperative path and that several of the outstanding issues between them might be resolved, was enunciated by several participants, including Sir John Thomson and Brigadier Feroz Hassan Khan. Both of these participants discussed a scenario of the future based on such assumptions and argued that this would be the best path for the region. But this was just one possible scenario for both participants, and they each included a scenario in which the pre-September 11 dynamics returned to the fore, with continuing tensions as the result.

A second common theme was the difficulty in making predictions about the future of South Asia. This caveat was claimed by, among others, Rajesh Basrur and Stephen Cohen, Aaron Friedberg, Sumit Ganguly and Teresita Schaffer. As several of these participants noted, there are too many variables—political, economic, and social, and at both the domestic and international levels—to confidently state what India will look like politically in 18 years (never mind Pakistan), or what the nuclear weapons posture of these countries might be, or even what shape India’s patterns of



alignment might take. Nevertheless, by focusing on the set of variables and factors that each thought to be most important, they were able to lay out for the other participants a range of scenarios that they believed to be the most likely.

A third common theme was the importance of the region to the United States. An economically prosperous and politically stable South Asia is very much in the U.S. interests. For some participants, such as Shripad Tuljapurkar and Vijay Kelkar, this importance is based on the fact that South Asia is home to one-sixth of the world's population and that there is great economic potential in the region, particularly in India if it can capitalize on favorable demographic trends and follow through on the next generation of economic reforms. For others, including the three flag officers who presented U.S. military perspectives on South Asia as well as Scott Sagan, the effects of South Asia on U.S. and global security demand such importance. As was demonstrated again during spring 2002, India and Pakistan have too regularly found themselves in crises, and with both possessing nuclear arms, there is great apprehension about a conventional war escalating to the point of a nuclear exchange. Moreover, any negative behavior by these two countries could have demonstration effects in other countries that would undermine the global efforts to halt the proliferation of nuclear weapons. Finally, several participants, among them Thomson and Thomas Simons, noted the important role that Pakistan could play in providing a role model for Muslim states in the Middle East. Since it is an explicitly Islamic state, yet one that is secular and seeks to modernize, the United States should help Pakistan achieve this goal so that it can demonstrate to other Muslim states a path that leads into the future rather than back into the past, with all of the repression and troubles that path has demonstrated in countries such as Afghanistan.

The converse of this theme is the importance of the U.S. to South Asia, and this was also stressed by several participants. A number of participants, civilian and military, noted that the U.S. abandonment

of Pakistan in 1990 contributed to a sequence of events that led in the end to the creation of the Taliban regime in Afghanistan and its cooperation with Osama bin Laden's terrorist network, including the attacks of September 11. The U.S. should consider this history and not precipitously withdraw from the region again when our objectives are achieved in Afghanistan. In particular, as emphasized by all three flag officers participating as panelists, Washington should maintain the military-to-military relations that have been growing in the case of India and reestablished in the case of Pakistan. The United States can also play a role in stabilizing the nuclear balance between India and Pakistan. As noted by both Khan and Sagan, the United States can provide expertise as well as technologies that would strengthen Islamabad's and New Delhi's command and control over their nuclear arsenal to prevent accidental launchings without giving one side an advantage over the other. Finally, Washington can use its influence with the leaderships in both countries to contribute to a resolution of their political differences. In the new triangular relationship that was formed last September, the United States is in the pivot position, having better relations with both India and Pakistan than they have with each other. It can use this leverage to promote the resolution of political conflict in the region. American influence, exemplified in the June visits of Deputy Secretary of State Richard Armitage and of Secretary of Defense Donald Rumsfeld, along with the diplomatic efforts of countries such as Britain, China, Japan, and Russia, appears to have contributed to the reduction of tensions between India and Pakistan in early-mid June.<sup>2</sup>

### **Organization of the Volume**

As will be discussed in greater detail in the conclusion, strategic balances and alliances are relations of cooperation between countries that are directed (implicitly or explicitly) against real or potential adversaries. These axes of amity and enmity are based on past relationships with other countries, on current assessments of relative

power and threat, and on the expectation that others will threaten the security of your country in the future. The chapters that follow shed light on various components of national power in India and Pakistan, on these countries' perceptions of threat, and on their relations of amity and enmity that will shape the strategic balances and alliances of South Asia in 2020.

Part I of this volume contains two "scene setting" presentations, delivered by Sir John Thomson and Thomas Simons, which were intended to provoke thought and discussion. Thomson's presentation (Chapter 2) was delivered at the opening of the conference as a way to get the participants thinking about the future. In this presentation, he sketches three scenarios of the future with varying degrees of optimistic divergence from a path based on the status quo in South Asia on September 10, 2001. Simons' presentation (Chapter 3), offered before dinner on the first night of the conference, provides an overview of the changes in South Asia based on the nuclear tests of 1998 and the events of September and December 2001. These papers have different orientations, one more forward-looking while the other tries to draw more on the past. Nevertheless, they reach two similar conclusions. First, the United States needs to remain engaged in South Asia if the region is to have any hope of rising above the tensions and conflict which have plagued it these last 50 years. Second, Pakistan represents a potential model of a modern Islamic state for other Muslim countries, and the United States should do all that it can to assist this enterprise.

Part II considers the political, economic, and demographic factors that will affect the relative power capabilities of India and Pakistan over the next 18 years. In Chapter 4, Teresita Schaffer examines some of the changes taking place in India's domestic political system, such as the growing importance of coalitional politics and the coming leadership changes in both the Bharatiya Janata Party (BJP) and the Congress Party, as well as demographic changes and potential economic performance to suggest what future Indian foreign policy

might look like. Deriving three basic scenarios from these factors and speculating on Indian foreign policy in each, Schaffer concludes that it is too early to tell which of the scenarios is most likely, due to the contradictory evidence as of spring 2002.

The economic prospects of South Asia, and of India in particular, are the focus of Chapter 5 by Vijay Kelkar. Surveying the progress that has been made in the region so far, particularly in the 1990s as India liberalized its economy and launched economic reforms, Kelkar notes that the region still has far to go in comparison to the economies of East and Southeast Asia, and proposes a multilayered second-generation reform effort to point India in the right direction.

Chapter 6 by Shripad Tuljapurkar discusses the demographic trends in South Asia that could help to fuel continued economic growth. Comparing India and Pakistan to China, Tuljapurkar also notes the significant improvements in South Asia, particularly in terms of declining fertility and infant mortality, and increasing life expectancy and literacy. However, significant differentials continue to exist based on gender, region, and the urban-rural divide. If these differentials are not addressed, they could lead to political instability in either India or Pakistan.

Part III takes up the role of nuclear weapons and regional security. The chapters by Rajesh Basrur and Stephen Cohen and Feroz Hassan Khan consider the nuclear futures of India and Pakistan, respectively. Noting the multiplicity of actors affecting India's future nuclear posture, Basrur and Cohen propose three basic scenarios and then consider how variations in ten of the most important factors—including India's relations with Pakistan and China, the role of the United States, and the number and types of nuclear weapons—could shape which of the three ideal-type scenarios India will most closely approximate. In Chapter 8, Khan points to the importance of the Indian nuclear weapons program in generating the push for Pakistan to develop such weapons itself. He

also proposes a restraint regime for India and Pakistan that could prevent a damaging nuclear arms race between the two neighbors.

Such a restraint regime may well be crucial. In Chapter 9, Scott Sagan argues that the proliferation of nuclear weapons in South Asia could be very dangerous. Challenging the arguments of “proliferation optimists” who posit that nuclear deterrence will reduce the chances for war in the region, Sagan draws on organization theory to show that deterrence may fail, and provides evidence of several of the expected pathologies already emerging within the Indian and Pakistani bureaucracies that control the nuclear weapons.

Part IV begins to move us away from power resources to the realm of perceptions. Chapter 10 relates U.S. military perspectives on South Asian security. This is a summary of the views expressed by the three flag officers serving on the panel, Rear Admiral Jay Campbell (ret.), Major General Kevin Chilton, and Brigadier General Karl Eikenberry. All three emphasize the importance this region has for U.S. national interests—and not just security interests. The three panelists also agree on the need to maintain the military-to-military relations that the U.S. has established with the region because they promote American interests.

Part V examines the role of strategic culture in shaping threat perceptions in the region—including China, because of its role in the patterns of amity and enmity in the region. In Chapter 11, Kanti Bajpai discusses the three competing strands of strategic culture in post-Cold War India—Nehruvianism, neoliberalism and hyperrealism—focusing in particular on the elements of grand strategy in each. Indian grand strategic thinking has moved away from Nehruvianism during the 1990s, and Bajpai concludes that it has moved toward hyperrealism in the aftermath of the terrorist attacks of September 11 and December 13. Such a shift could lead to a harder-line Indian foreign policy.

Hasan-Askari Rizvi assesses Pakistani strategic culture in Chapter 12, noting the deep insecurity and strong distrust of India that are major components of this mind-set. Rizvi also discusses the relationship of Islamic beliefs to Pakistani strategic culture, and how many Pakistani security policymakers have come to favorably view the use of Islamic militants to put pressure on India in Kashmir.

In Chapter 13, Andrew Scobell argues that Chinese strategic culture is driven by a “cult of defense” in which China is prone toward using force but always sees itself as acting in self-defense. Moreover, Scobell warns that Chinese strategic thinkers see India as an expansionist, hegemonistic power that seems to have designs on Tibet. Such views seem at odds with the warming of Sino-Indian relations over the last several years, leading Scobell to conclude that tensions continue to simmer below the surface, with the possibility that the Sino-Indian rapprochement could yet collapse.

Part VI considers alliance politics in Asia, focusing on India and Pakistan but also considering the broader Asian context. In Chapter 14, Sumit Ganguly surveys the potential alliances India may form by 2020, including those with the United States, or Russia, or even with Russia and China against the United States. Ganguly finds that, based on external threats to Indian security, an alliance or a less formal alignment with the United States is the most likely relationship, although domestic factors might prevent this from taking place.

If a U.S.-India alignment remains only a potential, John Garver finds in Chapter 15 that the current Sino-Pakistani *entente* is nearly certain to continue to 2020. Garver notes that, despite the forces at work since the end of the Cold War, including the Sino-Indian *rapprochement*, China has not significantly reduced its strategic commitment to Pakistan. Moreover, its continuing interests in a balance of power in South Asia, along with Pakistan’s continuing

desire for assistance in balancing against India, should sustain the Sino-Pakistani partnership.

Looking at Asia more broadly, Aaron Friedberg suggests in Chapter 16 that we are likely to see a Sino-American rivalry for predominance in Asia. This rivalry will have economic, military and political-diplomatic aspects. While this rivalry will be focused especially in East Asia, Friedberg warns that it could have spill-over effects into other parts of Asia, including South Asia. In particular, the threat of rising Chinese power coupled with Beijing's efforts to maintain the Sino-Pakistani entente could lead India to balance with the U.S. against China.

Chapter 17 tries to tie these various pieces together to arrive at some conclusions about the prospects for strategic balances and alliances in South Asia in 2020. Drawing on alliance theory and the analyses of domestic and international trends that have been discussed in the preceding chapters, it will be suggested that we are likely to see at least a loose configuration of the United States and India against China and Pakistan. The conclusion will also suggest some policy recommendations for the United States—as well as India and Pakistan—drawn from the analyses in the previous chapters.

## ENDNOTES

1. Erik Eckholm, "Pakistan Pledges to Bar Any Groups Linked to Terror," *New York Times*, January 13, 2002, p. 1; Glenn Kessler, "A Defining Moment in Islamabad," *Washington Post*, June 22, 2002, p. A1.

2. For example, see John Lancaster, "India to Recall Warships, Name Pakistan Envoy," *Washington Post*, June 11, 2002; and Thom Shanker with Seth Mydans, "Rumsfeld Says Threat of War Over Kashmir is Receding," *New York Times*, June 14, 2002.

## **Part I**

### **SETTING THE SCENE**



## CHAPTER 2

### POLICY PATHS IN SOUTH ASIA: INTERSECTIONS BETWEEN GLOBAL AND LOCAL

**Sir John Thomson**

The events of September 11 have severely shaken the South Asian kaleidoscope. As we peer into it, trying to discern the patterns of the next twenty years, we see a region in motion: the pieces remain much as they were before 9/11, but their relationships are altering. If the war against terrorism is prolonged, as it may be, the chances increase that September 11 will turn out to be one of the three or four major influences shaping the patterns of international relations in the early twenty-first century. Its chief influence will be, presumably, on U.S. policies, and this will be a principal theme of my presentation.

Naturally, South Asian patterns will be pushed and pulled by additional external influences, by the forces of globalization, for instance, and by Chinese policies. But it is beyond my present scope to consider all possibilities. Here I must single out merely a handful of local and global influences and judge the effect of their intersections.

That said, September 11 is the appropriate place to begin, for it is having a huge effect on South Asia. While it has resolved some issues, it leaves others more unsettled than before. This arena for the first major action in President Bush's global war against terrorism and for the first-ever invocation of Article 5 of the North Atlantic Treaty contains material for more conflict.<sup>1</sup> If the only superpower sees military action in South Asia as its top priority and puts together a world coalition to support it, there is no gainsaying the

global significance of South Asia.

Yet South Asia did not seek it. Importance was thrust upon it by forces more or less beyond its control. That the headquarters of al Qaeda, a movement with cells in at least sixty countries, should have been in Afghanistan, verges on the accidental. Bin Laden might well have taken refuge in Sudan, Somalia, or even Saudi Arabia. After all, it was not Afghans but Arabs who struck at New York and Washington. So, at one level, South Asia appears unlucky in being caught up in a war to which it was not an original party. However, at a deeper level, local conditions in South Asia bear significant responsibility for this fate.

What were – and to some extent still are – the conditions in South Asia that attracted first the terrorists and then the U.S. lightning?

Afghanistan in the mid-1990s was a ruined state given over to warlords, drugs and poverty. The depth of its degradation can be measured by the welcome given to the harsh, obscurantist Taliban. People knew where they stood under the Taliban. Order, it was felt, even by the women robbed of freedom and dignity, was preferable to chaos. Afghanistan provides a vivid illustration of the conditions that support an organization like al-Qaeda.

If the Taliban rule, despite its brutality, was tolerable in already ruined Afghanistan, the same was far from true in Pakistan. That country, still not fully consolidated after fifty years of alternating civilian and military rule, was struggling to avoid ruin and to find a future to which all its citizens could rally. The founding fathers intended Pakistan to be at least as modern and progressive as Ataturk's Turkey. They correctly perceived that many varied shades of Christianity could be successful; so, they supposed, Islam too could adopt forms suitable to the needs and culture of the people concerned. History justifies this supposition, and if Muslim countries are to become successful in the modern world, adaptation is needed.

Islamic countries must not isolate themselves as the West goes from strength to strength. To “catch up, “ Pakistanis need help and favorable circumstances, whereas in reality they have scant natural resources, a feudal society, a country deeply and unevenly divided by ethnic groups, enormous poverty, and hugely mounting debts. Unfortunately, a passionately felt quarrel with India causes them to skew their priorities. Resources that should go to health, modern education, and economic development go instead to military expenditure and debt servicing. The Army has become the only modern institution in which the whole nation takes pride. Thus, after fifty years of disappointing failure to meet their objectives, some Pakistanis wondered whether the “Talibanization” of their society might be inevitable or even desirable. And the Islamic mercenaries, mainly Arabs, who flocked to enlist in anti-Western terrorism had everything to gain by venting their fury in somebody else’ s country. In their own Middle Eastern countries, they had failed to overthrow the poverty, elitism and Western customs they found humiliating. Another lesson here is that while it is too soon to be certain, it looks as if firm action by the global coalition against terrorism may be helping the Pakistani regime to prevent the Talibanization of their society.

While it may be an accident that the global war against terrorism began in Afghanistan, we can be certain that it will continue wherever grinding poverty, disappointment, ignorance, illiteracy, and resentment exist. Our struggle cannot succeed for long if it is restricted to fighting armed terrorists: we must also overcome the conditions that breed terrorism. Otherwise, the war may deteriorate into skirmishes between the West and developing peoples in many parts of the world. We are fortunate, in a way, that this struggle concerns terrorism, for terrorists are criminals, and all societies oppose criminals. More nationalistic, more culturally specific issues could make it harder to mobilize a broad coalition.

Professional observers in the West blame themselves and their

political masters for failing to deter and prevent September 11. We did not put enough resources into understanding conditions in South Asia and the Middle East, and we did not pay enough attention to what we could see was going wrong. Evidently, the West cannot afford a hands-off policy. But it takes two to reach understandings. If the West is blameworthy, so are some South Asians and also many Middle Easterners. Their level of understanding of the West is dangerously low. Of course, I am not talking about their knowledge of say, medicine or engineering: professionally, they are well versed. But the typical Indian politicians, for instance, underestimate the damage their actions cause to Western interests. I am thinking, for instance, of nuclear non-proliferation and nuclear safety, of failures to deal with AIDS and drugs and illiteracy, of offenses against human rights, of arms exports, and of quarrels over Kashmir. Naturally, there will be Western reactions.

I began by saying that September 11 had settled some issues and unsettled others. Nothing better exemplifies this dictum or is more important for the next 20 years than U.S. foreign policy. Change there certainly is, but what does it mean? President Bush is fond of saying “everything has changed.” That assessment—or should I say sentiment—is widely shared. It is easy to believe when Mr. Putin has become one of the President’s best friends and when Mr. Jiang Zemin is an ally, not a competitor. But so far, I have not found anyone who will tell me authoritatively what “everything” means.

Hence, we confront a paradox. We are supposed to come up with comments that will help to guide U.S. foreign policy on South Asia—and by extension the policies of many other governments—but the most important input, U.S. global policy, is highly uncertain. That uncertainty necessarily shadows all my speculations and prescriptions.

Yet the paradox itself imposes certain conclusions which I would like you to bear in mind throughout my description of three

scenarios.

My first conclusion is that the U.S. will enormously influence its policy towards South Asia by the way it shapes its global policies. This is bound to happen in the long run, but the sooner left hand/right hand coordination is achieved, the better.

My second conclusion I state tentatively, and will return to later. It is that U.S. policy toward South Asia will have some reciprocal influence on U.S. global policies.

Third, the present uncertainty in the global line-up brings with it exceptional opportunities for shaping the longer-term future of South Asia. The explosion of evil and bitterness on September 11, together with the worldwide response to it, has produced such a moment as occurs not more than four or five times in a century. The world situation currently has a fluidity that comes, usually, only at the conclusion of a major war. Things that were politically impossible or at least very unlikely on September 10 are within our grasp today, if we stretch for them. I have in mind particularly the relationships between the Great Powers, as well as the future of Indo-Pakistani relations. I will come back to that, but at present, I want to stress not only the fluidity of the world situation but also its fleetingness. Even as we speak, government actions are forming patterns that will mold international relations for decades to come. What we do and don't do in 2002 may be decisive for 2020.

I would like to add a fourth conclusion, though it is not drawn directly from the paradox. The geographical definition of South Asia has expanded. If we had any doubt before, September 11 has made it clear that we have to take into account Afghanistan and its neighbors: Iran to the west, all the former Soviet republics to the north, and China to the east. The geographical context for South Asia may be even wider. We in the West say—sincerely, I believe—that we are not against Islam, but many Muslims do not believe it. So, to

a greater or lesser extent, our relations with Arab countries can be connected with our South Asian policies. And this potential extension of our area of concern is being reinforced, unfortunately, by the spiraling disaster in Israel-Palestine.

I ask you to bear these thoughts in mind as I take you through three scenarios.

The first assumes that the world reverts as much as it can to pre-9/11 conditions. This means that for one reason or another the present coalition comes to an end or becomes dormant, that U.S. foreign policy returns to that proclaimed by President Bush during the presidential campaign and his first months in office, and that trends in South Asia settle down approximately on the tracks they were following before September 11. The heart of the problem as always is Indo-Pakistani relations, a subject that preoccupies most Pakistanis most of the time. By contrast, few Indians outside the northwest are bothered about Pakistan except in moments of drama—for example, an attack on Parliament or a hijacking. Indeed, many are more concerned with the continuing Tamil insurrection in Sri Lanka coupled with political instability in Colombo, or with the Maoist insurgency in Nepal, or with the spillover of Bangladeshis into Assam and the northeast. This imbalance of concern reflects not only different geographies but also different views of time.

Most Indians feel that time is on their side. So long as they continue to hold what they have in Kashmir, they can continue indefinitely on the present course. True, they suffer some discomfort both at home and abroad from brutal events in Kashmir and on the Siachin Glacier, but not enough to change course. The Pakistanis, on the other hand, aware that for most people possession is nine-tenths of the law and conscious also that they have failed to garner significant international support, are facing an increasing erosion of their position.

There are other reasons, too, why time favors India. Virtually all economic trends look better for India than for Pakistan. Before the December 2001 meeting of the Paris Club and the earlier promises from the IMF, Pakistan was on the verge of bankruptcy, whereas India has good reserves and relatively low debt. In recent years, India's growth rates have been superior to Pakistan's. And with a fertility rate a shade below 3%, compared to Pakistan's 4% or above, India has not had to spread its growth as thinly. Besides, in the last few years India has had considerable success with rates for literacy, infant mortality and life expectancy, while Pakistan has not.

Moreover, several factors have led to a definite U.S. tilt toward India accompanied by neglect of Pakistan: Indian restraint over Kargil; U.S. suspicion of China; and the burgeoning recognition by Western—especially American—business that India offers huge potential markets while Pakistan does not. Since September 11, India has sought to disguise its dismay at the crucial role Pakistan has played in American and coalition plans and operations. But this first scenario assumes that for one reason or another Pakistani prominence fades quickly and that her only real gain is in greatly improved debt arrangements.

On this basis, India's pre-September 11 complacency is likely to return, together with Pakistan's sense that only dramatic events will shake the Indians out of this complacency or engage Western concern. Timings are unpredictable, but I believe that sooner rather than later, there is significant risk of an Indo-Pakistani clash. The root cause might be Kashmir, or perhaps a renewal of serious economic weakness in Pakistan or, in the longer term, major political instability in Pakistan, possibly aggravated by a new wave of Islamic militancy. It may also be some combination of these influences, together with tensions arising from the growing gap between the privileged and the poor.

Whatever the causes, the outcome of a clash could be disastrous

now that both sides have nuclear weapons. I have the impression that the Pakistanis have thought through how to deploy and to use them, whereas the Indians are dangerously vague. I am not saying that a clash will inevitably lead to the explosion of a nuclear weapon, but I do think that the risks for the rest of the world are too great to dismiss.

Apart from the appalling physical consequences of the use of a nuclear weapon—or more than one—there is no telling what the ramifications might be. They could severely jolt the relationships of the Great Powers, they could inflict a mortal wound on non-proliferation policies, they could severely complicate relations with the Islamic world, and so on.

My analysis has led me, somewhat to my own surprise, to the conclusion that the first scenario is the most dangerous, and unacceptably so. I therefore suggest we should rule out a return to the pre-September 11 conditions and policies.

Unfortunately, such a reversion is all too realistic. It is hard to escape from old attitudes and assumptions, even while declaring that “everything has changed.” Unless we make conscious decisions, reversion, for a time at least, to pre-September 11 conditions is possible. In that case, we risk major sadness before 2020.

My second scenario sounds more risky than the first, but actually is less so. It postulates a classical balance of power in Asia. The big players are China, Japan, Russia, India, probably Pakistan and, of course, the United States. The key assumption is that American policy is neither the hands-off, let’s-not-get-involved attitude of President Bush prior to September 11, nor the buddy-buddy relationship with Vladimir Putin and Jiang Zemin of October and November. It would be half way between—a sort of *pax Americana*, intervening actively and forcefully but intermittently in accordance with the doctrine that Washington knows best. So there would be no



permanent commitments and no permanent consultations.

The main theme in this scenario would probably be tension between China and the United States, with Taiwan as the principal flashpoint. Russia will probably spend most of the next 20 years seeking to establish and maintain a cooperative role with the United States and especially with Europe, overwhelmingly its largest trading partner and best customer. Japan will wish to avoid unnecessary engagement in a power struggle, having much to lose both with the United States and China, but like Russia it will feel obliged, from time to time, to show support for the United States. India, on the other hand, is likely to become a reliable friend of the United States though maintaining the prickliness for which the Ministry of External Affairs is famous. Faced with a fairly consistent U.S.-India-Russia axis, China is likely to support Pakistan.

As with many classical balances of power, over a 20-year period there will be instabilities and sudden emergencies. Since all the parties, except perhaps Japan, will possess nuclear weapons, misunderstandings and crises that get out of control could be exceedingly dangerous. Remembering Austria-Hungary in 1913-14, one cannot exclude the possibility of a weaker player trying to drag a stronger partner into its quarrels. But it does not seem likely that a crisis would get totally out of hand. China would restrain Pakistan, and the United States and Russia would restrain India. That is why, essentially, the second scenario is less dangerous than the first.

A subsidiary reason lies in the economic assistance that Pakistan and India would in all likelihood receive from their allies. This would bind them politically and give them incentives for avoiding crippling defense expenditures. Economic growth would help, particularly in Pakistan, to avoid internal instabilities.

Following this line of reasoning, it is quite possible that in periods of relative harmony, their respective allies would strongly

urge India and Pakistan to resolve their differences on Kashmir. Such periods could recur fairly frequently, given that the future of Taiwan is the only clearly defined issue that could plausibly lead to Great Power military conflict. Even if America were to play its hand badly, that would not seriously affect the position of the United States as the number one global power. Conversely, even in relative weakness, China's position is secure. No one is going to try to conquer it or take it over. China's main risks are internal ones, scarcely touched by the balance of power internationally.

As I have said, the only really big threat to stability is Taiwan (and to a lesser extent the South China Seas) and there is no convincing reason to suppose that Taiwan, which has been managed successfully for fifty years, cannot continue to be managed. Maybe that is a mite optimistic, given certain tendencies both within the PRC and Taiwan, but at least the risks look lower than those associated with Kashmir.

My third scenario is the most benevolent for all parties, but until September 11, most people would have described it as the least probable. Now it must be taken seriously. Its basis is the present coalition against terrorism. Provided the United States will take the lead, the coalition could be given an enlarged mandate, refined and made more systematic. Specifically, I suggest that the United States invite a few Great Powers to engage in a daily diplomatic dialogue with a view toward reaching consensus on international affairs whenever they can. No new institutions would be required, nor would any, such as the Security Council, be altered. No formal commitments would be required, merely mutual undertakings to discuss international problems and where possible to reconcile positions. Each Power involved would retain freedom of action, and even when acting as the result of a consensus, would act individually.

Which Powers? There is no magic number and one could argue at the margins. My choice would be the United States plus eight,

namely Russia, China, Japan, India, Brazil, and the three Europeans – Germany, France and Britain – who by 2020 might instead appoint the European Union.

Together these nine countries represent a shade over half of the world's population and contain a good mix of developed and developing nations. None, I believe, would reject an invitation from the United States. So, the crucial point becomes the U.S. attitude. I leave that to you, but I would point out that with those states working together, it would be foolhardy for any nation to think of attacking one of them whether openly or indirectly via terrorism, whether conventionally or with weapons of mass destruction. Besides, discussion amongst the Nine would be an effective way of getting at the big problems of development: the provision of capital, lowering fertility rates, coping with AIDS and drugs, conserving water and protecting the environment, raising standards in education and health, dealing with debt, protecting human rights and other measures to increase economic activity and reduce poverty. The cooperation of the Nine would be handsomely justified if it produced effective action on even half of these problems.

To make the Nine work, big bilateral problems would have to be resolved. But as I have already said, apart from Taiwan there are few of these in Asia. And Taiwan, I suggest, is neither so dangerous nor so difficult as is sometimes made out. With the incentive of joining the Nine, it should be possible for China and India to resolve their boundary differences and for Japan and Russia to settle the fate of the four islands.<sup>2</sup>

To join the Nine, India would also need to resolve its dispute with Pakistan. India would then be involved in politics on a global scale and so could give up its preoccupation with dominating its neighbors. Defense expenditures could be reduced, and terrorism suppressed. All the countries of the area could benefit from improved developmental programs.

Consensus among the Nine would not always exist, and even when it did, it would not necessarily solve all problems or prevent new ones from arising. The cost of funding development would probably be greater than in scenarios one or two, but there could be offsets, for example, in security and probably via improved market access. Constant consultation would reduce misunderstandings and promote a common outlook. So although not a panacea, I judge scenario three to be preferable to one and two.

In conclusion, I return as promised to two or three points I mentioned earlier.

I suggested tentatively that U.S. policy towards South Asia will have some reciprocal influence on U.S. global policies. I believe the analysis in the three scenarios shows this is correct. If the Indian-Pakistani differences are too dangerous to be viewed with indifference, international cooperation to resolve them is required. Such cooperation can be effective only if the United States exercises leadership. Probably it also requires the involvement of Russia, China and Japan, as well as Europe. Provided the action is kept confidential and heeds the susceptibilities of the South Asian countries, it can forward the true interests of both India and Pakistan. Each now has as strong a government as can be reasonably expected over the next decade or more, and yet they have repeatedly failed to reach an agreement on their own. Even if there were no nuclear issues involved, this failure makes it irresponsible to assume that time is a healer. Lesser governments would find it even harder to establish a permanent international boundary and acknowledge the special status of the Kashmiris.

Another point to which I promised to return has a bearing on the Kashmir issue as well as importance on its own terms. I refer to the problem of confrontations between the West and Islamic countries. This will continue to plague us as long as the central issues between

Israel and Palestine remain unresolved. Action here is as necessary as over the Kashmir issue. It would help in both cases if a major Muslim country became modern and efficient. Hopefully, in due course they all will. The prospects for Bangladesh and Malaysia have recently improved. The same cannot be said of Indonesia, but that country is so rich that all it needs is honest, efficient government and a low fertility rate. However, these countries east of India will have relatively little influence on the Islamic heartlands to the west. Within a generation, Iran and one or two of the Arab countries may look successful, modern and still Islamic. But at present, only two major Muslim countries west of India seem to have realistic though still doubtful prospects for success in the next decade. The two, of course, are Turkey and Pakistan. The West should make a big effort to help both.

Finally, I return to the most crucial point: the fleetingness of our present opportunities and the question of what U.S. global policy will be in, say, six months or a year. Tell me that, and I will tell you how South Asia will fare in 2020.

## **ENDNOTES**

1. Article 5 of the North Atlantic Treaty states that an armed attack on one member of the alliance shall be considered an attack on all, and that the other members shall join with the attacked member in collective defense.

2. Referred to by Japan as the Northern Territories, these islands consist of Etorofu, Kunashiri, Shikotan and the Habomai group of islets.

## CHAPTER 3

### THOUGHTS ON THE CURRENT CRISIS

Thomas W. Simons, Jr.

#### **The Basics**

Our discussions so far have underlined how much events over the next weeks and months will determine projections for South Asia in 2020, how critical the India-Pakistan relationship is for everything that happens in the subcontinent, and how many variables there are in the current situation. Yet it seems to me possible to identify a number of basic features of the India-Pakistan situation over the past half-century that can serve as a baseline for some thoughts on what changed and what did not change with the nuclear explosions of 1998, and what has changed and not changed with September 11.

Briefly put, these basic features are the following. These two countries have much in common, but more divides them. They began their national existences in 1947 with different self-definitions. India emerged as a necessarily secular democracy, inheriting much of the apparatus and some of the ethos of the British Raj. Pakistan was the world's first intentional Islamic state, basically a refuge for Indian Muslims from second-class citizenship in a free but Hindu-majority Indian Union. Their experiences have not given their elites persuasive or compelling reasons to change these definitions or narrow these differences. On the contrary, the differences have been sustained by the persistent hostility of the two countries, especially by the differences in size and power between them, and most especially by their dispute over the former princely state of Jammu and Kashmir.

In fact, since independence India and Pakistan have actually grown further apart in basic structural terms, and that fact cannot be masked by rhetoric about 5, 000 years of common culture or their shared need to put aside conflict in order to concentrate on development. As time has gone on, they have become more and more different countries. And there is also nothing inevitable about their convergence on any common denominator in the future.

That said, it is also true that India and Pakistan have gone in roughly the same directions in terms of economic and social development: economic growth, urbanization, literacy, absorption of technology. These imply proliferating linkages within their societies: more and more, previously isolated and disconnected people now connect with others on a continuous basis. And as new connections become new dependencies, opportunities multiply both for greater harmony and for greater friction—economic, social, cultural and political.

These processes do not supersede politics. In particular, even if India were to perform more successfully against these criteria compared to its neighbors, Indian regional dominance would not automatically follow. These processes do not guarantee outcomes independent of politics. In fact, they can give politics new salience in the life of the region. The reason is that they are producing growing middle classes, both property-based and state-dependent, and the makings of “new masses.” As more and more people and groups enter “the system,” they develop stakes in the system. They awaken to new hopes of gaining, to new fears of losing. And they have new means—technical and conceptual as well as economic—to mobilize for action to advance those hopes and/or to allay those fears. Joining different kinds of people for common purposes in society becomes more conceivable, and modern mass communications provide ways to make it happen.

These processes cut in contrary directions when it comes to social

and political results: they can exacerbate distinctions of caste, ethnic origin, and communal affiliation; but they can also supersede these distinctions with more modern nationalisms. That is why in India we are seeing the emergence *both* of regional and caste-based parties *and* of a powerful new nationalism. And it helps explain the nationalism of India's new private media, which one of our speakers alluded to.

Yet nationalism is a problem as well as a solution, as the history of 20th century Europe attests. It is an ideology like any other, existing in time, expressing and responding to human needs, with many variants. There is nothing "given" about it. In today's subcontinent, the chief variant, a kind of middle ground between the narrow self-definitions of the past and the broader communities of the future, is of course modern nationalism with a religious component. We are seeing it in both countries. In Pakistan, an Islamic component has been built into national feeling from the beginning. Islamic piety and Islamist revivalism have appeal not just in the civil and military bureaucracies that have always been the backbone of the Pakistani state and the core of its middle classes, but beyond them. The largest Islamic organization in Pakistan is not Jama'at-I-Islami or any other political party, but Tablighi Jama'at, which promotes individual and family piety and renewal, something like Moral Rearmament in our early 20th century. In an almost all-Muslim country, it has proved easier to mobilize Muslims for reconversion to a purer and more disciplined "Islamic" personal and family life than for "Islamist" politics, at least up to now. (Of course, if Pakistan ever embarks on a path of rapid development which pushes millions of peasants quickly into the outskirts of cities with collapsing infrastructure, that could change.) In India the religious component has taken more muscular political forms, in the Hindu radicalism of core elements of the Bharatiya Janata Party (BJP) and its constituencies.

It is true that there is no guarantee of peaceful development in these trends. On the contrary: highly destructive nationalism may



now be part of Ireland's past, but it is almost certainly part of the subcontinent's future. Yet it is also true that in both countries you find a growing consciousness that joining the world is not just necessary but desirable.

In India, new global aspirations are setting new standards of conduct. Being what Pervez Musharraf has called a "responsible and dignified" member of the world community—as both countries desire to be—means you cannot treat your neighbors or your own people as arbitrarily or brutally as you did when you lived in subcontinental isolation. Pakistan has always wanted to draw the world into the subcontinent as a counterweight to India, but there too the new global standards are now sharpening the country's original dilemma. The original Pakistan movement of the 1930s and 1940s was a coalition of three different kinds of Indian Muslims: Western-educated professionals, for whom Quaid-I-Azam Muhammad Ali Jinnah may stand as the exemplar; East Bengalis who wished to rid themselves of their Hindu landlords and moneylenders; and (latest of all, beginning only in the mid-1940s), powerful feudal and tribal leaders in India's Northwest and their religious allies, mainly the shaikhs and pirs of the Sufi traditions. All wanted an Islamic country that would protect Indian Muslims from Hindu domination, but they had no common vision or definition of what it meant to be an "Islamic" country. And although the actors have changed, in 54 years of independent existence no such common vision or definition has ever emerged. Pakistan has stayed locked into its point of departure: it is a refuge for Indian Muslims that needs to be defended, but its positive Islamic identity remains contentious and poorly defined.

### **What Changed and Did Not Change in 1998**

It may be useful to sketch out the impact of the crises of 1998 and 2001 on these basic features. Let us begin with the nuclear explosions of May 1998.

In India, going overtly nuclear sharpened the discourse already underway on the country's proper global role. Some who promoted overt nuclearization had high hopes that once the deed was done the doors of the world's top club would simply swing open for India. But at least in the first months after the explosion, the sounds of doors slamming shut against her reverberated in Indian ears. And Pakistan somehow remained attached to her destiny like a tin can tied on by a naughty deity. In Pakistan, going overtly nuclear sharpened the perennial discourse on the country's original dilemma: was the Islamic Republic now more secure from Indian domination, or did it need – and could it afford – to strike out with new vigor? The result was Pakistani oscillation between the horns of that dilemma. Being an overt nuclear power gave Pakistan the confidence to be wise – to negotiate with India at Lahore in February 1999 – and then the confidence to be stupid – to put regulars as well as irregulars across the Line of Control (LOC) at Kargil a few months later.

As was the case with going overtly nuclear, the Kargil crisis of spring and summer 1999 also had contradictory results. If India believed after May 1998 that being nuclear would make it immune to Pakistan's low-intensity warfare in Kashmir, the incursion put paid to the thought. But if Pakistan thought that being nuclear would neutralize India's conventional superiority and make the world safe for low-intensity conflict in Kashmir, the Indian reaction – the threat to cross the LOC in force – at least put that in question.

Nevertheless, neither lesson was clear. Politically, the lessons of Kargil were muffled by the fact that India had not crossed the LOC and by the stab-in-the-back theory that spread in Pakistan, the myth that politicians had stolen a victory from the military. Kargil *should* have shown both countries that in contemporary South Asia, the really dangerous threshold of conflict, the line beyond which conflict enters a new and more dangerous stage, is not between conventional

and nuclear war but between low-intensity and conventional war. But even after Kargil, the focus for actors and onlookers alike has continued to be the point at which one side in a conventional conflict uses nuclear weapons. So Kargil did not change the basics.

### **What Changed and Did Not Change in 2001?**

It seems to me that September 11, the attacks on the World Trade Center and the Pentagon, and December 13, the attack on the Indian Parliament, should, taken as a sequence, finally demonstrate to both India and Pakistan that the critical threshold in their region is the one between low-intensity and conventional conflict. That seems to be the direction in which events and thinking are taking us.

Much of what we have seen and heard over the month since December 13 has been traditional: high-decibel rhetoric and invective; ultimata and conditionalities that can be very dangerous if taken literally, as they often are in politics; a lot of grandstanding for the outside world. As one contributor has pointed out, both countries are in fact giving peeks at their nuclear card for political advantage. Nevertheless, it also seems clear that Pakistan's decision to join the world and the world's decision to join Pakistan in September have laid the basis for a non-traditional outcome to the phase of the crisis that opened on December 13. Pressure from India and the world have been moving Pakistan along a path that its leadership had already chosen in September and stuck to through three hard months. This path was toward a definition of what it means for Pakistan to be Islamic that derives from the country's founding fathers, Muhammad Ali Jinnah, Liaquat Ali Khan, and the other professionals from India who did so much to establish the Pakistani state, rather than the definitions offered by Islamist radicalism—either the home-grown, North Indian variety associated with the Deoband school or the imported variety that has surged onto the world scene out of the Middle East since 1970.

And India, meanwhile, appears to be realizing that the issues involved in the current crisis are not black-and-white, not zero-sum, not all-or-nothing: because the world cannot do and will not do without a viable Pakistan. Using force to eliminate the problems caused by Pakistan, or even just making Pakistan a pariah, are not realistic options for India.

In fact, when it comes to India, the most striking change that the crisis has wrought up to now (January 2002) has been India's new willingness to entertain a close relationship with the United States and strong U.S. involvement in the subcontinent.

Obviously much depends on the durability of the world's engagement in the region. Right now both India and Pakistan are making decisions that assume sustained international engagement in the subcontinent. If they begin to make decisions once more on the assumption that the United States and others will once again leave, both are likely to revert to their bad old impulses and policies, and probably to cruder, even more dangerous versions of them.

Just as obviously, much also depends on whether the threshold from low-intensity unconventional warfare to conventional warfare can be recognized as the potential trigger for nuclear use (at one remove) that it really is. Pakistan's low-intensity warfare against India is rooted after all in political disputes of which Kashmir is simply the most salient example. If the key threshold between unconventional and conventional warfare is to be raised and (especially) stabilized, the two countries and their friends must begin to deal with those disputes. If they cannot do so, the original dilemmas are likely to reemerge.

## **Part II**

### **POLITICAL, ECONOMIC AND DEMOGRAPHIC FACTORS**

## CHAPTER 4

### A CHANGING INDIA

**Teresita C. Schaffer**

About ten years ago, I went for lunch to the home of an Indian friend. His neighborhood, in trans-Jamuna Delhi, had few cars but plenty of motorcycles, scooters and three-wheelers. Leafy trees shaded neighborhood shops. I had not been there in many years, and was utterly taken aback at the billboard that loomed over the main shopping street. It advertised an automatic washing machine. The makers of an expensive, power-eating machine evidently thought they could find buyers in a neighborhood I would have considered a far better market for traditional laundrymen. This was the moment when I realized how much middle-class India had changed.

In the decade since this mini-moment of discovery, India has begun major transformations in its politics, economy, foreign policy, and security outlook. These may not manifest themselves in similar “light bulb moments,” but they will profoundly affect India’s future. Their impact will be affected as well by whether they are joined by a fifth transformation—in governance, in the transparency and effectiveness of India’s judicial, administrative and civic institutions.

This essay analyzes the likely changes in India’s politics and its foreign policy over the next decade. These will be driven, however, not just by strictly political factors but also by India’s economic progress. Coalition politics, leadership transitions within India, and economic change will profoundly affect both India’s internal dynamics and its behavior on the international scene. The analysis begins with a brief look at where India is now, including the demographic changes that are likely during the next ten years. Next,

it presents three possible scenarios for India's evolution, and finally the policy lessons we should learn.

## **WHERE IS INDIA NOW?**

### **Changing Political Landscape**

The rise of the Bharatiya Janata Party (BJP) and its Hindu nationalist ideology, the weakening of the once dominant Congress Party and its moderate socialist and secular philosophy, the increasing power of regional parties, and the rising profile of caste-based parties represent a major reshaping of the Indian political landscape.

The Congress Party and the BJP remain at center stage of Indian politics, but their ability to stay there is not assured. They are currently the only two parties with national reach and ambition. The BJP's support across a wide range of demographic groups appears to be strengthening. The only populations where the Congress and its allies outpolled the BJP and its associates in 1999 were illiterate voters, scheduled castes, and Muslims. The number of illiterates is shrinking rapidly, and Congress's lead in these traditional "vote-banks" is shrinking. The BJP coalition's lead was particularly strong among voters under age 25, urban voters, well-educated voters, and upper-caste voters.

More importantly, Congress and the BJP together still poll only about half of the votes in India's national elections. Votes for the BJP as an individual party actually fell in 1999 compared with 1998, and its aggregate votes as a party fell below those of Congress (24% to Congress's 28%).<sup>1</sup> The BJP is vulnerable at the state level: its own geographic base is narrow and its record in state government unimpressive. Moreover, the power of incumbency is much weaker in India than, for example, in the United States. Out of 545 members of parliament elected in 1999, 183 were new, and this in an election

that did not make major changes in the parliamentary numbers.<sup>2</sup>

The two biggest systemic questions facing the Indian political system in the next decade are the impact of coalition politics, including the role of state-based parties, and the issue of leadership change within parties.

*Coalitions.* The last three Indian governments have been coalitions, and in all likelihood this pattern will continue at least over the next ten years. India's elections increasingly revolve around local or regional concerns and power dynamics between social groups, and partly as a result, parties based in only one state have become increasingly important. Taken together, such parties polled almost as much as the combined votes of the BJP and Congress. Their increasing power has also increased the bargaining strength of the states with the center, with an impact on national economic and foreign policy as well.

This change in India's political center of gravity affects India's two large parties differently. Thus far, the BJP has had an easier time making alliances with the regional parties. At least for now, it is counting on these alliances, and has given up on establishing itself more firmly in the states of the south and east, where it is weak. Congress has difficulty making alliances with regional parties, since it often has to compete with them for power at the state level. It seeks allies instead among India's "leftist" parties. At present, this gives the BJP a structural advantage in building coalitions, but the Congress has a persistent advantage in projecting an all-India appeal.

Coalition building means that even parties with a strong ideology, such as the BJP, need to govern from the center. This has not been an easy transition for the BJP. However, in one important area—economic policy—the ideological differences between the major parties have almost vanished. As a result, the key factor in



determining how a government deals with economic policies is not so much its party profile as its stability. A government that expects to last four or five years will make more reform-oriented policy than one whose cohesion is under threat and whose members may be interested in using economic issues for demagogic purposes. The coalition strains that followed the March 2002 communal violence in the state of Gujarat illustrate the problem. Several of the coalition's members voted against the government on a censure motion regarding the government's handling of the violence. The scramble for enough votes to survive completely preoccupied the government for two months, and was a major factor in the government's decision to cancel some of the rather modest austerity measures proposed in its budget.

*Leadership.* In the coming decade both the BJP and the Congress will undergo a transition in leadership. The BJP has a fairly deep bench, but it consists largely of older men, less flexible by reputation than Prime Minister A. B. Vajpayee. Unless they change their style, they may have difficulty holding on to power or forming new types of coalitions. The Congress, on the other hand, is likely to have great difficulty moving outside the Nehru-Gandhi family for leadership, or dealing with the demonstrated weakness as a national standard-bearer of Sonia Gandhi, the Italian-born daughter-in-law of former Prime Minister Indira Gandhi and widow of Rajiv. The Congress will be a very different party depending on whether it is able to grow new leadership outside the Nehru-Gandhi family or whether it waits for Sonia Gandhi's daughter, Priyanka, to join the political race.

Regional politics could be the key arena for developing a new generation of politicians. Some of their leaders, such as Chief Minister Chandrababu Naidu of Andhra Pradesh, are progressive and dynamic. Others have perfected the art of patronage. The combination of low economic growth, huge populations, and patronage-oriented politicians gives states like Bihar and Uttar Pradesh (UP)

considerable power to disrupt national economic reform policies they find painful.

Thus far, however, the state party leaders have primarily acted as spoilers on the national scene. To make a real play for national power, they would have to allow someone else to run their state power bases, and they have been reluctant to make this move. They would also face the challenge of extending their own geographic reach, either by working with a national party that would have a larger parliamentary presence to start with, or by starting their own political party, with all the challenges that implies.

### **Foreign Policy and Security: India in a Changing World**

India's foreign policy has moved away from its ideologically grounded Nehruvian roots. It still rests on a strong consensus that India must remain an autonomous actor in the world, one that no larger power can take for granted, and that it prefers a multipolar to a unipolar international political and security structure. Leadership in the Non-Aligned Movement once was the principal means of gaining international status, and Russia was the primary extra-regional friend. Now, India has joined the "nuclear club," and seeks a permanent seat in the United Nations Security Council. The United States has emerged as its key extra-regional relationship. India's preoccupation with Pakistan remains, as does its desire for unchallenged dominance in South Asia. But far more than in the past couple of decades, India finds South Asia too small a stage.

Three big question marks hover over India's foreign policy orientation in the next decade. First, to what extent will it accept the U.S. global leadership role, or to put it another way, how assiduously or successfully will it seek out partners in creating a more multipolar order? Second, how will the future evolution of China and Russia affect India's strategic goals? And finally, and most importantly, will India be able to resolve its differences with

Pakistan, or will it remain tethered to its past and to a static position in the region by a continuing dispute across its western frontier?

*Relations with the United States.* The India-U.S. relationship is central to the new Indian foreign policy. For the United States, changes in East Asia—the rise of China, the changing dynamics of the Korean peninsula, the prolonged slump in Japan, the dislocation in Indonesia—and India’s own rapid growth in the past decade have awakened the U.S. government to India as a major factor in the larger Asian regional picture. For India, the increasing importance of economics in their foreign policy, the end of the Cold War, and a series of governments with pragmatic foreign policies have raised the priority accorded to ties with Washington. Both countries acknowledge a growing overlap in their strategic interests in the Middle East, Central Asia and increasingly Southeast Asia, in contrast to India’s traditional misgivings about the U.S. military presence in Asia. Both countries oppose having a single power dominate Asia, and both are carefully watching a rising China. Even in the contentious nuclear area, they are quietly discovering a common interest in stemming further proliferation of weapons technology, and India’s strategists see in the Bush administration’s disenchantment with international nonproliferation agreements an opportunity to sidestep some of the traditional U.S.-Indian nuclear disputes.

The U.S. decision to reengage Pakistan after the attacks of September 11 raised questions in India about whether the “bad old days” of the U.S.-Pakistan alliance were returning. Since that time, a steady parade of high-level visitors between New Delhi and Washington have made it clear that despite the new U.S.-Pakistan ties, the United States and India are far more productively and intensely engaged than at any time in the past half century. How both countries manage that relationship—both the common interests and the inevitable continuing disagreements—will to a large extent shape the role that India plays in the region and the world.

*W hither Russia?* Despite the reduction in its international role, Russia remains India's largest foreign source of military supply, and will remain so at least for the next decade. It is a significant trading partner, and if Russia's economy revives, trade is also likely to grow. But perhaps its greatest importance for Indian policymakers is as a potential power center in the multipolar world Indians would prefer to see develop in the next decade or two. A revived Russia is unlikely to accept continued U.S. dominance without making some effort to push back. Russian leaders have encouraged India to think of itself as an important power center as well—something that hardly needs encouragement in Delhi. Whether the India-Russia connection fits peacefully into the network of relationships the United States is now trying to build or whether it instead becomes a thorn in the side of the United States and a threat to American ties with India depends in large measure on how valuable both India and Russia find their respective relations with the United States.

*A Rising China.* India-China relations have changed less with the end of the Cold War. The two countries share the longest disputed border in the world and fought a war over it in 1962. India's loss in that war left a chronic sense of insecurity vis-à-vis China. More recently, Indians resent the discrepancy in the way the world regards India's and China's nuclear programs. Their position as two rising states next to one another is likely to sustain their rivalry despite both countries' efforts to manage their disputes peacefully.

China and India both have troubled and vulnerable peripheries: Tibet and Xinjiang for China, Kashmir and the Northeast for India. China's continuing nuclear and missile aid to Pakistan suggests that China wants to keep India somewhat concerned about its western frontier. Its failure to support Pakistan's Kargil incursion in 1999, however, indicates that China does not want to see its two nuclear neighbors go to war. On the other side of the ledger, India has caused China angst by allowing the Dalai Lama to live in

Dharamsala since he fled Tibet in 1959, and more recently by taking in the Karmappa Lama. Although the Tibetans' activities are restricted in India, their presence there is nonetheless a source of irritation to China.

Future Sino-Indian relations will be influenced by both countries' leadership changes, by their overall economic health and potential for an outward-looking foreign policy, and by their success in tackling internal instability. At present, China is far more important to India's security than the reverse. India may narrow the gap between its and China's economic performance and regional profile in the next ten years, but is not likely to overtake China, barring a major economic disaster in China. Both will carefully watch the Indian Ocean sea routes through which their oil is imported. An Indian naval build-up and closer ties between India and the United States, or India and the ASEAN states, which form China's strategic periphery, could arouse concerns in China.

*The "Pakistan Trap."* The hardy perennial in India's foreign relations is its unresolved dispute with Pakistan, which keeps both countries trapped in the past. This "Pakistan Trap" is one of the principal impediments to India's fulfilling its ambitions for a higher profile international role. For both countries, Kashmir embodies basic questions of identity, symbolizing for Pakistan the Muslim majority area that it was deprived of, and for India the demonstration of its secular character. Besides this central issue, the two countries dispute a laundry list of "normalization problems" – visas, trade problems, and the like. These specific problems are magnified by Pakistan's and India's asymmetrical views of their place in the world. Pakistan suffers from chronic insecurity and a 50-year quest to move out of the shadow of India's superior size and strength. India, on the other hand, resents being equated with Pakistan and seeks recognition as a world power. With nuclear weapons in both countries, the volatility of India-Pakistan relations takes on greater international importance.

At present, the India-Pakistan relationship remains at more or less the same impasse where it has festered for the past 10 years. If this continues for another 10 years, it will severely depress India's chances of making good on its economic and international potential.

Escaping the trap will require strong leadership in both countries. The big danger for India remains the institutional weakness and threat of fragmentation in Pakistan. Following the attacks on the United States and especially following the attack on the Indian parliament in December 2001, Pakistan has reversed its Afghanistan policy and banned several militant groups active in Kashmir and within Pakistan. If this policy change is seriously implemented and sustained, it will represent an opportunity to put both Pakistan and its relations with India on a different course. In the short run, however, the impact of the attack on the Indian parliament has been a dangerous increase in tensions between these two nuclear-armed countries.

In looking at scenarios for India's future, I have tried to identify the opportunities and assets India could mobilize in solving this stubborn problem, but this remains the biggest drag on India's potential development.

### **Demographic Change by 2010: Building Blocks for the Future**

India's 2001 census records remarkable demographic changes in the past ten years, changes that are likely to herald even more dramatic ones in the next decade. A few trends are likely to have particular political importance:

- **Population:** Population growth has slowed dramatically. India's population is projected at 1.18 billion in 2010—only 18 percent above its current level.<sup>3</sup> Population growth may stabilize in three of India's states in the next 20 years—Kerala,

Tamil Nadu and Andhra Pradesh. On the other hand, population growth has been accelerating in Uttar Pradesh, Bihar and the normally more progressive Haryana and Gujarat.<sup>4</sup>

- **Literacy:** Literacy has grown rapidly in the past ten years, and primary school enrollment figures suggest that it will continue to do so. The census shows male literacy at 76 percent. The growth of female literacy is even more dramatic—up by 15 percentage points to 54% nationwide. Male literacy could be nearly universal in ten years. Regional variations in literacy rates are even more striking, with some of the most economically and socially laggard states—Rajasthan and Madhya Pradesh—having nearly doubled literacy.<sup>5</sup> This has the makings of a social revolution. Less heralded is the increase in secondary school enrollment. United Nations (UN) data for 1996 show 59 percent of boys and 39 percent of girls enrolled in secondary school. While primary education starts the social revolution, secondary education provides the potential economic boom.
- **Urbanization:** Cities continue to grow faster than the countryside. Today's urban population accounts for about 25 percent of India's population. The Indian census projects urban population at 32 percent of the national total by 2011. Literacy is markedly higher in cities than in the country as a whole; even states with literacy rates well below the national average have solid majorities that are literate in the cities.<sup>6</sup> Cities incubate both a rootless working class population and the new middle class. Their political allegiances follow different patterns. A larger and more volatile urban population may also magnify the political reaction to potential future political or security setbacks.
- **Inequality:** Economic growth has been unevenly distributed

among India's states. Growth rates in the 1990s ranged from over 8 percent (Gujarat) to 2.7 percent (Bihar).<sup>7</sup> The fastest growing populations have the slowest growing economies. Some of today's laggards—notably UP and Bihar—are showing few signs of progress, and their large size means they can extract a considerable political price on the nation's economic reform efforts. On the other hand, the acceleration of literacy in some of the traditionally backward states shows that these trends cannot be taken for granted. They also argue that decentralization may be a good remedy for some of the social ills that have resisted progress thus far.

- **The Wild Card-AIDS:** The growth of AIDS is the biggest demographic wild card—and the one where statistics are least reliable. According to an estimate calculated by the National AIDS Control Program in India, in 2000 there were close to four million people infected with HIV in India. Many experts believe that the disease is massively under-reported; estimates of the real incidence run as high as 10 million. The rate of increase could be as large as one to two million per year, with the total number of infected doubling every 2-3 years. These figures could result in as many as 100 million infected people by 2010.<sup>8</sup>

The scenarios given below do not factor in the rate of HIV/AIDS infection. But if it reaches anything like this faster pace, it will have devastating economic and social consequences. Based on the experience of the most heavily infected countries, when infection reaches 5 percent of a country's population, economic growth is affected, and at 10 percent, growth can be halted altogether.<sup>9</sup> Due to the weak health infrastructure in India, life expectancy after infection is likely to be only 4-5 years. Success in containing AIDS and caring for the infected depends critically on governance.



## THREE POSSIBLE FUTURE SCENARIOS

These political trends and demographic changes may combine in any number of ways in the next 10 to 20 years. I would like to discuss three possible scenarios, focused on the next 10 years. The first two are largely driven by different economic growth rates; the third is driven by major changes in the political leadership and structure. They tell very different stories about how India may look in the future, and how it will manage not only its domestic problems but its foreign policy and security as well. Scenario building is of course speculative, but I will try to distill some useful lessons from it at the end.

### **Scenario I: The “Well-Fed Tiger.”**

In this first scenario, India continues to enjoy high economic growth, reaching 7 to 8 percent per year by the end of the decade. By 2010, its per capita income has doubled, reaching roughly the level of today’s Peru. This is accompanied by significant improvements in the efficiency and integrity of governance; indeed, it is almost impossible to expect this kind of sustained growth without a major push for good governance. The more dynamic and successful states surge ahead; in the process, they expand their political margin for maneuver vis-à-vis the center, and the result is greater decentralization without any formal constitutional change.

The economic success of the BJP is mirrored at the polls. The parliamentary elections of 2004 return a BJP government, with a stronger coalition, still based heavily on parties based in the more economically successful states. The next generation of BJP leaders takes over, its hard-line instincts somewhat tempered by the need to keep a coalition together and win votes outside of the BJP’s home territory.

But this political and economic success comes at a price. The

politics of northern India, largely left out of the economic boom, become increasingly dysfunctional. The large parliamentary delegations from Uttar Pradesh (UP), Bihar and some of the other large states of the north become increasingly resistant to decreases in subsidies and insistent on increasing their share of the resources redistributed by the central government. Dealing with their demands becomes an increasingly time-consuming chore for the government, and strengthens the sense that there are at least two Indias developing in different ways.

Both the growing economy and the strong defense orientation of the government result in a steady increase in defense budgets, especially in the first half of the decade. The first focus of this defense buildup is power projection capability. The missile program accelerates, with the Agni being deployed in 2006, and the navy benefits from a surge in procurement. The second key area is state-of-the-art border monitoring and control, including *Phalcon* aircraft from Israel and sensor technology. A growing number of India's military supply contracts are with Western or Israeli suppliers, reinforcing the importance India attaches to those political relationships.

A government of this sort will take a fairly tough line toward Pakistan. It will respond harshly to cross-border incidents, though a combination of monitoring equipment and a decision to allow international monitors have resulted in a significant decrease in infiltration. However, if the government becomes convinced the dispute with Pakistan is interfering with its broader goals, it would have an opportunity to change the relationship with Pakistan. The de facto decentralization of the political system could make it easier to bring in real autonomy in Kashmir, and this could become part of an expanded compromise agreement with Pakistan. An economically successful BJP government would be well placed to face down domestic critics of its peace overtures. The big obstacles to such a happy outcome would be the new BJP leaders' own hard-line

instincts and the difficulty for a still fragile Pakistan to reduce its goals in Kashmir.

The booming economy will also make energy diplomacy an important priority for India. Here, the government's nationalist instincts might conflict with the kind of sensitive handling needed to negotiate gas and hydroelectric supply agreements with Bangladesh and Nepal.

Outside the region, India's policy under this scenario will be pragmatic. Relations with the United States will remain key, and will prosper. India's economic success will expand both trade and investment with the United States, a central ingredient in any really significant U.S. relationship. In addition, the security dialogue begun after the Clinton visit in 2000 is likely to grow, with special emphasis on Indian Ocean security and on the broader Asian security picture. In the nuclear field, India will work pragmatically with the United States to find ways of participating in international efforts to reduce the further spread of nuclear weapons.

The India-China rivalry will remain, but will be driven primarily by the stability of the Chinese and the Indian periphery and by Chinese internal stability. A Sino-Indian breakthrough is unlikely. Internal trouble in China would lead to a more brittle Chinese approach to India. China will maintain a strong relationship with Pakistan, but will not seek to provoke an India-Pakistan crisis. Indications that China is meddling in India's troubled northeast would spark a crisis in India-China relations; the same would be true of any indication that India was involved in Tibet or Xinjiang.

In general, economic ties will be a more important feature of India's foreign policy outlook. This means that India will give heightened priority to its relations with Southeast Asia, with its oil suppliers in the Middle East, and with potential new suppliers in Central Asia. This could lead to disagreements with the United

States over how to deal with Iraq and Iran, though that will also depend a great deal on how U.S. policies develop.

### **Scenario II: The “Hungry Tiger.”**

In this scenario, India’s rapid economic growth of the past decade falters, and a series of cautious budgets leave India at mid-decade with slightly reduced growth (4 to 5 percent). The government’s fiscal problems have severely constrained investment in public infrastructure, the more so since parliamentary log-rolling has prevented any significant reduction in subsidies. The result is far from disastrous, but certainly does not represent a breakthrough in reducing India’s poverty. Nor can one point to any significant improvement in governance. There is little change in the relationship between the center and the states. This helps various state-level coalition governments avoid trouble, but also depresses growth in more dynamic states.

The BJP is re-elected in 2004, but its weak economic performance contributes to a reduction in both the BJP’s individual showing and the strength of the coalition. Within a year, political polarization in the states of UP and Bihar coupled with a backlash from “progressive” states leads to a successful Congress move to unseat the new government on a motion of no-confidence.

A weak and fractious Congress coalition takes over, dependent on mutually antagonistic coalition partners. Its new leader, Priyanka Gandhi, excites the popular imagination, but has little experience and inherits many of the “old guard” advisers that had remained close to her mother. They are reluctant to undertake more vigorous economic reforms, given the fragility of their political base and the importance to it of the traditional leftist parties. They are also eager to show that their foreign policy is more nationalistic than that of the outgoing BJP. By the end of the decade, Priyanka is beginning to shift to a new group of advisers, but she never expands her working

majority in parliament enough to make possible a bold approach to policy.

The BJP in opposition reverts to its more militant tradition, demanding stronger policies vis-à-vis the neighbors, and pressuring the government to continue its expensive military build-up. They also resurrect aspects of their cultural and communal agenda that had been put aside during the years they ran the government.

The new government maintains a tough stand on Pakistan. In contrast to the previous scenario, however, India's lackluster economic performance and highly visible political squabbling leads the Pakistan leadership to conclude that India's strength is waning in very fundamental ways, and that it can afford a more aggressive stance on supporting the militancy in Kashmir. India-Pakistan relations become even more crisis-prone as a result. The possibilities for a misunderstanding or faulty intelligence leading to a nuclear face-off are significantly higher under this scenario than under the previous ones.

The government's defense build-up is constrained by its economic woes. It focuses on a few high-profile items. The missile program is a high priority. Procurement from the West does not increase, largely because of the cost of Western equipment. India extends its nationalistic approach to policy beyond the region as well. Relations with the United States stagnate, partly because of an increasingly contentious Indian posture in multilateral negotiations and partly because the private economic relationship is going nowhere. Trade remains at about the same level; investment falls, with a couple of contentious investment disputes and the unfavorable economic policy climate scaring away new investors.

India makes a major bid to revive its relations with Russia. The impact of this effort depends to a large extent on what happens in Russia during the next decade. If Russia's economy has revived and

its foreign policy has become more active, it would find in the “Hungry Tiger” India a partner interested in scoring points against the United States on a variety of global issues.

Relations with China, on the other hand, do not change very much. China essentially ignores India, reinforced in its view that India is not in the same league. India’s relations with Southeast Asia also stagnate, lacking the economic stimulus the relations thrive on.

### **Scenario III: “The Tiger Regroups.”**

This is the most speculative of the scenarios, and unlike the other two is driven by changes in the political structure rather than economic growth. As the 2004 elections approach, splits in Congress and the BJP shake up the political system. Two groups could gain from such a scenario.

The most interesting potential “winners” are the state-based parties. Those in southern India have been a source of pragmatic and savvy political leaders. However, taking advantage of this type of opportunity would require wrenching change in those leaders’ *modus operandi*: if they made a bid for national political office, they would probably have to leave their state Chief Minister position to someone else. Moreover, they cannot run the country without the north, and would therefore have to find allies among parties with a base there.

The other potential winner is the Congress, or more precisely parts of the Congress. The present weakness in Congress leaves a vacuum at the center-left of the Indian political spectrum that might attract a new combination of Congress and non-Congress politicians looking for a new political base.

In the short-term, political regrouping would be a recipe for inward-looking politics. Forming and maintaining coalitions would

become the overwhelming preoccupation of political parties. This creates an environment that is bad for economic growth, bad for foreign policy, and bad for relations with the U.S. in the short term. The question is whether it can be an opportunity in the long term, by bringing some new faces on to the national scene. A shakeup of this sort could also encourage de facto decentralization and be a turning point in center-state relations, especially if the new leadership were drawn from state-based parties.

While a messy scenario like this one is not a good backdrop for peace initiatives, it is interesting to speculate on how a peace initiative might arise. Perhaps a leader from outside the north comes to power determined to reach a settlement with Pakistan so as to position India better to pursue its international agenda. Not beholden to Kashmir Chief Minister Farooq Abdullah and the Kashmiri politicians with whom India has worked over the years, he/she succeeds in bringing a broader range of Kashmiris into discussions and eventually into the electoral process. This opening to the Kashmiris is matched by a serious offer of discussions with Pakistan, starting with an equally dramatic gesture—perhaps a proposal to resolve the Siachen Glacier problem, long a bone in Pakistan’s throat.

Another element in this hypothetical peace initiative could be a vigorous effort at energy diplomacy. Energy trade represents the greatest untapped economic benefit for the South Asian region. India is one of the two fastest-growing energy markets in the world; Bangladeshi gas, Nepali and Bhutanese hydropower, and oil and gas transported from Central Asia and Iran through Pakistan could all help meet India’s demand provided the political obstacles can be overcome. Here too, new leadership in India might be able to shed some of the historical baggage Indian governments have accumulated by cultivating a more supple and less overbearing approach to India’s smaller neighbors. On the Pakistan front, provided India and Pakistan first make some political progress on their larger dispute,

an energy transit agreement could strengthen the peace constituencies in both countries.

The fundamental question in trying to assess the prospects for a peace initiative is how Pakistan would react. Would it take a similarly bold approach, or would it try to take advantage of India's internal "messiness"? The answer depends in part on Pakistan's own internal coherence, and in part on its leaders' willingness to redefine the position on Kashmir they have maintained for half a century. Predicting Pakistan's future goes well beyond the scope of this paper. The policy changes President Musharraf undertook after the attacks on New York and Washington, and especially after the attack on the Indian parliament, could provide a chance that Pakistan will start the kind of revival that would make possible a constructive policy toward India. The signs since then are mixed.

## **SIGNPOSTS AND IMPLICATIONS**

Which of these scenarios is most likely? At present, the indicators are not clear. The economic performance of the 1990s would be consistent with the "Well-Fed Tiger," but the past year has seen economic activity slump. Turmoil in the BJP-led coalition following the communal riots of March 2002 suggests that India could be headed toward "The Tiger Regroups." Perhaps the most concrete indicator over the next few years of the direction in which India is headed will be whether the government is able to tackle the multilayered problems of the electric power industry. This can be taken as a proxy for economic reform, governance, and the vitality of decentralization efforts.<sup>10</sup> On the political side, one important indicator will be the ability of the two major parties to bring in new blood. Another is the concentration or fragmentation of votes at the state level in India's major states: will the BJP and the Congress revitalize themselves in the major states, or will parties based in one state or drawing from one caste group continue to proliferate and to expand their collective role in national life?



On one point, the prognosis is more discouraging. Nothing in current trends provides much optimism that India and Pakistan will make real progress toward a settlement. This should be a major priority for both. The scenarios as well as more conventional projections make it clear that the continuing dispute extracts a heavy price. For India, it stands in the way of a much-prized greater role on the world stage, and tends to pull down both economic growth and national integration. For Pakistan, the impact is much more severe: the domestic strains that have come close to tearing the country apart as well as its international isolation during the 1990s are both traceable to the country's involvement in the Kashmir insurgency.

Predicting which scenario will come to pass, however, is less important than assessing the policy conclusions that arise out of all three. Four lessons are particularly important.

### **Lesson 1: The Economy is Key.**

High growth is likely to produce greater political stability and more constructive international policies than stagnation. It fosters trade and investment and encourages outward-looking policies. It is particularly beneficial to India-U.S. ties. India's emerging relationship with Southeast Asia (India's "Look East" policy) was a result of its new economic policies and the foreign policy that flows from this economic diplomacy. Politics in India will always be messy, and inequality between states will cause some backlash. But the problems of success are preferable to those of economic stagnation.

Low growth leads to confrontational and poisonous politics. The "Hungry Tiger" scenario, with a combination of low economic growth and attempts at military expansion, is the most dangerous, and is a recipe for India-Pakistan miscalculation. Low growth in the "Tiger Regroups" scenario compounds the political upheavals built into the scenario.

## **Lesson 2: Political Leadership is Essential.**

In trying to assess what backdrop is most favorable to dynamic economic reform and statesmanlike stewardship of India-Pakistan relations, one cannot escape political leadership. Prosperity may be the most promising condition, but it cannot do the job by itself. That is why we should focus on the coming leadership and generational transition in the big parties. It will have an impact on national policy as well as on the character of the parties themselves. Leaders of state parties will become more powerful at the center, and will seek a national role. Their success and scope will depend in large part on the alliances they build, as well as their ability to deal with the large and backward states like Bihar and UP, whose high populations give them enormous electoral power.

To provide leadership in the next decade and beyond, the political system needs to develop new talent. And it may be—as illustrated by the “Tiger Regroups” scenario—that the price of developing long-term leadership is short-term instability.

## **Lesson 3: The Mismatch Between India’s Policy Goals and Its Capabilities Will Continue.**

India’s foreign and military policies show a curious imbalance between ambitions and capabilities. Published policy documents and private conversations, for example, both suggest that India is much more dedicated to the goal of achieving permanent membership on the United Nations Security Council, for example, than it is committed to any particular course of action once it gets there. Its military plans in the past few years have involved ambitious procurement and technology upgrade goals, but the link between these and its immediate operational requirements has sometimes been weak.

This disconnect is most dangerous in the low-growth scenario, where it can contribute to disastrous miscalculations (for example, between India and Pakistan). A high-growth scenario would make it easier for India to fill some of these gaps in the next decade. In the meantime, it is worth thinking about whether a more operationally savvy defense policy could increase India's power, as well as save it money. It is also worth reflecting on the mismatch between military plans and India's diplomacy. A continued high defense build-up will backfire without a deft foreign policy outreach in the Indian Ocean region.

#### **Lesson 4: The External Dimension: Deal with Pakistan.**

While India's basic orientation will be based chiefly on what happens inside India, the unresolved dispute with Pakistan is the biggest sea anchor on India's international ambitions. These scenarios suggest that dealing with it will probably get harder with time. If India is successful in this effort, it will be able to focus more of its attention on its relations with the world's major powers; if not, it is likely to be pulled back toward its preoccupation with Pakistan at regular intervals.

The scenarios discuss the opportunities and constraints for India. The obstacles to a vigorous and effective Indian peace policy become more severe if India goes through a messy political leadership change. An extended period of lagging economic growth also makes it more difficult for India to make a serious move toward peace, partly because it will make the Indian government more concerned about being driven from office, and partly because it could lead to miscalculation by Pakistan of where India really stands. None of these conditions is likely to improve with time. If there is a moment of opportunity, in other words, it is now.

But prospects for a successful peace effort also depend on Pakistan. Indeed, some observers have gone so far as to say that the

prospects for international stability in South Asia depend chiefly on Pakistan. The sources of instability in Pakistan are many and complex: an anemic economy, weak political institutions made weaker by persistent military intervention in politics, divisions among provinces and religious communities, and policies in Afghanistan and Kashmir that have encouraged the growth of militant organizations that operate with little respect for the state. This last point is probably the most fundamental issue.

Since September 11, President Musharraf has reversed his government's Afghan policy and announced action against the militant groups' activities within Pakistan. Will the logic of this action extend as well to cutting off the infiltration of militants into Kashmir? The policy changes have been well received in many parts of the Pakistani electorate, but have provoked a vocal and violent challenge from some of the militants. How will this play out? The April 30 referendum on President Musharraf's continued tenure as president left a sour taste in many Pakistani mouths and weakened Pakistan's already troubled political institutions. What will be the impact of the parliamentary elections expected later in 2002, and will they provide the political legitimacy the current government lacks? If the answer to these questions is positive, then Pakistan will gradually become a steadier and more coherent country, and a better bet for a serious peace effort – provided its leadership is prepared to go down that road.

A successful effort to take advantage of today's opportunities will require imagination, forbearance and steady nerves in India, and even more so in Pakistan, where a 50-year sense of grievance and insecurity and the reality that its ambitions are unlikely to be met will make the peace effort more painful. It will require an extended effort, a process that can be sustained through the inevitable interruptions, and leaders willing to keep the effort going. It will also, I believe, require active, sophisticated and discreet encouragement from a third party, and since its reengagement with

Pakistan, the United States is for the first time in decades uniquely placed to play a constructive role. But the first step out of that trap is to recognize that this is something important for India, not a favor to Pakistan or the rest of the world, and that there is a problem that needs solving even during periods when the violence in Kashmir ebbs.

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10. India's electricity sector is the responsibility of State Electricity Boards (SEBs) in each state. Without exception, these boards are in financial trouble. The system as a whole has uncollected bills exceeding 25 percent of total billings. In most states, farmers receive free or dramatically subsidized power, but because of maintenance, financial and management problems, the power is extremely unreliable. Private sector operators have been licensed to produce electricity, but several of these investments have foundered in a very public way, typically when the SEB that was supposed to buy their entire output was unable to pay for it. (The

Enron investment at Dabhol, in Maharashtra, is a particularly conspicuous example.) The central government, acutely conscious that the power sector is responsible for a major portion of the combined massive and growing fiscal deficit of the center and the states, has tried to implement a package of policy reforms that would give states a positive incentive to address the problems of their respective power sectors. In the final analysis, however, corrective action depends on the hard work of each of the state SEBs and state governments.

## CHAPTER 5

### SOUTH ASIA IN 2020: ECONOMIC OUTLOOK

Vijay L. Kelkar<sup>1</sup>

Rapid economic growth and successful poverty reduction in South Asia, the home for the largest number of poor people in the world, is of strategic importance to the global community, as a prosperous South Asia would vitally contribute to global peace. This paper deals with the challenges in achieving accelerated economic growth in South Asia in this age of globalization. The first part covers long-term economic trends in South Asia in general and in India in particular. The second part develops a growth scenario for the South Asian region for the year 2020, focusing on the challenges faced by India—the predominant economy in the region—in accelerating growth as well as discussing the reform prospects of other major countries of the region such as Bangladesh, Pakistan and Sri Lanka.

#### **PART I: SOUTH ASIA: A PROFILE**

The countries of South Asia vary in size and complexity, particularly in terms of social stratification. The seven countries of the region—Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka—are spread over an area of half a million square kilometers (sq. km.). Presently about 1.34 billion people live in South Asia, accounting for 22 percent of the world's population. About one billion of these live in India, making it the world's second most populous country after China. The estimated gross domestic product (GDP) generated by all the South Asian countries in the year 1999 was about US\$593 billion, accounting for less than two percent of the

global GDP, with India's contribution being US\$449 billion (about 76 percent of the regional total).<sup>2</sup>

### **Demographic Profile.**

The size and structure of the South Asian population have been changing. From 1960 to 2000, the regional population increased from about 562 million to an estimated 1.34 billion, making its combined size larger than that of China (data for this section is presented in Table 1). The four countries of India, Bangladesh, Pakistan and Sri Lanka together constitute 96 percent of that population. As the most populous among these four countries, India has more than 75 percent of the region's population. The annual population growth rate in South Asia has come down from 2.30 percent in 1961 to 1.89 percent in 1999. And in the next two decades, as can be seen from Table 1F, the annual population growth rate is projected to gradually slow to 1.1 percent in South Asia and 1 percent in India. Though the demographic transition of the past four decades has led to a reduction in the dependency ratio (number of dependents per 100 working-age population) from 78 to 67 and brought about a substantial increase in the size of the labor force in all of the countries in the region, its late arrival, to some extent, has worked against fast economic growth in South Asia. However, with reduced birth rates and consequent demographic changes, the dependency ratio by the year 2020 is projected to come down to about 49 in South Asia and to about 47 in India. Such a low dependency ratio would imply that the economically active population in the South Asia region would increase from about 800 million in 1999 to about 1.2 billion by 2020 and bring in its wake associated advantages of demographic transition. What this means is that over the next few decades, the South Asian region will have the world's largest economically active population. These trends have profound implications for the increased potential for achieving a miracle of rapid economic growth through higher savings and investment.



	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>1999</b>
Bangladesh	51	67	87	110	128
India	435	548	687	850	998
Pakistan	46	61	83	108	135
Sri Lanka	10	13	15	17	19
South Asia	562	712	903	1122	1329
World	3019	3676	4430	5252	5978
Korea, Rep.	25	32	38	43	47
Malaysia	8	11	14	18	23
China	667	818	981	1135	1254

	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>1999</b>
Bangladesh	80.8	95.7	97.9	90.3	72.9
India	76.1	78.8	74.2	68.8	63.8
Pakistan	92.3	97.9	89.6	84.7	82.7
Sri Lanka	84.0	83.6	65.5	60.8	49.6
South Asia	78.1	82.2	78.1	73.0	67.2
World	73.9	76.6	71.2	64.2	60.0
Korea, Rep.	82.7	83.0	60.8	44.6	39.6
Malaysia	94.9	92.3	75.4	67.2	62.5
China	77.8	78.7	67.4	49.8	47.9

	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>1999</b>
Bangladesh	2.45	2.73	2.46	1.99	1.61
India	1.85	2.31	2.25	2.02	1.80
Pakistan	2.43	3.01	2.91	2.54	2.41
Sri Lanka	2.51	2.12	1.83	1.11	1.10
South Asia	2.30	2.43	2.34	2.09	1.89
World	1.25	2.17	1.73	1.77	1.36
Korea, Rep.	3.09	2.13	1.56	1.15	0.92
Malaysia	3.02	2.54	2.35	2.97	2.36
China	1.83	2.76	1.25	1.47	0.91

*Note: Population growth data of South Asia and the World are for the year 1961.*

**Table 1. Population Statistics of Selected Countries.**

**Table 1D**  
**Population Projections (in millions)**

	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>
Bangladesh	142	155	166	176
India	1,091	1,160	1,222	1,281
Pakistan	156	174	193	210
Sri Lanka	20	21	23	24
South Asia	1,467	1,576	1,676	1,772
World	6,418	6,758	7,086	7,403

**Table 1E**  
**Dependency Ratio Projections (No. of dependents to 100 working-age population)**

	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>
Bangladesh	59.1	57.5	54.4	49.5
India	57.2	52.7	49.2	46.9
Pakistan	73.7	66.9	61.4	56.9
Sri Lanka	46.2	46.7	48.6	49.6
South Asia	59.8	55.6	51.9	49.2
World	54.4	51.8	50.5	50.5

**Table 1F**  
**Population Growth Rate Projections (annual %)**

	<b>2000-05</b>	<b>2005-10</b>	<b>2010-15</b>	<b>2015-20</b>
Bangladesh	1.8	1.7	1.4	1.2
India	1.4	1.2	1.1	1.0
Pakistan	2.4	2.3	2.0	1.7
Sri Lanka	1.1	1.1	1.0	0.9
South Asia	1.6	1.4	1.2	1.1
World	1.2	1.0	1.0	0.9

**Table 1G**  
**Projected Life Expectancy at Birth (in years)**

	<b>2000-05</b>	<b>2005-10</b>	<b>2010-15</b>	<b>2015-20</b>
Bangladesh	62.1	63.6	65.2	66.7
India	62.9	63.2	64.7	66.0
Pakistan	63.9	65.1	66.8	68.3
Sri Lanka	74.1	75.2	76.2	77.2
South Asia	62.7	63.2	64.7	66.1
World	66.7	67.2	68.4	69.4

*Source: The World Bank, World Development Indicators 2001 (CD-Rom)*

## **Table 1. Population Statistics of Selected Countries. (concluded)**

### **Natural Resources.**

Unlike other regions, such as Africa, West Asia or Latin America, South Asia is not well endowed with critical natural resources such

as land, water, minerals and hydrocarbons. For instance, presently the per capita arable land in South Asia is 0.16 hectares, much lower than the world's average of 0.24 hectares. Similarly, the South Asian region accounts for just 2 percent of the world's forest cover, which is essential to maintain ecological balance and biodiversity, despite having 3.8 percent of the world's total surface area.<sup>3</sup> Presently 782,000 sq. km. of forest area in this region account for only 15 percent of its total land area, as compared to 29 percent of land area covered by forests in the world. Further, the rate of forest depletion in South Asia has been the highest in the world.<sup>4</sup>

With respect to fresh water, although three large watersheds (the Brahmaputra, the Ganges and the Indus) serve the region, the per capita availability of fresh water is much lower compared to other watersheds in the world. The per capita fresh water availability is estimated to be only 2,854 cubic meters (m<sup>3</sup>), as compared to the world average which exceeds 8,000 m<sup>3</sup>.<sup>5</sup> With increasing urbanization, the most critical challenge for the region will be that of water. Further, if no significant changes in the environmental protection policies are made in the next 10-15 years, the devastating consequences of environmental degradation will pose the most serious challenge to the economy of the region.

With respect to energy, which is so essential for industrialization and economic growth, South Asia fares poorly. The estimated reserves position, particularly that of oil and gas in the region, is not very encouraging. For instance, crude oil reserves are estimated to be just six billion barrels of the world's 1,009 billion barrels (0.6 percent). In per capita terms this comes to 4.6 barrels compared to 169 barrels per capita in the world. The region has only 85 trillion cubic feet of natural gas reserves out of the world's 5,016 trillion cubic feet of total gas reserves (1.69 percent). The coal reserves in the region, amounting to 195 billion metric tons out of the world's 1,427 billion metric tons (13 percent), give its people 147 metric tons per capita in contrast to the world average of 235 metric tons.<sup>6</sup>

Consequently, in the energy sector as a whole, South Asia is a major energy-importing region. The growth in population, urbanization and incomes will lead to further increase in energy imports, with greater dependence on the Persian Gulf region. This will have a considerable influence on the politics of the region. The relative scarcity of critical natural resources in South Asia has profound implications for regional growth strategies, calling for much greater participation in international trade as well as deeper integration with the world economy.

### **Economic Performance.**

The four populous countries of the region, viz. Bangladesh, India, Pakistan and Sri Lanka, share a common legacy of British rule. Soon after attaining independence around the middle of the 20th century, the South Asian countries adopted a strikingly similar planned approach to development by as signing a major role to the public sector and focusing on self-reliance and import substitution. They succeeded in achieving considerable economic progress compared to the period of colonial stagnation. Over the last 40 years, the GDP of the region as a whole increased from US\$105 billion in 1960 to US\$593 billion in 1999—an increase of 5.6 times.<sup>7</sup> However, as can be seen from Table 2, the overall growth rate of only 4 percent over the 3 decades between 1961 and 1989 is much lower in comparison to the generally observed growth rates of the countries of East Asia—including China. During the pre-reform period of 1961-89, the per capita gross national product (GNP) in the South Asia region grew at an average annual rate of 2.25 percent. However in the subsequent period, i.e., 1990-99, the per capita GNP grew at the rate of 3.44 percent per annum. In a comparatively brief period of 10 years, when economic reforms were underway, the increase in percentage terms was almost equal to half of what had been achieved in the first 40 years. In sum, for more than 3 decades following independence, the output growth in the region—especially that of India—was lower than that of global growth. However

during the past 20-year period (1980-99), output growth has been out-performing the global growth rate. Further, during the latter period, economic performance remained more stable than in the preceding 30 years, confirming the belief that the economy has reached a qualitatively new phase.

**Table 2A: Gross Domestic Product (GDP)**

	<i>1961-89</i>	<i>1990-99</i>
Bangladesh	3.10	4.87
India	4.23	5.62
Pakistan	6.14	4.01
Sri Lanka	4.33	5.26
South Asia	4.32	5.34

**Table 2B: Per Capita Gross National Product (GNP)**

	<i>1961-89</i>	<i>1990-99</i>
Bangladesh	0.76	3.71
India	2.36	3.77
Pakistan	3.07	1.63
Sri Lanka	2.50	3.99
South Asia	2.25	3.44

Source: The World Bank, World Development Indicators 2001 (CD-Rom)

**Table 2. Average Annual Growth Rates of Selected Countries of South Asia, 1961-99.**

### **Trends in Trade.**

The countries in South Asia began opening up their economies in the late 1980s and early 1990s, much later than the East Asian countries which followed an export-led industrialization strategy from as early as the 1960s. Even China initiated such reforms in the late seventies. Among the South Asian countries India was a latecomer, initiating reforms only in 1991. The economies of South Asia were relatively closed until the late 1980s. In the year 1980, as shown in Table 3, the trade-to-GDP ratio of the South Asian region

was 21 percent, while for India it was only about 16 percent.<sup>8</sup> By comparison, the ratio was 74 percent for South Korea and 45 percent for the East Asia and Pacific region as a whole. At that time South Asia's share of world exports was at the very insignificant level of 0.7 percent. Generally the countries in South Asia not only followed a high tariff regime but also resorted to comprehensive quantitative restrictions. Even until the 1990s, the average tariff rate of 80 percent was almost four times higher than the rates prevalent in East Asia and twice that of China. The reasons for the slow growth of trade were rooted in the trade policies pursued by the South Asian countries.

In the 1990s, the boom in world trade and reduced protectionist policies helped to increase South Asia's trade growth to a rate of about eight percent per annum as compared to six percent for the world. During the 1990s, the value of trade (exports plus imports) in South Asia increased from US\$84 billion in 1990 to US\$162 billion in 1999.<sup>9</sup> In almost all the countries of the region, tariff barriers and import restrictions were reduced. For instance, the mean tariff rate in Bangladesh came down from 110 percent in 1989 to 22 percent in 1999; the Indian tariff rate came down from 80 percent in 1990 to 32 percent in 1999; and in Sri Lanka it came down from 28 percent in 1990 to 19 percent in 1999. Nevertheless, the countries across the region experienced greater divergence in their trade performance (see Table 3). Smaller economies had a larger share of trade as a

	1970	1980	1990	1999
Bangladesh	17	20	20	32
India	8	16	17	27
Nepal	13	30	32	53
Pakistan	22	37	39	35
Sri Lanka	54	87	68	78
Korea, Rep.	37	74	59	77
South Asia	12	21	22	30

Source: The World Bank, *World Development Indicators 2001* (CD-Rom)

**Table 3. Share of Trade as Percentage of GDP—Selected Countries.**

percentage of GDP. For instance in 1999, Sri Lanka's trade as a percentage of GDP was as high as 78 percent whereas the corresponding figure for India, which accounts for three-fourths of the regional economy, was only 27 percent. For the region as a whole, trade as a percentage of GDP went up from 21 percent in 1989 to 30 percent in 1999, signifying increased openness. Despite this increase, the share of South Asia's exports in the world increased only marginally from 0.8 percent in 1990 to one percent in 1999. By comparison, the countries that form the Association of South East Asian Nations (ASEAN) increased their share of world trade from 4.3 percent to 6.5 percent during the same period.<sup>10</sup>

As for trade within the South Asia region, India was the dominant exporter, accounting for 75 percent of total exports. In 1990 the South Asian Association of Regional Co-operation (SAARC) countries generated exports of only US\$863 million among themselves, constituting a mere 3.2 percent of their total exports. In the subsequent 10 years there was some improvement. The exports within the SAARC countries went up to US\$2.68 billion in 1999, constituting 4.7 percent of their total exports.<sup>11</sup> However, compared to the countries of ASEAN, the South Asian region has yet to make any significant progress toward increasing trade within the region. The intra-regional exports among the ASEAN countries even in 1990 totaled US\$28.7 billion, constituting 19.8 percent of their total exports. By 1999, these figures were US\$82 billion and 22.2 percent, respectively.<sup>12</sup>

As the countries in the South Asia region generally opted for state-led industrialization for the major part of their 40 years of development, relying primarily on domestic resources and markets, their attitude toward foreign investment was lukewarm and their policies were restrictive. Consequently the flow of foreign direct investment (FDI) of US\$464 million in 1990 constituted a mere 0.23 percent of total FDI in the world. Subsequently, in 1999 the FDI inflows into South Asia went up to US\$3.1 billion, i.e., an increase of

6.7 times. However, this still constituted a mere 0.34 percent of the world's total FDI and remained much smaller than the FDI flows into China or other East Asian countries. For instance, the FDI into China went up from US\$3.49 billion in 1990 to US\$38.7 billion in 1999. This resulted in an increase of its share of the world's total FDI from 1.7 percent in 1990 to 4.4 percent in 1999. In contrast the FDI inflows into India increased from US\$162 million in 1990 to US\$2.17 billion in 1999.<sup>13</sup> The success of China in attracting FDI was, *inter alia*, attributed to its liberal regulatory regime and the expansion of the special economic zones (SEZs). The SEZs offered attractive incentives such as preferential tax and administrative treatment of foreign enterprises, more advanced infrastructure and a liberal business environment, and consequently the direct contribution of FDI to GDP growth in China has been the highest in these provinces. In fact, China has emerged as the most favored destination for FDI flows. The success of the SEZs was evident from the fact that 40 percent of all FDI flow into China during 1990-97 was accounted for by the three provinces (Fujian, Guangdong, and Hainan) with SEZs. A recent IMF study shows the considerable contribution of FDI to the dynamics of growth in China. It is estimated that FDI has led to an increase of 3 percent in the GDP growth rate of China. This successful example of China harnessing FDI to accelerate economic growth merits emulation by the countries of South Asia.<sup>14</sup>

### **Human Development Indicators.**

The region's human development indicators are improving, but at a relatively slow pace.<sup>15</sup> Over a period of three decades the combined adult literacy rate increased from 32 percent in 1970 to 51 percent in 1997, which is rather depressing when compared to the achievements of developing countries as a group (from 43 percent to 71 percent during the same period). A comparison with China (91 percent) and other East Asian countries like Korea (99 percent) and Thailand (97 percent) is even more striking. The health indicators show some improvement but also highlight the gaps. For instance,



the infant mortality rate (IMR) has declined from 128 in 1970 to 69 per 1000 live births in 1999, but it is still very high when compared to East Asian countries (32/1000). During the last 30 years the life expectancy of South Asians has risen from 50 years to 62 years, but it is still short of the world average of 66.4 years.

On the whole range of social indicators—such as life expectancy, access to safe drinking water and sanitation, infant mortality, and child malnutrition—the countries of South Asia (except for Sri Lanka) are far behind most of the East Asian countries. The picture looks even more disturbing when one moves away from the social indicators to a broader range of indicators. For example, in 1999 India had only 75 TV sets per one thousand people, compared to 292 in China, 289 in Thailand, and 361 in Korea. In terms of telephone lines per thousand people, there were only 27 in India as compared with 86 each in China and Thailand, and 438 in Korea. In the same year, there were only two mobile phones per thousand people in India while China, Thailand and Korea had 34,38 and 500 respectively. If we take the case of internet hosts, India had only 32 internet hosts per one million people in 1999 as compared with 69 in China, 884 in Thailand and as many as 10, 065 in Korea. While India and other countries in South Asia are in the lowest 20 percent of all countries in terms of the Human Development Index, the East Asian countries are among the highest 20 percent.

### **Poverty Reduction.**

Despite the fact that South Asia's GDP grew at a rate of over 4 percent per year on average in 1961-89 and of over 5 percent in the 1990s, and that GDP increased more than five-fold from US\$105 billion in 1960 to US\$593 billion in 1999, the countries of South Asia—except India—have witnessed increasing poverty. In fact, the number of absolute poor in the region has increased from 270 million in 1960 to approximately 515 million in 1995. This trend is particularly disheartening because in the 1960s, all of the countries of

South Asia (save Sri Lanka, with a poverty rate of only 37 percent in 1963) had over half of their population living in poverty. As the lone exception to the trend, India reduced its poverty rate from 53 percent in 1973-74 to 36 percent in 1993-94.<sup>16</sup>

Again, South Asia's performance stands in contrast to East Asia's. Like their South Asian neighbors, the countries of East Asia had poverty rates of over 50 percent in the 1960s. However, within a span of 15-20 years (starting from 1965) these East Asian countries experienced a remarkable decline in poverty. Estimates indicate that Korea had just 5 percent (1984) of its people living in poverty, while Indonesia had 17 percent (1987) and Malaysia had 15 percent (1984).<sup>17</sup> In subsequent years there was a further reduction in poverty in these countries. For instance, in 1993 Korea had just 2 percent of its population surviving on less than a dollar a day, while the corresponding number in 1999 for Indonesia was 7.7 percent.<sup>18</sup> With their earlier integration into the global economy, the East Asian economies have reaped the advantages of growth and eliminated poverty in the long run.

While South Asia has not made as much progress in reducing poverty as East Asia, it does not suffer from the higher levels of inequalities in the distribution of wealth affecting these neighbors. For instance, if we consider the Gini index, which summarizes the distribution of income or consumption in an economy, the four major countries of South Asia had a lower index than China and the other East Asian countries, with the exception of South Korea.<sup>19</sup> The World Bank's *World Development Report 2001* shows an index of 40.3 for China, 49.2 for Malaysia, and 41.4 for Thailand. By contrast, Bangladesh has an index of 33.6, India has 37.8, Pakistan has 31.2 and Sri Lanka has 34.4. Based on these data, South Asia has experienced a lower level of inequalities than the countries of East Asia, and lower even than many developed countries including the United States.<sup>20</sup>

The most noticeable features in India's poverty profile are that poverty remains predominantly rural and there is a wide disparity across Indian states, with uneven progress in poverty reduction. Since the mid-1970s, the growth rate has risen, poverty has declined and social indicators have improved. India has reduced the percentage of its population living in poverty mainly through faster economic growth (particularly that of agriculture), a rise in agricultural wages, lower inflation, and human resource development. In a recently published paper by Prof . S. R. Hashim, who was a member of the Indian Planning Commission, the Gini index was found to be improving during the pre-reform period (i.e., prior to 1990), albeit marginally.<sup>21</sup> This implies that the reasons for a large number of people remaining in poverty are embedded in the slower growth of the economy as well as of productivity, rather than in income inequalities. The faster pace of poverty alleviation with high economic growth in the countries of East Asia shows that high economic growth facilitates a more rapid progress towards poverty alleviation. The dramatic reduction of poverty levels in India in the reform period of the 1990s, a period associated with higher growth rates, further reinforces this conclusion.

### **India and South Asia.**

The relative size of the Indian economy and its population implies that the changes taking place in South Asia reflect the changes in the Indian economy to a large extent. Further, the growth profile and the structure of the Indian economy is also identical to that of the region. During the past 40 years per capita income in India and South Asia increased more or less uniformly. The correlation coefficient between the average annual growth rate of GDP per capita for India and that of the region as a whole is very high. During the long history of the pre-reform period (1961-89) as well as in the relatively short reform period (1990-99), the changes in the GDP growth rate in India and South Asia were strikingly similar. We also notice similarities in the changes in the structure of output,

such as the relative shares of agriculture, industry and the service sector in GDP.<sup>22</sup> These trends show that developments in India parallel those in the other countries of the South Asia region. Accordingly, the projections for India are taken as a base for future projections of economic performance in South Asia as a region.

## **PART II: INDIA: ECONOMIC TRANSITION AND POLICY CHALLENGES**

### **Reform in the 1990s and Economic Trends.**

The mixed economy model of development adopted by India, with the state at the commanding heights, was successful in many respects during the first four decades. Until the 1980s India had combined a highly *dirigisme* approach to economic development with conservative macroeconomic policies. The development strategy was aimed at building a largely public-owned heavy industry sector, leaving the production of consumer goods and agriculture to the private sector in a highly regulated regime. As the initial massive investment in import substituting industries subsided, the pace of economic activity was dominated by low productivity and inefficient public enterprises leading to slow economic growth. The key assumption in this choice of post-independence development strategy was the generation of public savings, which could be used for higher and higher levels of investment. However, during the last two decades the public sector became a consumer of community savings instead of being a generator of savings. Compared to the successful economies of East Asia, the growth rate remained slow, the productivity level was low, and progress toward poverty reduction remained rather limited. Thus low productivity rather than inadequate savings explains the weak growth performance of the decades until the 1990s.<sup>23</sup> During the second half of the 1980s the macroeconomic situation was characterized by growth reversal and a fiscal deficit financed by

borrowings, both external and internal, that reached unsustainable levels.

By 1991, India suffered macroeconomic weaknesses, with the central government's revenue deficit reaching 3.5 percent of GDP, a combined fiscal deficit of the states and the center that exceeded 10 percent of GDP, a current account balance that ran into a deficit of 3.2 percent of GDP, and a steadily increasing rate of inflation that exceeded 16.7 percent by August 1991. Further, by 1991-92 the outstanding liabilities of the central government exceeded 69 percent of GDP. The interest payments on the public debt represented nearly 70 percent of the center's fiscal deficit. At the heart of these macroeconomic imbalances were the rising public sector deficit in the late 1970s and the subsequent sharp rise in public debt and consequent increase in interest payments in the 1980s.<sup>24</sup> These adverse developments in the economy were further compounded by two unexpected external shocks: the collapse of the Union of Soviet Socialist Republics (USSR) and the Gulf War that caused an increase in oil prices. The collapse of the USSR brought uncertainty to the export market, since until then it had been providing an assured export market. The war in the Persian Gulf had almost frozen remittances from Indian workers in the Gulf region and also caused a run on Non-Resident Indian (NRI) deposits held in Indian banks. The high price of oil and the loss of workers' remittances weakened India's current account position by US\$1.5 billion, and the external current account deficit widened to 3.5 percent of GDP. Despite purchasing US\$1.8 billion from the International Monetary Fund (IMF) in early 1991, official reserves declined to US\$2.8 billion. By March 1991 the import cover of foreign exchange reserves reached just 1.3 months of imports. For the first time, the foreign exchange reserves touched the extreme lowest level of less than one billion U.S. dollars, not even sufficient to cover India's import requirements for 2 weeks.<sup>25</sup> The deteriorating fiscal situation and mounting current account deficit precipitated an unprecedented macroeconomic crisis in 1991.

The Indian authorities responded to the 1991 crisis by launching a bold program of macroeconomic stabilization and structural adjustment buttressed with assistance from the IMF. The first-generation reforms that began in 1991 were a historic turning point. Though the reforms started as a response to the prevailing crisis, they went beyond conventional macroeconomic stabilization measures. The reforms aimed at reorienting the economy from a statist and highly controlled economy to a market-friendly one, “re-linked” to the international economy through freer international trade. Consequently, the Indian economy moved to a distinctly higher growth path.

Over the decade since the reforms were first implemented, the real GDP averaged 6.4 percent growth per year, placing India among the top ten growth performers in the world. Excluding the growth of 1991-92, the average annual GDP growth rate during the subsequent 5-year period (1992-97) was 6.7 percent. This started decelerating in subsequent years, with an average annual growth rate of 5.8 percent. The higher growth profile emanated from a sustained improvement in total factor productivity—a clear break from the past trend. Coupled with a slowdown in the population growth rate, per capita income also registered an impressive increase with an average annual growth rate of 4.4 percent during the 1992-97 period. Moreover, the improved growth performance has been accompanied by distinctly lower inflation rates, e.g., less than five percent in recent years compared to an average inflation rate near double digits for the period 1970-1990.

The 1990s witnessed important strides in relinking India’s economy with the world economy as it saw India’s share in world trade increasing—once again a trend reversal from the experience of earlier decades. The share of trade in gross domestic product also increased steadily, and this share for the merchandise sector now exceeds 30 percent. During this decade, the peak tariff levels were

reduced from 270 percent to 35 percent and all quantitative restrictions (QRs) on imports were abolished. These developments are of fundamental importance for sustaining productivity growth.

The decade of the 1990s also witnessed a very significant acceleration in financial sector reforms—covering the banking sector and the capital markets, as well as the insurance sector. Most importantly, the 1990s were marked by a virtual elimination of financial repression, leading to the removal of the implicit taxation of financial intermediaries. From a long-term perspective, the cumulative transformation of the Indian economy has been substantial. Indeed, the Indian economy in the year 2001 was a very different one from that of the year 1991.

Further, the first generation of reforms in the 1990s has had a perceptible impact in placing the development process on a distinctly resilient footing. There are several indicators to this effect. First, the variability in the growth rate and the volatility of inflation rates, as measured by the relevant coefficients of variation (CV), have been much lower in the 1990s compared with the earlier period. Second, the traditional dependence on the vagaries of the monsoon has come down significantly, with the dramatic decline in the share of agriculture and allied activities from as much as 55 percent of GDP in 1950-51 to only 25 percent in 1999-2000.<sup>26</sup> The share of the service sector has *pari passu* shot up from 32 percent to 53 percent during the same period with information technology (IT) being a leading engine of growth for exports, employment and GNP. The remittances in the year 1999 went up to US\$12 billion or about one-fifth of total export earnings. The conventional external vulnerability indicators show a decisive improvement over the decade of 1990s. It is not a coincidence that the Indian economy could withstand the recent oil price rise and the resulting significant terms of trade losses without precipitating a crisis. In the 1970s and 1980s, oil crises invariably led to macroeconomic crises in India. This time was an exception. The oil import bill shot up from US\$6.4 billion in 1998-99

to US\$12.6 billion in 1999-2000 and further to US\$15.6 billion in 2000-01, signifying a cumulative terms of trade loss in excess of two percent of GDP. But this loss was effectively financed through higher exports and innovative financing instruments. Flexible exchange rate policies coupled with a cautious approach towards short-term borrowings insulated the Indian economy from the effects of the Asian crisis in 1997, the Brazilian crisis in 1998, and the Russian crisis in 1999.

During the 1990s India made remarkable progress toward social development and poverty reduction. The poverty ratio—the proportion of the population below the poverty line—has declined significantly in the 1990s under the impact of the first generation of reforms. Poverty estimates released by the Government of India indicate that the poverty ratio has declined from 36 percent in 1993-94 to 26 percent in 1999-2000, implying that more than 120 million people have moved up over the poverty line. However, double that number are still estimated to be below the poverty line.<sup>27</sup> This means there remains a long way to go to fully overcome the challenges of poverty.

The 1991 crisis has compelled India to deregulate industry and liberalize trade and investment. The macroeconomic reforms, outward oriented policies and improved performance opened up new opportunities for the integration of the Indian economy into the global economy. There is no doubt the overall economic reforms have generated positive results by increasing opportunities. However, the “great question” remains: Are these trends of accelerated growth sustainable so that India can meet its strategic objectives of removing poverty and playing its rightful role in the world by becoming a source of growth and stability for the global economy? Recent setbacks to India’s growth performance make the question relevant and urgent. For example, the real GDP growth rate has shown a steady decline since 1997-98, with the annual average growth rate during the last three years being less than six percent.



The growth estimates for 2002 have already been scaled down to five percent.<sup>28</sup> A quick glance into the basic data sources on the Indian economy reveal that the industrial production growth rate, which peaked at 12 percent in 1995-96, started decelerating and remained sluggish during 1997-98 and 1998-99, and was estimated to grow at merely 2.1 percent during the year 2001-2002. The gross domestic investment rate, which was 26.8 percent of GDP in 1995-96, declined to 23 percent in 1999-2000. The capital markets, an important source for mobilizing investment, witnessed a slump during the second half of the 1990s. For instance, the total number of primary issues (shares and debentures) by non-government public limited companies has declined from a maximum of 1,678 in 1994-95 to 79 issues in the year 1999-2000. The growth rate of exports, in U.S. dollar terms, fell from 22.6 percent during 2000-2001 to 1.9 percent during 2001-02. The performance of the agriculture sector is much more alarming with respect to its annual growth, which peaked at 9.3 percent in 1996-97, and is projected to be negative in 2001-02 due to a fall in the production of food grains from 209 million tons in 1999-2000 to 196 million tons. On the fiscal front, the combined fiscal deficit of the center and the states in 1999-2000 has already exceeded 10 percent of GDP—almost reaching the level of 1990-91. In fact the average fiscal deficit of 9.2 percent during the period 1997-2000 is considerably higher than the average of 7.5 percent of GDP during the period 1991-97. Similarly, the combined revenue deficit has reached 6.2 percent of GDP, exceeding the deficit level of 4.2 percent recorded in 1990-91. The ratio of central and state government debt stands at a significantly higher level of almost 70 percent of GDP. The external debt as a percentage of GDP has declined from 30.9 percent in 1994-95 to about 21 percent in 2001. However, external debt exceeding the US\$100 billion mark and declining export receipts are going to take the debt-to-export ratio to the levels that prevailed in 1991. All these indices point to the main problems confronting the economy and the likely challenges India has to face in the medium term. Thus the economy, which is entering into a decelerating phase, needs urgent

steps to restore its growth momentum in an adverse environment due to the current slowdown in the world economy.

In these circumstances, if India continues with the “business-as-usual” approach in the management of the economy, ignoring the need for an accelerated investment in infrastructure, the present economic slowdown may not only lower the growth rates to politically unacceptable levels but also lead the economy into a domestic debt trap. A recent IMF study shows the likely serious implications of this trend in the absence of fiscal adjustments.<sup>29</sup> In the absence of fiscal adjustments, the scenario projected for the year 2020 shows an exploding debt-to-GDP ratio of more than 140 percent; a current account deficit of six percent of GDP; and an overall public sector deficit of over 24 percent of GDP. In such a scenario the public debt burden would explode, leading to macroeconomic instability. Further, with the increasing size of the labor force and in the absence of investments, unemployment problems would be grave, and the resulting social tensions would undermine political stability. Clearly, therefore, the business -as-usual approach is not a sustainable growth path at all. This has to change.

Fortunately, there is a growing public awareness about the need to accelerate GDP growth. The elaborate menu of policy reforms suggested by the Prime Minister’s Economic Advisory Council in February 2001 and the Planning Commission’s “Approach Paper for the Tenth Five Year Plan” are indicative of this trend.<sup>30</sup> Moreover, at the political level the National Development Council (NDC) in India, consisting of leaders from different political parties, approved the objective of reducing poverty by 20 percent during the Tenth Five Year Plan period (2002-07) and doubling per capita income in the next ten years; it also implicitly recognized the need for accelerated reforms to achieve the growth level required to meet such objectives.<sup>31</sup> Real GDP growth rates in the range of eight to ten percent are contemplated as part of the strategy, with emphasis on measures for increasing openness, enhancing productivity and

implementing a viable plan to reduce poverty. Consequently, the strategy of a reform-led high-growth path based on second-generation reforms is receiving increasing attention.

### **Second-Generation Reforms and “Reform-led” Growth.**

Economic growth and poverty reduction require increases in investments as well as factor productivity. In order to overcome the problems of low productivity and the consequent poverty, and to achieve and sustain a double-digit growth rate, the reform process needs to be widened and intensified. Today, India is at a crossroads, with a choice to proceed either on a “business-as-usual” path or the “reform-led growth” path. The second-generation reforms will need to consist of comprehensive measures which complement each other. I will now discuss what should be the contents of these reforms.

*Macro-, Meso-, and Microeconomic Reforms.* The policy measures to be undertaken in such a reform-led growth strategy can be broadly identified as follows:

- Macroeconomic reforms that ensure increased transparency and fiscal consolidation at the central and state levels, and acceleration of the privatization process that includes redefining the role of the government in the economy. These measures will lead to the reduction of real interest rates, spur investment, and also lead to an exchange rate regime that supports trade reforms.
- Meso-economic reforms that raise efficiency, productivity, and private investment in infrastructure industries such as energy, transport, telecom, and higher education and put in place a new institutional architecture for the improved governance of the economy.

- Microeconomic reforms that promote competition in product markets, factor markets, and the services sector, by allowing free entry and freer international trade and by providing a “level playing field” to all entities.

*Macroeconomic Reforms: Improving Fiscal Health.* In the process of transforming the economy, the most important reform is improving the fiscal health of the state. In this regard the Fiscal Responsibility Bill, which is currently under consideration in the Parliament (spring 2002), provides the legal and institutional framework to ensure intergenerational equity in fiscal management and long-term macroeconomic stability. It also provides corrective measures to eliminate the revenue deficit and to reduce the fiscal deficit to not more than two percent of GDP over a period of 5 years. Thus, the bill is set to reduce the growth of public debt, prescribe a limit on debt stock, and stabilize debt as a proportion of GDP in a set timeframe. Such fiscal legislation needs to be designed so that the government’s ability to undertake counter-cyclical measures through fiscal policies is not restricted. Further, in order to bring about fiscal discipline, it is necessary to impose obligations to increase transparency in fiscal operations, reduce secrecy in budget preparation, and regularly review trends in receipts and expenditures every three months – and to place the outcome of such reviews before both Houses of Parliament. In this context the need for fiscal discipline in the state governments, whose combined expenditure is as much as that of the central government, is of equal importance. By 2000 the combined deficit of the center and the states had exceeded 10 percent of GDP, and the public debt by 70 percent of GDP. Almost 40 percent of the fiscal deficit is due to the poor condition of state finances, which needs to be rectified. Therefore the legislative initiative taken by the center needs to be followed at the level of the states as well. The outcome of such a fiscal correction would be the reduction of long-term real interest rates from the current high level of six to eight percent to three to four percent, which would reduce the cost of capital, promote investment and technological innovations, and thus

trigger a spectacular growth boom throughout the economy. Such a reduced interest rate regime would also enable an exchange rate regime that is supportive of trade liberalization.

An important area to focus on for promoting fiscal health is related to a reduction in expenditures and an increase in revenues. Both the center and the states are showering subsidies through direct budgetary expenditures or through foregone revenues. The growth in subsidies has been very high. In 1971, the total explicit subsidy provided in the budget amounted to three percent of GDP, and within three decades this share has increased four-fold, exceeding 12 percent. The merit subsidies—yielding more social benefits than social costs—are estimated to be less than one-third of total subsidies. Further, there are implicit subsidies in the form of the under-performing public sector as well as indirect subsidies through cross-subsidization. For instance, by 1998-99 the central government investment in the public sector reached about US\$63 billion. The post-tax rate of return on the investment was below three percent. If these enterprises had achieved returns comparable to efficient private enterprises, the rate of return would have been at least two or three times higher. Therefore, to reduce the subsidy to inefficient enterprises and also to release investment locked up in such enterprises, India needs to pursue privatization vigorously. Further, increasing user charges for services provided by the public sector enterprises, such as power and water, would enable the states to recover their costs, make their operations sustainable and in the long run attract private investment and release government funds. These measures would enlarge the supplies of needed infrastructural inputs and reduce their costs to the economy, thereby spurring growth in industry and agriculture.

On the revenue front, there is a need to increase the tax-GDP ratio, which is presently very low. India's tax-GDP ratio (center and states) at 14 percent in 1999-2000 was lower than other Asian countries like Korea (17 percent), Indonesia (15 percent), and

Malaysia (19 percent) . This ratio needs to be increased so as to reduce the revenue and fiscal deficits. The tax-GDP ratio needs to be increased through 1) improved tax administration by using information technology; 2) drastically pruning the tax exemptions, e.g., small-scale sector exemptions from excise taxes; 3) bringing the services sector into the value added (VAT) system of taxation; and 4) widening the tax base. An improvement of four to five percent in the tax-GDP ratio is needed.

Now let me turn to the size of the government. One of the biggest drags on India's development is increasing government expenditure, particularly the ever-increasing wage burden. Therefore, another important policy initiative would be to redefine the role of the government, reduce its size, and reduce the structure of employees' compensation. With the implementation of the recent Pay Commission decision, the public sector wage bill (government employees plus public sector employees) has increased by two percent of GDP. Besides bringing down the wage bill, a downsizing of government would also mean privatization of nonstrategic public sector enterprises, including the banking sector. Only those public sector enterprises which are strategic in nature, such as atomic energy, space and defense production, should not be permitted in the private sector. All other enterprises should be privatized.

Privatizing the existing public sector enterprises by selling them to strategic investors whether domestic or foreign can be one possible route. But this has a very limited role at least in the near future, as the political economy of India requires a somewhat different strategy for privatization from those adopted by the countries of Latin America, East Asia or Central Europe. Therefore, the process of privatization would have to be transparent and lead to an industrial structure that becomes more competitive and less concentrated. Hence the privatization process would need to ensure that major public sector undertakings such as oil companies, telecom companies and steel companies become widely held. They would

also need to be professionally managed by organizations observing the best standards of corporate governance, maximizing value for shareholders, and protecting the interest of all stakeholders (including employees, suppliers and purchasers). Such aggressive privatization will not only reduce fiscal stress but also considerably increase efficiency in the economy.

*Mesoeconomic Reforms: Infrastructure Sector.* The next wave of reforms that will be of crucial importance are the mesoeconomic reforms, i.e., sectoral reforms covering major infrastructural sectors such as energy, communications, transportation and financial sectors. Currently, all these are under the public sector and in some cases these are monopolies. Poor infrastructure is a major contributory factor to the lower competitiveness of India. The poor performance of most of these enterprises is due to managerial inefficiency and the poor realization of user charges. For instance, the massive losses of the state electricity boards are attributed to a combination of low prices for certain categories of users, like farmers, and massive leakages in distribution due to inefficiency and corruption. State road transport corporations also incur losses due to setting uneconomic prices. These have become a drain on fiscal resources, defeating the very purpose for which they have been established: capital accumulation. India requires a mammoth level of investment if it is to achieve higher growth rates in the next twenty years. The estimated cumulative investment needs in the infrastructure sector by 2022 could be in the region of US\$1.6 trillion to US\$3.6 trillion. If privatization and competition are introduced in these sectors, it would not only facilitate rationalization of prices and pave the way for efficient use of resources, but also promote investments from the private sector. Consequently, the gains to the economy are likely to be quite spectacular. Even in advanced economies such as the United States, which liberalized the transport and energy sectors over the last 20 years, efficiency gains have been as high as 10 to 15 percent of the sectoral GDP. Some studies suggest that the benefits of these mesoeconomic reforms to the Indian

economy could be as high as three to four percent of GDP per annum.<sup>32</sup> In this regard, Chinese policy that successfully leveraged infrastructure to induce foreign direct investment is an example to emulate.

*Mesoeconomic Reforms: Regulatory Institutions.* The next wave of reforms should reach the factor markets—e.g., land markets and natural resource markets such as water—as well as institutions that nurture and regulate various markets. The “mother of all markets”—the financial markets—are still vulnerable to the actions of individuals and/or small operators. The recent developments in the Indian stock markets have shown the deleterious impact of the actions of one private bank, one cooperative bank or the management of a major stock exchange.<sup>33</sup> Such impacts can be avoided only by a strong regulatory regime. In a rapidly integrating world, the risks to the stability of the financial markets get amplified if regulatory regimes are weak. To cope with such problems, reform measures must involve the banking sector, securities markets, the foreign exchange market, and the insurance sector. Such a new institutional architecture should include an independent monetary authority—independent along the lines of authority enjoyed by the U.S. Federal Reserve and the Bank of England in the United Kingdom—and a council of financial regulators consisting of the Central Bank, the Securities and Exchanges Board of India, and the Insurance Regulatory Authority for coordination and supervision of all financial markets.

The institutional reforms should also include state and quasi-state institutions as well as the judiciary and civil society. The reforms in this sector would strengthen the social capital base as well as the physical and human capital bases of the economy. Pushing policy reforms further to strengthen the physical and human capital bases of the economy requires consensus among the major players in the economy—politicians, businessmen, labor unions, social organizations, etc. Therefore, introducing measures to strengthen the social



capital base will facilitate this process. Although many leading economists are skeptical of “social capital,” coming from India, I find the concept as elaborated by Francis Fukayama quite appealing.<sup>34</sup>

*Mesoeconomic Reforms: Reforms in Education.* In addition to its intrinsic value, education is also valued for what it can do in terms of human resource capabilities. It is this sector that could make or break India. Compared to 1951, when more than four-fifths of its adults were illiterate, India reached a remarkable level of achievement by 1997, when almost two-thirds of its adult population had attained literacy. Compared to China, however, the gap is huge: with an equally large population and similar size of illiterate population in the 1950s, the PRC has now virtually eliminated illiteracy among its younger population and raised adult literacy to 80 percent. To reduce such a gap requires an enormous effort with resources on a matching scale. It is estimated that an additional amount equal to 1.9 percent of GDP would be required annually to provide schooling to those who are not currently in school.<sup>35</sup> Thus, demand for state support is going to mount pressure on the fiscal resources.

University-level education, currently funded by the state, is another area that will require huge amounts of investment in a growing economy. Currently the barriers for investment in higher education are many. These institutions face enormous constraints in terms of financial resources and operational freedom. Reforms that can attract private investment into universities and institutions of higher learning would reduce the funding burden of the state and improve the quality of their output. With these reforms and a supportive public policy on science and technology, Indian universities would have the potential to become part of a coherent framework in advancing technological innovations for economic growth. Such innovations could also contribute to the global pool of knowledge and technological progress.

*Mesoeconomic Reforms: Quality of Governance.* So far, I have discussed the need for policy reforms for economic growth, which obviously have to be promoted by the government. A critical issue that is intertwined with sustainable growth is the quality of governance. Governance encompasses a whole range of issues—from the formation of the institutions of government to the quality of the checks and balances in the relationship between such institutions on the one hand and the citizens on the other. The quality of governance directly and indirectly affects factor productivity, the general quality of life and the liberty of the people. Weak governance leads to poor service delivery and excessive bureaucratic control, thereby impeding development. It leads to the centralization of bureaucratic systems, distortions in public expenditure, the deterioration of physical infrastructure, the reduction of public revenues and increases in the parallel economy.<sup>36</sup> The state apparatus, such as the legal system and the police, come under the influence of a few people with vested interests. In India, while the role of the state has increased, its capacity to deliver has declined. There is an increasing recognition that successful implementation of reforms needs efficient institutions of governance that can deliver public services and promote policies to mitigate the negative impact of a market economy. Consequently, many states in India have initiated reforms to improve the quality of governance and introduced measures for the empowerment of the people. States like Madhya Pradesh, Kerala, and Rajasthan have introduced innovations in the fields of education and health services. Information technology is being put to intensive use to empower the people and increase quality in the delivery of services; it is also being used in the monitoring of development works. The state of Andhra Pradesh has been doing pioneering work in this regard. In some states like Rajasthan, people are empowered with the right to seek and the means to get information on public works. In states like Kerala, people are becoming involved in the local-level planning, thus increasing the stakeholders' participation in allocation decisions. A number of states are now competing to provide improved services.

This trend needs to be extended further across India. Improving governance is a key challenge to India's political system.

*Microeconomic Reforms.* Microeconomic reforms would promote competition in product markets and services. Allowing free entry into these markets and freer international trade are central for achieving sustained productivity growth. To achieve this, one of the foremost policy measures would be to reduce the tariff and investment barriers, and let the winds of international competition blow freely. Today, with a 34 percent tariff rate, India continues to have one of the highest tariff barriers in the world. India needs to accelerate its program of tariff reduction to reach East Asian levels by 2010, and the levels of the Organization of Economic Cooperation and Development (OECD) members by 2020. By that time India could also achieve tariff-free intra-regional trade in South Asia. If the quantitative trade barriers are reduced by 50 percent, it has been estimated that the gains would be 1.5 percent of India's GDP.<sup>37</sup> The complete elimination of non-tariff barriers and the reduction of tariffs will lead to even greater welfare gains. These gains could be achieved through increased allocative efficiency and would not require any new physical investment or new capital.

In the legal arena, the laws relating to competition policy, the provisions governing bankruptcy and liquidation under the Companies Act, and the provisions in the Sick Industrial Companies Act are fundamentally flawed, as these sustain systems that restrict competition and make the revival of sick companies extremely difficult. Therefore, in order to correct such a situation, India needs new competition as well as comprehensive laws on bankruptcy. The combined effect of these reforms will provide the springboard needed for further dynamic gains, particularly by attracting new investments and associated productivity growth.

The role played by the small-scale industries (SSI) sector is of vital importance due to its potential to increase employment and

reduce regional imbalances, especially in rural areas and in the non-farm sector. This sector acts as a valuable entry point for entrepreneurs who start small and grow big.<sup>38</sup> India's unique policy of reservations of certain small industrial activities and investment limits to the SSI sector prevents this sector from becoming strong, viable and able to successfully face international competition. This policy of reservations needs to be reconsidered, as many expert studies have found them to be irrational in the face of competition from imports, and concluded that such reservations have hurt export capability in many areas.<sup>39</sup> Although the SSI reservations issue is sensitive, the ambitious recommendations suggested by the Abid Hussain Committee need to be implemented in a phased manner, initially abolishing reservations for select products in which India has a strong export potential.<sup>40</sup> A reformed SSI sector, with the flexibility to increase investments, can opt for efficient technologies and grow larger networks of units that assure international buyers of quality products, adequate quantities, and timely supplies. In the background of dismantling the Multi-Fiber Agreement (MFA) regime in textiles by 2005, the recent decision to dereserve garments is timely as it removes the garment exports from textile quota protection and prepares them to face competition. This logic should apply to other products too.

In India, a major shift in attracting foreign direct investment (FDI) started with the changes in the regulatory framework of FDI in 1991. India opened up sectors previously closed to foreign investors, including power generation, followed by other sectors such as telecommunications, cable networks, etc. As a result of the changing investment climate, the net inflow of FDI shot up from US\$74 million in 1991 to US\$3.6 billion in 1997—the year in which India benefited from its highest level of FDI. However, in comparison, China also experienced a peak inflow of FDI during 1997, attracting US\$44 billion—i.e., twelve times that of India. China's share of FDI that year constituted about ten percent of the total FDI in the world. In India's case it was less than one percent. The FDI flows have a

positive impact in accelerating GDP growth in China as FDI brought in new technologies, managerial know-how and indirectly enhanced its impact by augmenting total factor productivity.<sup>41</sup> Similarly, India should tap the advantages of globalization by reducing barriers to investment through a better handling of challenges related to the investment climate. These challenges include improving the quality of infrastructure, providing sound regulation of industry, removing entry and exit barriers for the firms, and addressing the inefficiency and corruption that cause delays. Thus, if overall gains from internal liberalization, privatization of public sector monopolies and improved investment climate are also included, the benefits referred to earlier would be even more substantial. The technology revolution, based on all-purpose information technology, is going to yield manifold macroeconomic benefits through its contribution to productivity growth, followed by falling prices that encourage capital deepening and the reorganization of production around capital goods.<sup>42</sup> Therefore, if you take into account the dynamic efficiency gains arising from new investments and new technologies, supported by investment promotion policies, the gains would be truly spectacular.

In the factor markets, reforms in the labor market are very important. Although India's present labor welfare legislation for organized labor appears to have served the laudable objective of protecting employment, the actual effect has been quite the opposite as it discourages labor-intensive industries. Some of the legislative provisions discourage foreign direct investment, especially in labor-intensive industries, and put the Indian industry at a disadvantage in the era of globalization. Some of the strategies adopted by entrepreneurs make industry less competitive. Reforms in this sector are needed to balance labor interests with the need to increase the performance of enterprises. Therefore, legislative reforms that are underway should encourage labor productivity and provide employers with sufficient flexibility to reduce the volume of employment or restructure their units to reflect changes in market

conditions. They should also encourage employers to continuously update technology. These reforms would provide growth momentum to the Indian economy on the basis of increased factor productivity and capital accumulation. While the first-generation reforms focused essentially on macroeconomic policies, the second-generation reforms, with the synergetic effects of macro-, meso- and microeconomic reforms, would accelerate overall economic growth through sustained growth in total factor productivity, and thereby achieve the goal of eradicating poverty.

One may recall that the miracle economies in East Asia and China achieved high growth when their proportions of the population working were the highest, resulting in increased labor supply, increased savings and investment, and accelerated productivity growth.<sup>43</sup> In India, with a higher share of the population working, the changing demographics offer a similar opportunity now. The policy reforms in Korea and China during the last 20 years were almost synchronized with their demographic transition, and the present state of the Indian demographic transition offers a similar conjunction. Just as China and South Korea brought their dependency ratios down from over 60 percent in 1980 to the 40-48 percent range by 1999, it is feasible for India to reduce its current dependency ration of about 62 percent to about 47 percent by 2020. This could help achieve higher rates of savings, investment and economic growth. What India needs is high-velocity reforms to make use of this once-in-a-lifetime opportunity.

### **The Growth Scenario: South Asia in 2020.**

The synergetic effect of macro-, meso-, and micro-economic reforms with favorable demographic dynamics would enable India over the next two decades to achieve a GDP growth rate of eight to ten percent – similar to the one achieved by the miracle economies of East Asia and China – and raise its GDP to US\$3 trillion by 2020.<sup>44</sup> Such growth would lead to increased per capita income at least 3.5

times that of the present level. The second-generation reforms involving concerted action and radical departures from present practices would also result in the enhancement of human well-being through improved access to basic social services, especially in education, health, availability of drinking water and basic sanitation. In such a scenario the poverty ratio would likely decrease to ten percent by 2012, leading to the removal of absolute poverty by 2020. The reform-led growth would also bring India's share in world trade to a much higher level. The experience of economies like China and South Korea over the past 20 years indicates that successful economic reforms and consequent accelerated growth led to export growth of 14-15 percent every year. With intensified reforms and increased openness, the South Asian region could also attain a similar growth in its exports. Thus, the reform-led growth would likely boost India's exports from the present level of US\$51 billion to about US\$800 billion by 2020.

In the energy sector the countries in the region rely on a significant level of imports. These fuel imports constitute about 18 percent of the total value of imports into the South Asia region. The import of fuel by India and Pakistan is now in the range of 20-21 percent of the value of their respective imports. With the accelerated economic growth, there would be a corresponding increase in the demand for energy. In this regard, the International Energy Agency projections on "oil balance" indicate that India's reliance on imported oil from the Middle East is bound to grow significantly. By the year 2020 it is estimated that more than 90 percent of India's oil requirements will be met through imports that would be equivalent to more than 60 percent of Saudi Arabia's present production.<sup>45</sup> With such an increase in hydrocarbon imports, India would become a major player in the world oil market and consequently would need to develop strategic, economic and political relationships with countries in the Persian Gulf region.

In the service sector, in the 1990s India's share in the global services trade doubled from 0.6 percent to 1.2 percent, pointing to the emergence of India as an influential player in global services, perhaps similar to what China has become in manufacturing exports. We have already seen an enormous increase in India's export earnings associated with the Information Technology (IT) sector, which has grown at more than 60 percent per annum during 1992-99. The Taskforce on Information Technology has stated that "with a potential US\$2 trillion global IT industry by the year 2008, policy ambience will be created for the Indian IT industry to target for a \$50 billion annual export of IT software and IT services by this year. ..." <sup>46</sup> Although such a goal in the IT action plan sounds ambitious, the recent performance of the IT industry proves the potential of this sector. For instance, the Indian software industry, which employed 400,000 professionals by the end of 2000, has zoomed from a mere US\$20 million 10 years ago to US\$8.7 billion in 1999-2000. It is estimated that this sector is likely to employ over 2 million people by 2008. <sup>47</sup> Keeping in line with the trends in software exports, the remittances from the Indian diaspora are estimated to have increased from about US\$1.7 billion in 1991 to about US\$11.5 billion in 1999, constituting about 2.5 percent of Indian GDP. Already in the 1990s, India's share in global services trade doubled from 0.6 to 1.2 percent, while that of goods exports barely increased from 0.6 to 0.7 percent. <sup>48</sup> Thus, with the increasing contribution of the service sector, led by engineers and professionals from institutions of higher learning, on the one hand and the increased competitiveness that will follow second-generation reforms on the other, attaining sustained growth in exports is well within India's reach.

At the regional level, the need for increasing regional trade has been recognized by the countries in South Asia. The South Asian Preferential Trade Agreement (SAPTA), which started in 1993, was very cautious in tariff reduction. Under SAPTA, Bangladesh, India, Pakistan and Sri Lanka committed to establish preferential trade arrangements among themselves with respect to 300 commodities.



The constraints in its implementation are complex and numerous, ranging from the existence of poor communications and infrastructure to security concerns. But once the SAPTA is fully operational, the gains in the entire region would be substantial. Further, with the changes in the structure of the Indian economy that follow second-generation reforms, exports would be competitive due to an increase in productivity. This would help to diversify the composition of India's merchandise. For instance, exports would shift to more capital-intensive products such as textiles, software, machinery and equipment, light manufacturing, and heavy manufactures.<sup>49</sup> On the strength of increased openness associated with all these reforms and by virtue of the implementation of SAPTA, as well as other measures proposed by the countries in the region, the intra-regional trade share is expected to increase. Even if it achieves only 50 percent of the levels achieved by other regional trade arrangements in Asia such as ASEAN, whose intra-regional trade constitutes about one fifth of their total trade, the intra-South Asian trade in 2020 will be as much as US\$120 billion.

In recent years other major countries in the region such as Bangladesh, Pakistan, and Sri Lanka have also embarked upon reform programs. With assistance from international financial institutions including the IMF, Sri Lanka has initiated economic reforms to restore macroeconomic stability and develop a poverty reduction program.<sup>50</sup> Under the aegis of a new IMF facility (the Poverty Reduction and Growth Facility), Pakistan adopted an economic program in 2001 to increase growth through sound macroeconomic policies and structural reforms.<sup>51</sup> Similarly, the new government in Bangladesh is taking steps to improve governance and implement decisive reforms on the basis of a Poverty Reduction Strategy Paper (PRSP). The development partners supporting Bangladesh are prepared to increase assistance to the country in its pursuit of a broad-based program of macroeconomic stabilization and structural reforms.<sup>52</sup> Thus, with all the major countries in the region pursuing reforms at the same pace, if not faster than India, an

increasingly open and more integrated South Asian economy would be able to increase the region's GDP from the present level of US\$593 billion to as much as US\$4 trillion by the year 2020, and consequently also substantially improve the region's overall human development index score. If the world economy continues to grow at an annual rate of three percent, as witnessed during the 1990s, South Asia's regional share in world GDP would increase from the present level of only one percent to more than five percent.<sup>53</sup>

Thus by 2020, the South Asian region, with India leading on the reform front, has the potential to become one among the top four economic giants. At this juncture, given the large size of its population and its current stage of demographic transition with the consequent advantage of a low dependency ratio, the resource-poor South Asian region is uniquely positioned to promote policies for accelerated growth. These policies would build on the success of the reforms that began in the 1990s and make up for the delay of the last four decades. The South Asian countries, the latecomers in the "game" of reform-led growth, would also be in a position to tame the challenge of poverty in the coming two decades. The journey of miracle growth, which began in the late 19th century in Japan and spread to the East Asian countries and China in the second half of 20th century on a "flying geese" pattern, would now cross the Indian Ocean to make South Asia a "new growth miracle." This would make the South Asian region more prosperous, with intensified intraregional interdependence from increased levels of trade and investment flows. It would also provide the region a durable peace. Only then could South Asia play its rightful role in the world economy and global affairs.

## ENDNOTES

1. The views expressed in this paper are the personal views of the author and need not reflect the views of the organization with which he is associated. The author wishes to thank Mr. P. R. Devi Prasad, his colleague in the IMF, for his assistance in preparing this paper.

2. The World Bank, *World Development Indicators 2001*, Washington, D C: World Bank, 2001. Hereafter *WDI 2001*.

3. The surface area of the world is 133,567,000 sq. km.; of that, South Asia is 5,140,000 sq. km. The forest area of the world is 38,609,000 sq. km., with 782,000 sq. km. in South Asia. (Source: *WDI 2001*).

4. In 1999, the forest depletion as a ratio of GDP was 1.8 percent in South Asia, 1.1 percent in Sub-Saharan Africa and 0.1 percent in the world (Source: *WDI 2001*).

5. See *WDI 2001*.

6. Per capita energy figures are calculated on the basis of data from *Energy Indicators of Developing Member Countries of Asian Development Bank*, Manila: Asian Development Bank, 1994.

7. In 1995 constant U.S. dollars.

8. Data in this paragraph come from *WDI 2001*.

9. Trade data in this paragraph are sourced from *WDI 2001*.

10. ASEAN member countries are: Brunei, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

11. See *WDI 2001*.

12. *Ibid.*

13. *Ibid.*

14. Wanda S. Tseng and Harm H. Zebregs, "Foreign Direct Investment in China: Lessons for Other Countries," Washington, DC: International Monetary Fund, Policy Discussion Paper 02/3, March 1, 2002.

15. The data in this section are taken from *WDI 2001*; and United Nations Development Programme (UNDP), *Human Development Report*, New York and Oxford: Oxford University Press, various years.

16. The Mahabub ul Haq Human Development Centre, *Human Development In South Asia 2000*, Karachi and Oxford: Oxford University Press, 2000; and Moazzem Hossain, Iyanatul Islam, and Reza Kibria, *South Asian Economic Development: Transformation, Opportunities and Challenges*, London and New York: Routledge, 1999.

17. Hossain, Islam, and Kibria, *South Asian Economic Development*.

18. *WDI 2001*; and The World Bank, *India: Policies to Reduce Poverty and Accelerate Sustainable Development*, World Bank Report No. 19471-IN, 2000.

19. The Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of zero represents perfect equality, while an index of 100 implies perfect inequality. See *WDI 2001*.

20. The Gini index for Korea was 31.6. It is based on the survey of 1993. For other countries, the survey period is as follows: Bangladesh: 1995-96; China: 1998; India: 1997; Pakistan: 1996-97; Malaysia: 1997; Sri Lanka: 1995; and Thailand: 1998.

21. S. R. Hashim, "Trends in Poverty and Inequality in India," New Delhi: Planning Commission, Government of India, 1997.

22. *WDI 2001*.

23. Zoubida Allaoua, *India: Five Years of Stabilization and Reform and the Challenges Ahead*, Washington, DC: The World Bank, 1996.

24. Shankar N. Acharya, *India's Macroeconomic Management in the Nineties*, New Delhi: Indian Council for Research on International Economic Relations, 2001.

25. Ministry of Finance, *Economic Survey*, New Delhi: Government of India, various issues; *Handbook of Statistics on the Indian Economy*, Mumbai: Reserve Bank of India, various issues. See also the statistics available on the website of the Reserve Bank, available at <http://www.rbiorg.in>.

26. Data in this paragraph are taken from Ministry of Finance, *Economic Survey*, various issues; Reserve Bank of India, *Handbook of Statistics on the Indian Economy*, various issues. See also the statistics available on the website of the Reserve Bank, available at <http://www.rbi.org.in>.

27. Ministry of Finance, *Economic Survey 2001-2002*, chapter 10 (Tables 10.4 and 10.5).

28. The data in this paragraph are taken from Ministry of Finance, *Economic Survey*, various issues; Reserve Bank of India, *Handbook of Statistics on the Indian Economy*, various issues.

29. Tim Callen, ed., *India at the Crossroads: Sustaining Growth and Reducing Poverty*, Washington, DC: International Monetary Fund, 2001.

30. Planning Commission, "Approach Paper to the Tenth Five Year Plan (2002-2007)", " New Delhi: Government of India, available at <http://planningcommission.nic.in>.

31. The National Development Council (NDC) is a political body chaired by the Prime Minister, with the Chief Ministers of various states and other central ministers as members, that gives policy directions to the Planning Commission.

32. Chadda Rajesh, *Impact of Reduction in Tariff and Non-Tariff Barriers in India*, New Delhi : Tariff Commission, Government of India, 1998.

33. Following the Central Government budget presentation in February 2001, a few stockbrokers of the Bombay Stock Exchange, armed with insider knowledge, manipulated the prices of ten favorite stocks. The President of the Exchange leveraged his position to obtain price-sensitive information, which led to a payment crisis. In this episode the Madhavpura Mercantile Co-operative Bank, Ltd. (MMCB) in Ahmedabad was used by the stockbrokers, causing it a loss of Rs. 12.12 billion. The MMCB crossed its credit exposure limit, giving unsecured advances of about 68 percent of its total loans to 19 borrower accounts connected with the stockbrokers, violating the prohibition on such lending by the Reserve Bank of India.

34. Francis Fukuyama, "Social Capital, Civil Society and Development," *Third World Quarterly*, Vol. 22, No. 1, February 2001, pp. 7-20.

35. Kirit S. Parikh, *India Development Report, 1999-2000*, New Delhi and New York: Oxford University Press, 1999.

36. The parallel economy is somewhat similar to the underground economy in many countries. It popularly refers to operations of those persons/enterprises who conduct their business by employing various tax evading practices aimed at unjust

enrichment. The parallel economy, while eating away revenue owed to the government, promotes conspicuous private consumption and leads to the diversion of investments or the purchase of assets that are often undervalued.

37. Rajesh, *Impact of Reduction in Tariff and Non-Tariff Barriers in India*.

38. The evolution of policy for the development of small-scale industries stems from the Industrial Policy Resolution of 1956, which envisaged a crucial role to small-scale and village industries to generate employment, produce consumption goods and to promote regional development. The subsequent industrial policy statements have continued to lay emphasis on the development of small-scale and village industries. The main policy framework for the development of small-scale industries focused on the provision of preferential and low-cost credit from public sector banking institutions, adequate technical support for improvements in production processes, market support through preferential treatment in government purchases, the reservation of items for exclusive production in the small-scale sector, providing infrastructural facilities through industrial estates, and enhancing the managerial and technical skills through training programmes. It is estimated that there are about 3.2 million small-scale industrial units spread throughout the country, providing employment to about 17.5 million persons. It has maintained a significant growth in employment even when there has been almost stagnant employment generation in the large-scale industrial sector.

39. Planning Commission, "Approach Paper to the Tenth Five Year Plan (2002-07)." ."

40. Abid Hussain, "Expert Committee Report to Develop Small and Medium Enterprises," New Delhi: Planning Commission, Government of India, 1995. The committee was appointed by the Government of India to recommend policy options for development of small and medium scale enterprises to make them viable and efficient units in the light of technological changes and increased level of international competition.

41. Tseng and Zebregs, "Foreign Direct Investment in China: Lessons for Other Countries."

42. International Monetary Fund, *World Economic Outlook, October 2001: Fiscal Policy and Macroeconomic Stability*, Washington DC: IMF, 2001.

43. In 1980 Korea had a dependency ratio of 61 and China of 67, which came down to 45 and 50 percent, respectively, in the year 1990. See Table 1B.

44. Projections in the International Energy Agency's (IEA) *World Energy Outlook 2000*, forecast India's share to be 5.9 percent of the world GDP of US\$67.3 trillion in 2020 (in terms of US\$1990 purchasing power parity, PPP) . In absolute terms, it works out to US\$8.76 trillion. By the same year China is projected to achieve a 20.8 percent share of world GDP. The IEA assumes substantial progress in reforms, especially in the oil sector, attracting more foreign direct investment. International Energy Agency, *World Energy Outlook 2000*, Paris: OECD and IEA, 2000.

45. Oil demand is currently rising at six to eight percent per year, and it will reach five million barrels per day in 2020. IEA, *World Energy Outlook 2000*.

46. The National Task Force on Information Technology and Software Development (constituted under the authority of the Office of the Prime Minister) . Report available at <http://it-taskforce.nic.in>.

47. Jeffrey D. Sachs, *et al.*, *India in the Era of Economic Reforms*, New Delhi and New York: Oxford University Press; and IMF, *India: Recent Economic Developments*, Washington, DC: IMF Staff Country Report No. 00/155, available at <http://imf.org/external/pubs/ft/scr/2000/cr00155.pdf>.

48. Devesh Kapur, "The Role of India's Institutions and Economic Performance," conference paper, American Political Science Association annual meeting, San Francisco, August 2001.

49. The World Bank, *South Asia's Integration into the World Economy*, Washington, DC: The World Bank, 1997.

50. International Monetary Fund, Press Release No. 01/16, April 20, 2001, available at <http://www.imf.org/external/np/sec/pr/2001/PR0116.htm>.

51. The "Letter of Intent" (LOI) of the Government of Pakistan, dated November 22, 2001, lists program components which, if implemented, would speed up the reform process. The program components focus on the following: tax reforms, streamlining civil services, trade liberalization, market liberalization in the agriculture and energy sectors, liberalization of the financial and foreign exchange regimes, and restructuring state-owned companies. The LOI is available at: <http://www.imf.org/external/np/loi/2001/pak/04/index.htm>.

52. The World Bank Group, News Release No. 2002/242/SAR, March 15, 2002.

53. As indicated in note 38, the IEA's *World Energy Outlook 2000* forecasts India's share alone to be 5.9 percent of world GDP.



## CHAPTER 6

### DEMOGRAPHIC FORCES IN SOUTH ASIA THROUGH 2050: POPULATION, ECONOMY, AND HEALTH

**Shripad Tuljapurkar**

#### **Introduction.**

This chapter surveys trends in demography and related aspects of human capital and economic change in China, India, and Pakistan centered on the start of the 21st century. Although this chapter is concerned with South Asia, it is motivated by questions—security, strategic balance, alliances—that make it essential to include China in order to provide context and comparison. The first goal of this chapter is to describe the large demographic shifts that have occurred and continue in these three countries, and to describe their implications for policy. The second goal is to describe some changes in aspects of human capital and economic change, particularly literacy, employment, and infrastructure. This chapter does not directly address strategic questions but rather the backdrop against which those questions need to be examined. The chapter concludes with a summary of the factors and trends considered here and their likely impact on the future of India and Pakistan.

The chapter begins with discussions of fertility and mortality change and their trends and forecasts. Mortality change is closely tied to health status, and this connection is briefly discussed. Given these changes, the chapter considers age structures today and their changes over the next 50 years. The focus is on features that are not commonly appreciated, including the certain prospect that the growth rates of important age segments will change dramatically over the coming decades. The chapter then turns to literacy and

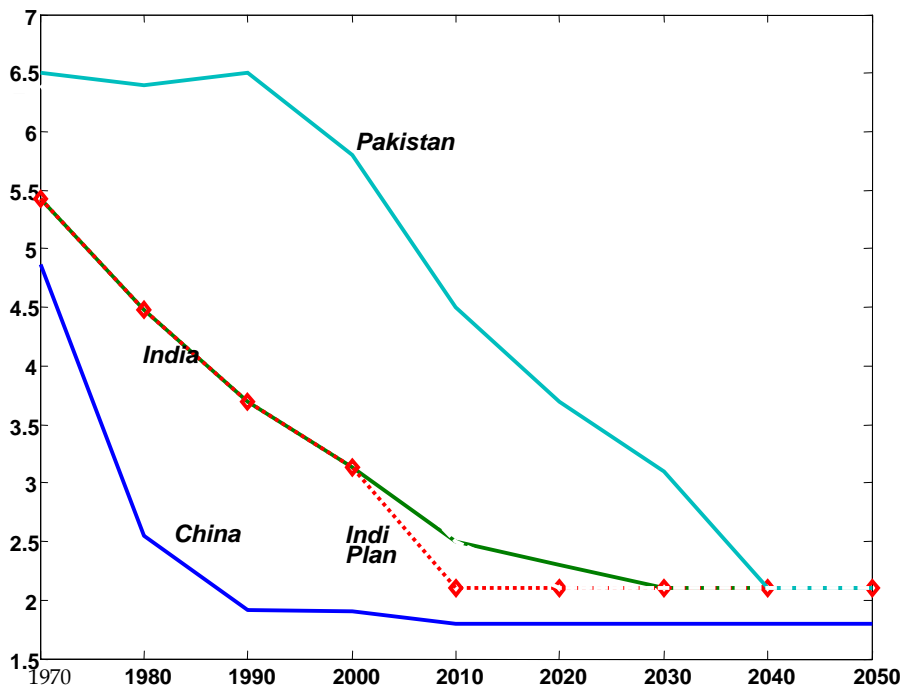
education, which are the important elements of human capital, and considers trends and projections of these and the differences to be expected across the region. Next, the chapter considers labor force, employment, Gross Domestic Product (GDP), and some related indicators of economic capacity. The final section summarizes the overall outlook suggested by the factors that are discussed below.

The discussion here relies on a range of sources but an effort is made to point out the limitations of the data and analyses where necessary.

### **Fertility Decline.**

It is now commonplace to observe that in 2000 China and India together make up nearly a third of the global population, up from about one-fourth in 1950.<sup>1</sup> This relative growth was the result of many decades of relatively high fertility in both countries. Yet the past three decades have seen a substantial and sustained decline in fertility in China and India, and Pakistan appears to have begun a fertility decline as well in the past few years. To indicate the trends, a useful summary measure of fertility in any year is the Total Fertility Rate (TFR), which is essentially the total number of children that an average woman would have in her lifetime—if she were to live her life in the conditions of that year. It is obvious that fertility is at a “replacement” level if every woman has a TFR of about two, which will result in a population staying roughly constant in number.

In all three countries, efforts have been made to reduce the TFR from a high value of about six in the early 1950s towards replacement—Figure 1 shows the trends and forecasts for all countries. In this and other cases, the forecasts used here are taken from the World Bank projections;<sup>2</sup> these are largely similar to those of the United Nations (U.N.). Between 1970 and 1990, China made a remarkably quick transition to replacement TFR via the one-child policy, and its TFR has since fallen below replacement to near 1.8,



**Figure 1. Total Fertility Rate (TFR) Past and Present.**

India's TFR has fallen at a slow but steady pace since 1970, and is currently about 3.2. (In this chapter the word "about" is used to qualify values that have margins of error of a few percent but where it is unwise to be more precise without a great deal of additional detail.) In Pakistan, fertility has been resistant to change: several past studies have declared that TFR is falling, only to be followed by subsequent measurements that show TFR to still be at a high level.<sup>4</sup> It now seems fairly certain on the basis of several independent assessments that Pakistan's TFR, currently the highest of the three countries at about 5.7, has finally started to decline.

Figure 1 also shows projections of future fertility, partly based on assumptions by the World Bank. China is shown at a TFR of 1.8 for the next 50 years, which is lower than World Bank estimates. William Lavelly discusses the problems of correctly estimating current TFR from Chinese census data which are subject to "adjustment" for official purposes.<sup>5</sup> A value of 1.8 or lower for TFR seems likely for several reasons: informal indications are that China's TFR has fallen below replacement; China's policy commitment to the one-

child policy has been firm in recent years; and urban TFR and rural TFR in the majority Han population are declining or steady. It is possible that TFR will be unstable over time as the last large cohorts of only children hit their childbearing years, and as China experiences economic cycles, but the level of TFR seems certain to stay low. Regional variation in China's TFR is smaller than in the other countries – there is higher rural fertility than urban but only by half a child or so. The minority Chinese populations are permitted to have more than one child and often do, but their contribution is small and even their fertility is following the national trend.<sup>6</sup>

India's TFR has been declining for decades, accelerated by increases in literacy, educational attainment, and contraceptive use.<sup>7</sup> The government now has a formal population policy that includes a commitment to reach replacement TFR by 2010. Uncertainty about this goal is due to the well-known problem of the "BIMARU" (sick) states of Bihar, Madhya Pradesh, Rajasthan, and Uttar Pradesh, where high TFRs of well above four are coupled with low literacy and high mortality. The Planning Commission of India appointed an Expert Panel that made projections in 1996 which are based on excellent demographic analyses, and they predict that these problem states will not reach replacement until about 2030. But the remaining states should reach a TFR of 2.1 by 2015 or 2020 – this without any impetus from a national policy. An overall target of 2010 to 2015 is optimistic but may well be achievable with political consensus.

Pakistan's TFR is now falling and analyses of fertility transitions in other countries suggest that rising literacy, declining mortality and increasing contraceptive use are likely to lock the trend into place.<sup>8</sup> The rate of decline shown for Pakistan in Figure 1 is that assumed by the World Bank in their latest projections and is similar to what the U.N. Population Division assumes. It is clear that the assumptions for Pakistan parallel what happened in India but with decline accelerated by about a decade. However, there is substantial uncertainty about Pakistan's future TFR: the economic environment

has had a definite effect in the past, and continued steady growth is probably necessary to achieve the projected TFR. Also, there is a great deal of variation between urban and rural populations, and between provinces. Of the forecasts in Figure 1, then, the one for Pakistan is most uncertain; the other two are well-supported but remain uncertain with regard to level and timing. In practice, it is best to visualize the uncertainty in projected TFR in terms of an uncertainty “band” around the projected values: over the period shown in Figure 1, we may rely on other analyses to argue that the width of such a band will be about 0.5 for China, 0.75 for India, and 2.0 for Pakistan.<sup>9</sup>

### **Mortality and Health.**

The three countries have also experienced mortality declines in the past three decades. Table 1 displays two standard measures of mortality: infant death rates per 1000 live births and life expectancy for each of the specified years. The values in Table 1 are for both sexes combined, and include the U.N. projection for 2050. For comparison, note that in the year 2000 the values for the United States are an infant mortality of seven and a life expectancy of 77.5 years.

It is clear from Table 1 that China has made rapid progress in reducing mortality in the past decade, that India and Pakistan have also made regular progress but at a slower rate. The numbers for Pakistan are probably close to those for India. It is worth noting that the projected values for India and Pakistan may be too pessimistic. Recent data from India (from a large national sample, the Sample Registration System<sup>10</sup>) indicate that declines in infant mortality were slow in the 1990s but have speeded up in the past few years. Experience with long-term analysis of mortality change in other countries suggests that long-run rates of mortality decline can provide a better assessment of prospects than short-run slowing down or speeding up—on this argument, the long-run prospects

may be comparable in the three countries.

Year	Infant	Life	Infant	Life	Infant	Life
	Death	Expectancy	Death	Expectancy	Death	Expectancy
	China		India		Pakistan	
1990	43	68.4	80	57.2	106	56.7
1995	35	69.9	74	60.6	93	59.1
2000	29	71.4	65	62.5	82	61.1
2050	13	79.0	25	75.4	36	73.7

Sources: World Bank, *World Population Projections: Estimates and Projections with Related Demographic Statistics*, Baltimore: published for the World Bank by Johns Hopkins University Press, 1994; United Nations, *World Population Prospects: The 2000 Revision*, New York: The UN, 2001.

**Table 1. Infant Mortality and Life Expectancy.**

In all these countries, the decline in infant mortality is a useful indicator of the effectiveness of health policy aimed at child health. Assessments of the health care systems in India and Pakistan by the World Bank show that poor nutrition remains a widespread problem for young children (under 5 years) in both countries, and also among low-income women and mothers.<sup>11</sup> India has made substantial efforts to immunize children against communicable and infectious diseases, which probably accounts for the lower infant mortality rate as compared to Pakistan. But facilities such as safe drinking water and ready access to low-cost primary care remain a challenge. The public health sector in both countries is large but relatively inefficient, and the private health sector is focused on high-income groups.

The other numbers in Table 1 are the expectation of life at birth as computed from the age-specific probabilities of death in a given year. These values are correlated with infant mortality, but they also depend strongly on mortality conditions of children between the ages of 1 and 15, and of older adults at ages 45 and up. Here, too, it is

clear that China has much lower levels of mortality, with India and Pakistan showing much higher and similar mortality. For many years in India and Pakistan, female mortality at all ages was atypically higher than male mortality (relative to all industrialized countries). This differential was clearly related to the lower status, lower economic capacity, and poorer health conditions of women. But the differential has narrowed and female mortality has been falling faster than male mortality over time in both countries.

A potentially large impact on mortality in all three countries will result from the spread of HIV through the sexually active population. In India, there is wide public and official recognition of the issue, and a reported 3.5 million infections exist in 2000. The Indian government has a policy to treat infected cases and reduce the spread of new infections. India is also in the unusual position of having a strong local pharmaceutical industry that is active in the production of antiviral drugs and other treatments. In Pakistan, there are few reported infections, but the country certainly is vulnerable to the spread of HIV. Given the experience of other societies, including India, there is reason to think that HIV may spread to a large number of people before it is officially recognized as a problem in Pakistan. In China and India, HIV will produce a sizeable lowering of the projected life expectancy, perhaps by about 3 years by 2025. Much of this increased mortality will be felt among the younger male population, not overall.

All three countries report unusually high male-biased sex ratios at birth. In a population without a strong bias towards male children and against female children, good data show that the sex ratio at birth is 105 males to 100 females. Natural (genetic, environmental) variation around this ratio is small. So a population in which this ratio is significantly different is almost certainly one where females are "missing." They may simply be missing from official counts because people do not report them when they are very young, or really missing because of infanticide, sex-selective abortion, and so

on. It is well known that the sex ratio at birth in China has been increasing rapidly since the advent of the one-child policy and is now about 122. In India the data are consistent with a ratio of about 110.<sup>12</sup> Pakistan's sex ratio is in the same range as India's.<sup>13</sup>

This sex-ratio bias is an indicator of the low status of women, and can be traced to higher female than male infant mortality rates and abortion rates. The implications of these unbalanced sex ratios for the condition of female infants are grave. Aside from that, there will be a shortage of females in the marriage markets in these countries over the next few decades. We may hope that the impact of this imbalance on female status and roles will be positive.

### **Population Age Distributions.**

Fertility and mortality together determine population age structure, which can be summarized in a population pyramid showing how many (or what proportion of) people there are at different ages. In any given year, the population structure of a country is a summary and reflection of the history of fertility and mortality rates in past years. In some countries, like the United States, immigration is an added and important factor, but it is not important for the countries we discuss here. Figures 2 and 3 show population structures for the three countries in the 1990s. China's structure shows dramatic variation with respect to age. There is a population "bust" between ages 30 and 40—this is the signature of the Great Leap Forward and famine of the late 1950s and early 1960s. A second "bust" is centered at age 15 and reflects the one-child policy starting in the 1980s. The relative "boom" just below age 10 was generated by the "bulge" of people shown at age about 30—these were the cohorts sandwiched between the Leap and the one-child era. India shows just the one sizeable "bust" at ages 5 and below, reflecting the sizeable decline in TFR in just the past decade. For Pakistan (Figure 3), where the TFR decline has barely begun, the age structure shows only a steep decline with age. The shape of the



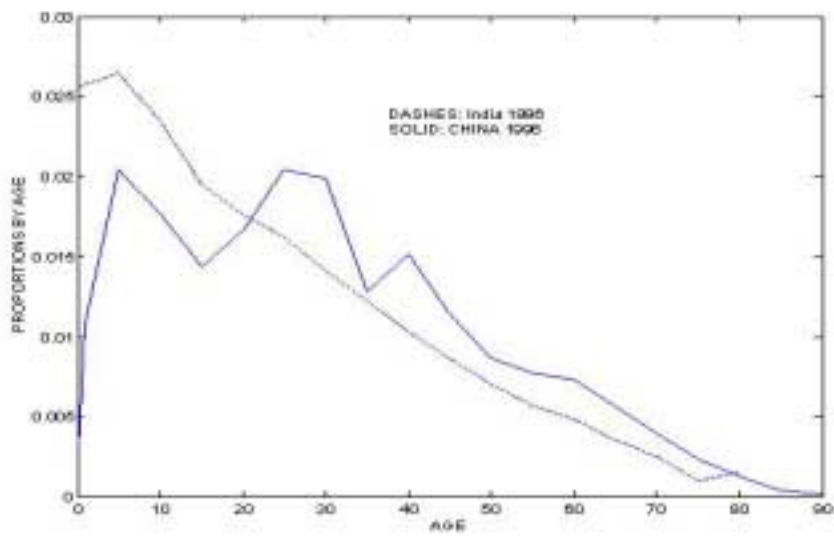


Figure 2. Age Structures Compared: China and India.

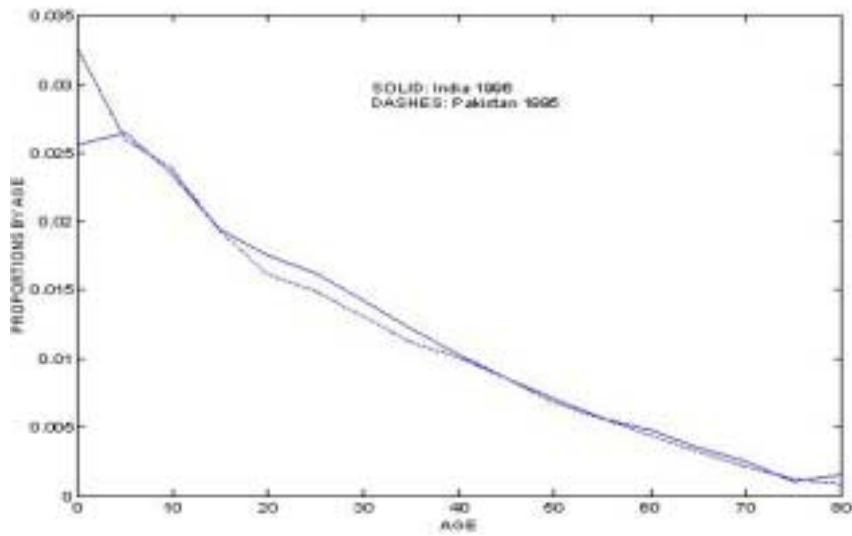
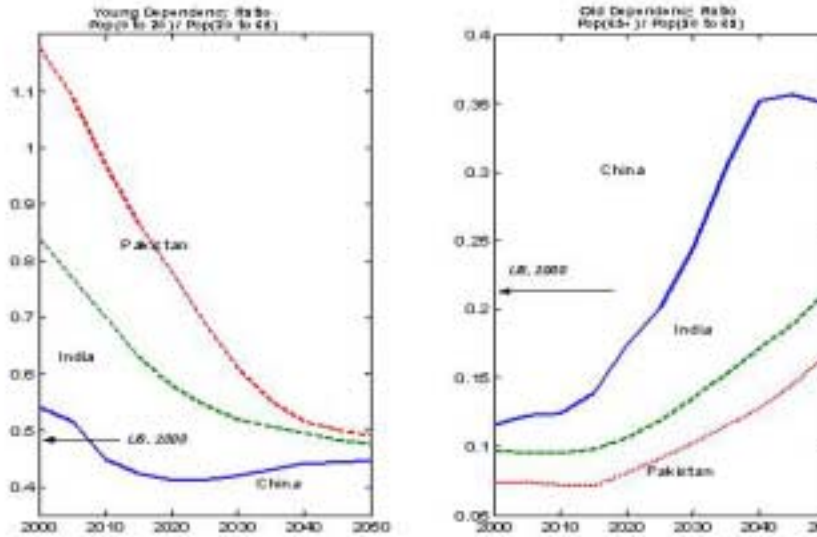


Figure 3. Age Structures Compared: India and Pakistan.

age structure in Pakistan reflects the classical pre-transition demography of high fertility and mortality. During a demographic transition, fertility declines result in baby “busts” that are inevitably followed some years later by “echo” baby booms. Mortality decline is also a characteristic of demographic transition, and results in a longer-lived population so that the old-age tail of the population structure elongates. For populations in transition, the age structure will be noticeably variable with peaks and troughs at different ages.

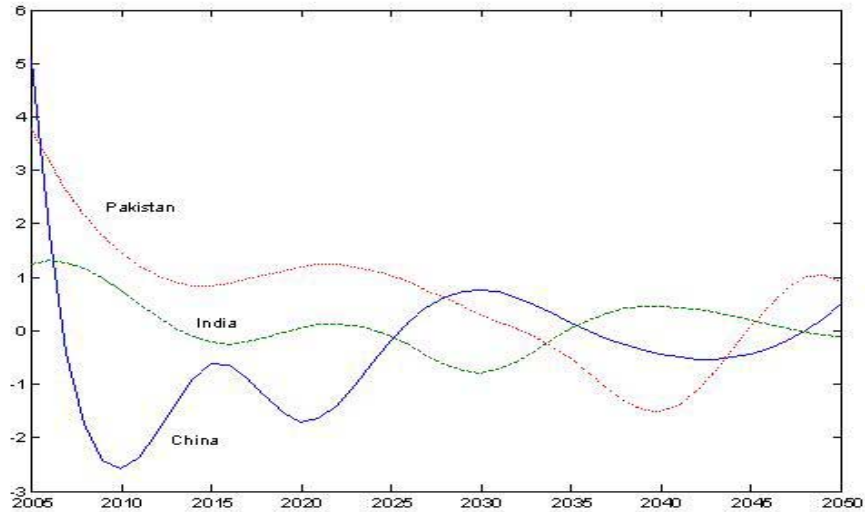
*Projections.* The World Bank projections (used below) and U.N. projections rely on the fertility and mortality projections discussed above. As fertility and mortality fall, the population structures will start to flatten at the younger ages (as birth rates decline) and display increased weight at the highest ages (from increasing life expectancy). The economic consequences of these trends are substantial. One way of assessing the trends is in terms of dependency ratios—ratios of the number of young (under 20) or old (over 65) people to the nominal labor force (people 20 to 65). Figure 4 shows the projected dependency ratios for all three countries, with the U.S. 2000 values marked in for context. The dependency ratios are a good indicator of “support” burdens—the fraction of labor wages earned by the 20 to 65 age segment that is needed to support the young and the old. Economists use the term “transfers” to describe such expenditures from private and public sources. Clearly, lower transfers imply that a higher fraction of labor income is available for increased consumption or savings, and thus imply a higher contribution to economic growth.

Figure 4 shows that the total dependency ratio (adding the displayed fractions in the two panels) should decline substantially over time in both India and Pakistan, by as much as 30 percent. This decline represents a major demographic window of opportunity during which effective government policy can stimulate savings rates and economic growth. Successful examples of such economic stimulus include many East Asian countries.<sup>14</sup>



**Figure 4. Young and Old Dependency Ratios Projected into the Future.**

A different perspective on the economic potential of demographic change is obtained by examining projected rates of change in age segments. Consider just one example, the age group 15 to 20, which includes persons who are completing education and preparing to enter the labor force. This age segment is an important focus for government policy in terms of education, occupational training, creation of jobs, and so on. Figure 5 shows projected annual percent-age changes for the 15 to 20 age segment in the three countries. Note that India and Pakistan will experience a substantial decline in the growth rate of this segment of the young population, with long periods when the growth rate will be zero or slightly negative. For governments, such declines represent both an opportunity – because, for example, expenditures on education will not have to increase forever and may be freed up to spend on other priorities – and a challenge, because resources will need to be allocated in an efficient manner to anticipate changing needs. These structural shifts will be a serious preoccupation of government, education, and business over the coming decades.



**Figure 5. Projected Annual Percentage Change by Age Group: 15 to 20 years.**

### **Human Capital and Labor.**

We now turn to a comparison across the three countries of some elements of human capital and labor. A useful basic index of human capital is literacy, which has been rising in all three countries especially in recent years. Table 2 displays the percentage of the population of each sex that is illiterate.<sup>15</sup> Literacy is on the rise most rapidly in China, while India and Pakistan still have substantial percentages of the population illiterate. There is a substantial difference favoring males over females in all countries, but it is especially large in Pakistan. More detailed assessments show that in India literacy is rising far more rapidly at the youngest ages and in the past few years, whereas World Bank data show that Pakistan is still making only slow gains in this area.<sup>16</sup> Both India and Pakistan are characterized by large rural-urban differentials in literacy, although the differences in India are declining somewhat.

<b>Female 15+ Illiterate Percent</b>					
	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
China	27	26	25	25	24
India	58	58	57	56	55
Pakistan	73	72	71	70	69
<b>Male 15+ Illiterate Percent</b>					
	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
China	10	10	9	9	8
India	34	34	33	32	32
Pakistan	44	43	42	41	40

Source: United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), information available online at <http://www.unescap.org/stat/statdata/apinfig.htm>.

**Table 2. Illiteracy Percentages.**

	<b>Pre-Primary</b>	<b>Primary</b>		<b>Secondary</b>		<b>Tertiary</b>	
	<b>1997</b>	<b>1980</b>	<b>1997</b>	<b>1980</b>	<b>1997</b>	<b>1980</b>	<b>1997</b>
China	28	113*	123*	46	70	2	6
India	5	83	100	30	49	5	7
Pakistan	16	40	--	14	--	2	4

\*Note: percentages over 100 are possible because these percentages are relative to specific target ages, and can exceed 100 percent if children at older ages are enrolled in a given category.

Sources: United Nations (UNICEF) data available online at <http://www.unicef.org/statis/>; and Vinod Ahuja and Deon Filmer, "Educational Attainment in Developing Countries: New Estimates and Projections Disaggregated by Gender," Policy Research Working Paper No. 1489, Washington, DC: World Bank, 1995.

**Table 3. Enrollment Percentages.**

Education per se at primary, secondary, and higher levels is also on the rise. Data in Table 3 show rapid increases in primary enrollments in China and India.<sup>17</sup> Pakistan is moving much more slowly towards increased enrollments—the sources above provide no estimate for Pakistan in 1997, but informal accounts suggest that there has been only modest change since 1980. Secondary enrolments are also rising rapidly in China and India, much more slowly in Pakistan. India is at about seven percent enrollment in higher education, compared to about six percent for China, reflecting a historical emphasis on higher education in India. Pakistan is at about four percent at the tertiary level. There are significant male-female differences in enrolment, and these are projected to persist by the World Bank and other agencies even though there are efforts underway to change this.

The growth rate of the potentially employable labor force is a matter of the supply of people in different age segments. But actual employment remains dominated by agricultural employment in all three countries. Table 4 shows the numbers of persons employed in non-agricultural jobs (formal employment), the percentages employed in agriculture, and the percentages of females employed. Missing entries are reported as unknown by the UN. Sample surveys in India show that labor force participation rates (including agricultural work) are higher in rural males than urban males at ages through 25—there are a rather large absolute number of young unemployed males in urban India.<sup>18</sup> Socially this is and will remain a challenge. These studies also show that labor force participation remains high through age 60 years—higher than is now typical in the rich industrialized countries. Historical data show that India's overall participation rates have stayed roughly constant for nearly 20 years—this translates into the observation that India has successfully added work opportunities in proportion to the growth in its work force.

<b>China</b>		<b>1980</b>	<b>1990</b>	<b>1998</b>
Pop. employed, non-agricultural (entities with > 10 employees)	Thousands	19,930	63,350	40,719
In agriculture	Percentage	68.7	60.1	50.1
Female Labor force	Percentage	43.2	---	---
<b>India</b>				
Pop. employed, non-agricultural (entities with > 10 employees)	Thousands	241,534	315,152	360,713
In agriculture	Percentage	69.7	64.0	---
Female Labor force	Percentage	27.2	---	---
<b>Pakistan</b>				
Pop. employed, non-agricultural (entities with > 10 employees)	Thousands	24,606	30,180	34,590
In agriculture	Percentage	52.7	46.79	47.25
Female Labor force	Percentage	10.4	11.39	13.92

Source: United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), information available online at <http://www.unescap.org/stat/statdata/apinfig.htm>.

#### **Table 4. Employment.**

Employment data for China are varied and hard to interpret consistently.<sup>19</sup> At an aggregate level, unemployment is about eight percent in urban China (an “official” figure of about 3.5 percent is artificially low because it does not include laid-off workers). Rural unemployment in China is thought to be massive—even official reports say that there are 100 to 150 million unemployed in rural

areas now, with a possible rise to two or even three times that number over the next two decades. Large numbers of the rural unemployed form a transient “floating” population that finds occasional work in urban areas. China’s entry into the World Trade Organization (WTO) may exacerbate the problems of unemployment.

Finally, we consider the economic status of workers in all three countries. Table 5, from a study by H. Dagdeviren *et al.*, shows the per-capita income for all three countries in the 1990s.<sup>20</sup> There is some trend information in the World Bank’s Development Indices,<sup>21</sup> but the essential comparisons have not changed. The third column of Table 5 displays the Gini coefficient—this is given here on scale from 0 (perfect equality) to 100 (perfect inequality), and is estimated from a set of aggregate indicators and an assumed functional distribution. The last column of Table 5 gives the proportion of the population that is below the poverty line of US\$1 per day. China has the highest Gini coefficient and thus the highest wage inequality, but lies between India and Pakistan on the percentage of poor. India and Pakistan have a similar level of inequality, but there are far more poor in India.

		<b>Per Capita Income US\$</b>	<b>Gini Coefficient of Income Inequality</b>	<b>Percent Population Living on &lt;1 US\$ Per Day</b>
China	1995	972	41.5	22.7
India	1992	460	32.0	47.9
Pakistan	1991	850	31.2	11.8

Source: H. Dagdeviren, Rolph van der Hoeven, and John Weeks, “Redistribution Matters: Growth for Poverty Reduction, ” International Labor Organization Working Paper, Geneva: ILO, 2001.

**Table 5. Income and Inequality.**



## **Conclusion.**

We have seen that demographic changes will reshape the population age distributions in South Asia and in China over the next few decades. India's population structure already reflects the first major change, as the youngest age cohorts are the smallest that have been born for many decades. Pakistan's fertility has begun to fall but remains much higher than India's. Mortality has improved in both countries and should continue to do so at roughly similar rates. It is clear that India can look forward to a demographic "bonus" as the growth rate of its youngest members declines, freeing up resources for additional investments in literacy, education, and capital investment. If Pakistan stays on course with fertility decline, a similar change should occur there but delayed by a decade or two.

Both India and Pakistan evince substantial differences between men and women in terms of mortality, literacy, educational enrollment and employment rates. These differences are much stronger in rural than urban segments of both countries. But in India they are also regionally concentrated. Reduction of these differences is going to remain a challenge for government and non-governmental organizations (NGOs) in the coming decades. These differentials are also a source of political and social tension and potential instability. For example, a large unemployed population of young people is a segment of population susceptible to political manipulation.

India has achieved relatively high rates of secondary and tertiary education that should enhance its labor force and economic performance in the coming years. Pakistan is clearly in need of stronger initiatives in these areas, because it lags far behind at all levels of education. Labor force participation rates for the population as a whole appear to be roughly comparable in the two countries. In both education and employment, women remain strongly disadvantaged relative to men in both countries.

India and Pakistan have made progress in the economic welfare of their people. Pakistan enjoyed a period of rapid growth in the early 1990s, but this has slowed substantially in recent years. Economic progress is sensitive to the political instability that seems to have a more episodic nature in Pakistan. The absolute numbers of poor people have declined in both countries, and Pakistan has fewer truly poor people than India does, even though their income distributions appear to be similarly unequal. There is an ongoing debate about the relative importance of redistribution vis-à-vis growth as a path to reducing poverty, but it is likely important to use both policies so as to increase the overall size of the economic pie while also trying to divide it in a reasonable way.

## ENDNOTES

1. For the numbers, see e.g., United Nations, *World Population Prospects: The 2000 Revision*, U.N. Publication ST/ESA/SER.A/198, 2001.

2. World Bank, *World Development Indicators, 1996* and *World Development Indicators, 2000*, Washington, DC: World Bank, 1996 and 2000, on-line and CD-ROM.

3. William Lavelly, "First Impressions of the 2000 Census of China," unpublished paper, University of Washington, 2001, available at <http://csde.washington.edu/pubs/wps/01-13.pdf>.

4. Zeba A. Sathar and John B. Casterline, "The onset of fertility transition in Pakistan," *Population and Development Review*, Vol. 24, No. 4, December 1998, pp. 773-96.

5. Lavelly, "First Impressions of the 2000 Census of China."

6. Griffith Feeney, "Fertility in China: Past, Present, Prospects," in Wolfgang Lutz, ed., *The Future Population of the World: What Can We Assume Today?* Laxenburg, Austria: Institute for Applied Systems Analysis, 1994; Gerhard Heilig, "Can China feed itself?" electronic publication, International Institute for Applied Systems Analysis (IIASA), available at [http://www.iiasa.ac.at/Research/LUC/China\\_Food/about\\_1.htm](http://www.iiasa.ac.at/Research/LUC/China_Food/about_1.htm); and Lavelly, "First Impressions of the 2000 Census of China."

7. P. N. Mari Bhat, "India's Changing Dates With Replacement Fertility: A Review Of Recent Fertility Trends And Future Prospects," United Nations Expert Group Meeting On Completing The Fertility Transition, New York, March 11-14, 2002, available at <http://www.un.org/esa/population/publications/completingfertility/completingfertility.htm>; and Tim Dyson, "On The Future Of Human Fertility In India," United Nations Expert Group Meeting On Completing The Fertility Transition, New York, March 11-14, 2002, available at <http://www.un.org/esa/population/publications/completingfertility/completingfertility.htm>.

8. John Bongaarts and Susan C. Watkins, "Social interactions and contemporary fertility transitions," *Population and Development Review*, Vol. 22, No. 4, December 1996, pp. 639-82, 813, 815-6.

9. Shripad Tuljapurkar, "Taking the Measure of Uncertainty," *Nature*, Vol. 387, 1997, pp. 760-761.

10. The Sample Registration System (SRS) is a large scale demographic survey conducted in India since 1970. Further information is available at the Census India website, <http://www.censusIndia.net/srs21.html>.

11. The report is available on the web at <http://lnweb8.worldbank.org/sar/sa.nsf>.

12. This is the assumption used by the Indian Planning Commission's expert committee on demographic projections. See Planning Commission, "Population projection for India and states, 1996-2016."

13. For further details, see Shripad Tuljapurkar, Nan Li, and Marcus W. Feldman, "High sex ratios in China's future," *Science*, Vol. 267, 1995, pp. 874-876, and references therein; and Monica Das Gupta, Lee Sunhwa, Patricia Uberoi, Wang Danning, Wang Lihong, and Zhang Xiaodan, "State policies and women's autonomy in China, India, and the Republic of Korea, 1950-2000: lessons from contrasting experiences," World Bank Policy Research working paper WPS 2497, 2000, available online by search at <http://www.wds.worldbank.org/>.

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15. Data in this section are based on UNESCAP tables, supplemented by World Bank estimates and some country studies as noted; the 2000 numbers are ESCAP projections and not very accurate. See World Bank, *World Development Indicators*; and United Nations Economic and Social Commission for Asia and the

Pacific (ESCAP), Statistics Division, available at: <http://www.unescap.org/stat/statdata/apinfig.htm>.

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**Part III**

**NUCLEAR WEAPONS AND  
REGIONAL SECURITY**

## CHAPTER 7

### **BOMBS IN SEARCH OF A MISSION: INDIA'S UNCERTAIN NUCLEAR FUTURE**

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It is our contention that India's nuclear future may be impossible to predict with any confidence. At best, it might be possible to set forth a range of futures and develop policy recommendations, but it would be unwise to assume that even a straight-line projection of the present will yield a reliable vision of the future.<sup>1</sup> This conclusion has two important implications. The first is that policies made now on the basis of a fixed vision of the future are as likely to be proven irrelevant or misguided as they might be correct. The second is that the wide range of possible futures, and the uncertainty as to which will materialize, should lead to a degree of humility among analysts and policymakers. Low risk and low cost (if things should go wrong) policies should be favored.

Our skepticism about the ability to foresee the future is based, in part, upon our understanding of past efforts. Outsiders and regional experts had been predicting the nuclearization of South Asia for decades, yet when it came, it was still a surprise. Then, it was widely assumed that having "gone nuclear," India and Pakistan could no longer engage in armed conflict. Indeed, some argued that the possession of nuclear weapons by both states would freeze their hostility, and that time would eventually lead to a reconciliation of their outstanding differences. These expectations have proven false: India and Pakistan did become embroiled in a military conflict of significant proportions in 1999, and despite their declared nuclear

status, they seem to be no closer to a real accommodation now than they were before Kargil, or before the series of nuclear tests each conducted in 1998. The military buildup and confrontation that occurred after the attack on India's parliament on December 13, 2001, confirms this assessment.

However, this analysis is also based upon our understanding of the complexity of the India-Pakistan nuclear dyad. It is unlike the Cold War nuclear standoff, or any other nuclear "set." Neither the European case, nor that of Israel, nor that of China provides many clues as to the future direction that India and Pakistan will take in their nuclear programs and how those programs will contribute to peace and war in South Asia. Nor is the India-China nuclear equation well-understood. Finally, we argue that the region's two nuclear relationships may also be transformed if key variables at the global and regional levels change significantly.

This chapter first presents a "baseline" projection of the current strategic status of the region, briefly examines ideal-type alternatives within which we might expect to locate India's posture in 2020, and then shows how variations in each component of the baseline posture might shape actual outcomes. In these projections, we try to exhaust the likely (and unlikely, but important) alternative futures. A final section offers a few comments on the policy implications of our analysis.

### **Baseline Projection: The "Expected" Future.**

Many expert observers of India's nuclear trajectory would agree on the following projection:

- There will be no breakthrough in India-Pakistan relations, but no war either. The future will see frequent crises, but nuclear deterrence will remain robust and escalation to nuclear war inhibited.

- There will be no significant change in the course of the India-China relationship. A nuclear dyad will gradually emerge, but it will be a stable one. China will continue to “balance” India by providing nuclear support to Pakistan.
- The global balance of power and the strategic relationships among the major players will remain substantially the same. There will be no serious rivalry or tensions among the big three—the United States, Russia and China. In short, there will be no dramatic systemic impact on regional nuclear dynamics.
- Though the United States will retain an interest in cultivating long-term relationships with India and Pakistan, it will not intervene directly in the region, except during crises when Washington will play the role of crisis-manager.
- All of the region’s nuclear players—India, China, and Pakistan—will remain internally stable. There will be no major change in the internal politics of any one of them that causes disequilibrium in the regional strategic relationships.
- There will be a gradual increase in the numbers of nuclear weapons possessed by India and Pakistan, and limited deployment of these weapons may occur. India and Pakistan may move to deploy mobile launchers. In 20 years, it is conceivable that India will have developed a sea-based deterrent, perhaps mounted on a surface vessel. China will have a relatively more robust arsenal, but it will not be seen as threatening by India.
- India’s and Pakistan’s command and control arrangements will be somewhat better than they are now, presumably keeping up with the slow accretion of numbers and increased dispersion of their nuclear forces.



- There will be little likelihood of a preemptive attack by India against Pakistan or against India by Pakistan or China, in part because the numbers will make such an attack difficult, and in part because of mobile basing. In the India-Pakistan case, both sides will be worried about miscalculations. Also, as the numbers increase, the possibility of significant fallout on one's own country from even a successful attack will increase. Both factors thus enhance self-deterrence.
- There will be continued uncertainty and ambiguity over different escalation scenarios. It will remain unclear to outside analysts as to where Pakistani (or Indian) "red lines" are drawn, i.e., where a provocation crosses a certain threshold that triggers a nuclear response. Indeed, it is likely to remain unclear to Indian and Pakistani policymakers themselves, and both sides will continue to rely on ambiguity, coupled with verbal threats, to enhance deterrence.

In brief, the future could look pretty much as it does today. In contrast with relatively stable India-China relations, India-Pakistan relations will regularly enter a crisis state. But the two countries are likely to move back again to long-standing "cold war" positions through their own common sense or the intervention of friendly outsiders. There remains a small possibility that they will not move back, and that a crisis will "go all the way." At the time of writing (early 2002), India and Pakistan are in the midst of their most extended crisis, with well over a million men facing each other along the international frontier and the Line of Control in Kashmir. This crisis, and likely future ones, will always have nuclear overtones, which is why concern will remain about the South Asian nuclear balance. Quantifying the risk of actual war is important, but beyond the scope of this chapter. It may be analogous to the risk of a nuclear exchange during the Cold War or, perhaps, of a North Korean nuclear weapon falling on Seoul. Even if one could measure the risk at a particular moment in time, is it likely to increase over the years

as the Indian and Pakistani arsenals grow steadily? Or is the likelihood of a large-scale exchange of nuclear weapons balanced by an improvement in the quality of command and control structures, and, above all, by the enhanced deterrent effect of an increase in the destructiveness that such larger numbers would bring?

### **Variations: Three Ideal-type Models.**

While it is tempting to assume that this baseline projection is accurate, if for no other reason than the lack of expectation that things will dramatically change, sharp divergence may occur. Some attempts have been made in the past to present alternative nuclear futures for the region. Most prominent among these is Ashley Tellis's set of five models, ranging from nuclear renunciation to the establishment of a "ready" arsenal.<sup>2</sup> Our own models go beyond the operational focus of Tellis's models and are based on a wider set of criteria that integrate operational variations with changes in doctrine and arms control preferences.

Table 1 presents three ideal-type models which India's nuclear posture may approximate, given changes in the numerous variables that determine the expected future projection. (Needless to say, similar models could be developed for Pakistan.)

The models are devised so as to reflect likely futures in terms of four criteria: conceptions of deterrence, the size and sophistication of the arsenal, the relationship between levels of armed conflict, and the status of arms control. The *static model* envisions a period of modest growth in India's nuclear arsenal until operational capabilities are sufficient to convince political decisionmakers that no more expansion is necessary; this could occur at any time up to 2020. The model envisages a steady state in which deterrence is existential (i.e., the mere existence of undeployed weapons is considered as sufficient to deter by both sides); the arsenal remains relatively small and a sea-based subsurface capability is eschewed; only marginal

subconventional conflict is considered feasible (and perhaps even that is eschewed); and a stable framework of arms control is in place.

	<b>Conception of Deterrence</b>	<b>Size and Range of Arsenal</b>	<b>Relationship between Levels of Conflict</b>	<b>Arms Control Status</b>	
Nonoffensive Defense ↑	<b>Static Model</b>	Existential deterrence ; no deployment	Less than 100; 2½ legs (air, land and surface sea)	Only sub-conventional conflict possible	Stable, with tacit or formal agreements
	<b>Creeping Growth Model</b>	Minimum deterrence ; with limited deployment	100-250; 2½ legs (but continuing development of subsurface sea)	Limited conventional conflict possible	Uncertain, but interest in arms control
↓ Offensive Defense	<b>Robust Expansion Model</b>	MAD-oriented limited deterrence ; full deployment	Over 250, open-ended; 3 legs	Full-scale conventional war & limited nuclear war possible	Limited interest in arms control, except with high certainty based on verification

**Table 1. Three Ideal-Type Models.**

In the *creeping growth model*, minimum deterrence is conceived of as having relatively larger numbers on the basis of some notion of redundancy against the event of a first strike; at least partial deployment is seen as perhaps necessary because “credibility” is equated with visibility; a limited conventional war is thought possible under the nuclear shadow; and there is little or no significant development in arms control, though there may be an

underlying stability based on tacit understandings. Both of these models are not far removed from the current trend, but the trajectories they represent diverge significantly over time.

Finally, the *robust expansion model* represents a shift to MAD-oriented thinking (i.e., mutual assured destruction based on second strike capability) and a more ambitious conception of limited deterrence—a smaller arsenal cast in the image of the American and Russian ones—accompanied by an open-ended acquisition and development process and a perception that a full-scale conventional war and a limited nuclear war are possible. In this model, there is limited interest in arms control because of doubts arising with respect to unilateral verification. On the vertical axis of Table 1, it is seen that the three ideal types are placed along a continuum from nonoffensive defense to offensive defense.

### **Potential Changes Resulting from Shifts in Major Variables.**

The ten components of the baseline projection embody a number of variables that may shift in different directions, thereby altering the trajectory of the projection as a whole. Of the ten variables we consider, the first five are political, the next four are military, and the last is a combination of both.

*The India-Pakistan Relationship.* The period from 1947 to 1971 was an era of war between India and Pakistan. Thereafter, following a relatively mild interregnum, the period from the mid-1980s has been one of repeated crises and constant border skirmishes, with tensions aggravated by the nuclearization of both countries. Recent developments have been less than encouraging. The matching nuclear tests of 1998 were followed by the short-lived bonhomie represented by the Lahore Declaration of 1999. However, the atmosphere was quickly vitiated by the Kargil conflict. The U.S. campaign in Afghanistan, ironically, has, for the first time in their troubled history, placed the two countries on the same side, but the

tension has actually risen instead of subsiding, as each seeks to use its closer relationship to the United States to force Washington to pressure the other. Could things get worse?

The terrorist attacks on the Jammu and Kashmir Legislative Assembly in October 2001 and on the Indian Parliament in December are indicators of the potential for further deterioration in the relationship. It is conceivable that the secessionist problem in India may not only persist over time, but become worse. Should this be the case, domestic pressures may impel the Indian government to retaliate by using some form of force, such as quick strikes against terrorist bases in Pakistan, or by a tit-for-tat game of fomenting trouble in the Pushtun community that straddles the Pakistani-Afghan border. The result could be the ratcheting up of tensions and the beginnings of a nuclear arms race as hardliners on both sides gather support and press for stronger forces to counter the visible threat from the other. On the other hand, it may equally happen that, learning from the risks their confrontations create, Indian and Pakistani leaders bridge the gulf that prevented a *détente* at the July 2001 Agra summit. A really serious nuclear crisis, which is not inconceivable, could compel the two countries to seek a more stable relationship. One characteristic of India-Pakistan relations has been an increase in the number of crises and sub-war conflicts; another has been the series of high-level summits that have taken place, and the general acknowledgement, even by Indian and Pakistani leaders, that South Asia needs—and may actually have—a “peace process.” In brief, while there have been repeated crises, and both countries seem to be driven by a fear of losing that is even greater than the desire to win, there is also a powerful understanding among them that the present hostility over Kashmir is dangerous and damaging to their respective national interests.

Therefore, we do not rule out the possibility of a general settlement on Kashmir, even if it is only an agreement to disagree. How would this affect the development of each country’s nuclear

program? All things being equal, it is doubtful whether a settlement on Kashmir will lead to a reduction in weapons or anything but a slower pace in the development of new designs and delivery vehicles. However, a general peace might reduce pressure to resume testing and perfecting new kinds of weapons, especially if international pressure against testing were to continue. Without new designs, and with the prospect of a lessening of general tensions between them, both India and Pakistan might be content to freeze their systems qualitatively and quantitatively.

*The India-China Relationship.* The India-China relationship is not entirely predictable in the long term. For a pessimist, there is plenty of reason to expect the deterioration of the relationship. The border dispute lingers, and is complicated by China's refusal to recognize India's sovereignty over its northeastern state of Arunachal Pradesh as well as by the fact that Pakistan has allowed a part of Kashmir, where the Karakoram highway has been constructed, to come under Chinese control. China's propensity to use force in resolving some of its international disputes (for instance, with Vietnam, Taiwan, and over the Spratly Islands) might still come into play. Both China and India have the potential to come under the control of more aggressive regimes in the event of domestic turbulence. Specific events could also aggravate the tension between them. If Tibet were to be inflamed by a burst of secessionism, a rightist Indian regime, irked by the sustained China-Pakistan nuclear missile nexus, might be tempted to exploit the situation to enhance its bargaining power, thus provoking an angry Chinese response. An India-China confrontation would likely have a nuclear dimension, with India—under a more direct threat—motivated to seek a higher level of deterrent capability than the baseline projection envisages. That in turn would, of course, invite a similar response from Pakistan, though not necessarily so if the Indian nuclear upgrade is confined to the judicious deployment of intermediate-range missiles.<sup>3</sup> Alternatively, an unstable success or regime in China might be tempted to consolidate its position by adopting an aggressive stance

toward an insurgency-ridden north-eastern India or by assuming a hawkish posture in an India- Pakistan crisis, thereby precipitating the same result.

From an optimist's perspective, the long-term trend in Sino-Indian relations is distinctly positive and unlikely to be reversed. It may even be reinforced. Over the years, the two countries have agreed not to allow their border dispute to prevent steadily growing cooperation on trade, and they have reached a broad consensus on the desirability of a multipolar world. The possibility of a loose understanding among India, China, and Russia cannot be ruled out, particularly if the United States continues to exhibit its current proclivity toward unilateral decisionmaking on key international questions. In such a setting, China may prefer to assuage India's anxieties by gradually reducing its support for Pakistan, pushing for a quick resolution of the border dispute and, reversing its current stand on India's nuclearization, launching arms control talks. At a minimum, the rising trend of India-China cooperation would be sustained, and perhaps be placed on a steeper incline. Indian nuclear hawks would have one less argument for a more robust posture.

*The Global Strategic Environment.* The post-Cold War global environment has been in flux, with conflict and cooperation coexisting. Different scenarios are conceivable that could impact significantly on India's (and Pakistan's) nuclear posture. On the positive side, there is an accelerated integrative process of globalization that has brought more and more nations into a seamless web of information flows, investment, production and trade. The winding down of the Cold War has simultaneously reduced great power tensions and the threat of a global nuclear holocaust. As Russia seeks a stronger European identity, its relations with the United States and Europe are showing signs of improvement in spite of its dissatisfaction with the American abrogation of the Anti-Ballistic Missile (ABM) Treaty and the U.S. determination to proceed with its missile defense program. But there

is a greater element of uncertainty with regard to China's response over the long term. And worse still, the threat of terrorism has had a dramatic impact on global security following the events of September 11, 2001.

One negative scenario for India involves growing U.S.-China rivalry and tension. Chinese leaders have shown a willingness to extend limited cooperation to the West on specific issues such as the hunt for Osama bin Laden and the campaign against the Taliban. But China's overall objective is to become one of the world's independent power centers, toward which end it is engaged in a major program of military modernization. There are important divergences of strategic interest between China and the United States over Taiwan, and over the U.S. missile defense programs. There are also significant differences over China's treatment of political dissenters. Specific events, such as the 1989 Tiananmen Square incident, the 1999 bombing of the Chinese embassy in Belgrade, and the collision between an American surveillance aircraft and a China fighter over the South China Sea in April 2001 have created a lack of trust between these two states. To many Americans it appears that China sees itself as the successor to the Soviet Union, as the new challenger to American hegemony. Some have also argued that China's strategic culture embodies a tendency to use force in its approach to difficult external disputes and that a future cold war cannot be ruled out.<sup>4</sup> In that case, the U.S. might decide to resume nuclear testing, and pursue the fast-track development of missile defense, possibly providing Taiwan with a theater missile defense (TMD) umbrella. A crisis over Taiwan may occur. In such a deteriorating situation, China may expand its arsenal rapidly and assume a more aggressive posture.

China's direct response—deploying more inter-continental ballistic missiles (ICBMs), many or all with multiple warheads—may not directly threaten India, but the overall threat environment would encourage India to move toward a more robust posture, particularly



if India-China relations are initiated by continuing Chinese nuclear and missile assistance to Pakistan. A Chinese perception that India is part of a U.S. strategy to contain China would raise Sino-Indian tensions several notches. A more aggressive and unstable nuclear relationship may emerge as a result. A strong Indian nuclear response to changes in its relationship with China would inevitably raise the strategic temperature between India and Pakistan.

On the other hand, a cooperative global trend might also emerge. The present American tendency toward unilateralism may diminish over time as the United States adopts a multilateralist strategy, perhaps in a continuing effort to counter new terrorist threats, or in the event of the destabilization of the present Saudi regime. Growing costs and technical difficulties could well cause a moderation of the U.S. missile defense program. The United States, Russia, and China may draw closer together and pay more attention to economic issues while cooperating on common threats like terrorism and communitarian radicalism. A renewed interest in arms control could bring a new agreement on cuts, the beginnings of a multilateral framework on arms control and a new era of strategic stability. In that case, India's own strategic environment would become generally more stable, even if regional conditions are not entirely congenial. In general, the existence or otherwise of global strategic equilibrium is likely to have a significant effect on regional strategic developments.

*An American Role?* The United States has changed its South Asia policy a number of times over the past 50 years, siding weakly with India or Pakistan against the Soviet Union and/or China. This pattern could continue, but there are more radical possibilities. Washington could decide to side with India against Pakistan, providing technical and military assistance to the former, and even nuclear assistance, should the international nonproliferation regime break down. If Pakistan is viewed as a failing state, and if it is seen as part of the problem rather than as part of the solution so far as

terrorism is concerned, the United States might think it is time to side entirely with India on the Kashmir problem, and undertake a containment strategy against an increasingly unstable and radical Pakistan. This would lead American strategists to the contemplation of different strategies for containing or transforming Pakistan, and could also lead to Indian-American discussions about still another alternative: the breakup of Pakistan into its constituent provinces.

Should India and the United States draw close together, Pakistan would be under great pressure to adopt a more conciliatory posture toward India and negotiate a stable arms control regime with it. Though the probability is not great because of the difficulty it would have in resisting U.S. pressure, it is also possible that Pakistan would continue to maintain a hostile stance by drawing closer to China.

What about the converse? Less likely, but conceivable, would be a return to a pro-Pakistan policy, especially if India were to decline the role of balancer against China. It seems improbable now, but one could imagine India undergoing enormous political change as a result of its many and simultaneous economic, cultural, political, and ideological transformations. This could conceivably be an India with a very large nuclear potential. Such changes might even alienate the large and increasingly influential Indian-American community, which has hitherto been a "lobby" for closer U.S.-Indian relations.

If it were to transform its identity, become more politically unstable at home and more aggressive abroad, India might well undertake an extensive nuclear testing program and seek a close strategic relationship with other major powers, especially Russia, whose technology would be valuable. In such circumstances, the U.S. might view India as the state that needed containing, especially if China were to cease being a strategic threat in the minds of American strategists. India's likely response would be a radical strategic shift to something like the Robust Expansion Model. Projections of nuclear technology and capabilities are constrained by

physical and technical factors, but even these could be altered quickly were a major power to decide that it would assist India or Pakistan to enhance its nuclear arsenal and related delivery systems.

*Political Stability in India, China and Pakistan.* India, China, and Pakistan have each undergone periods of profound political instability in the past. India underwent an “emergency” in the 1970s that turned it into a virtual dictatorship. China experienced a prolonged internal upheaval in the form of the Cultural Revolution in the 1960s and 1970s. Pakistan has oscillated between military rule (sometimes with martial law) and weak civilian governments for its entire history. Further, Pakistan was physically divided in 1971, and all three face several separatist threats, sometimes encouraged by each other.

As a variable, political instability affects their nuclear futures in two ways. First, there is the question of control over nuclear weapons—a state driven by political conflict may have problems in storing and safeguarding, let alone using, its nuclear weapons and fissile material stocks. Second, there is the question of perception: does political instability in one state raise the prospect in the mind of its adversary that a moment of great opportunity or danger is approaching?

While in the short run it seems improbable that instability in India could be of a magnitude that would affect the nuclear balance, it is not unimaginable. It would be especially likely in the aftermath of armed conflict or serious economic crisis. India is metastable, but a chronically weak center, or disorder in states where there were significant nuclear assets, might raise questions concerning India’s ability to protect its nuclear assets and its vulnerability to nuclear blackmail.

A similar argument may be made with respect to China. China is a country that has had its share of upheavals in the past. While we

may have no expectation today of renewed internal turmoil, it is important to remember that closed authoritarian societies are subject to deep crisis in moments of sudden change. The breakups of the Soviet Union and Yugoslavia, and the turmoil that has ravaged many members of the former communist bloc, are examples of what could happen to China. A severe economic crisis, rebellions in Tibet and Xinjiang, a reborn democracy movement, and a party torn by factions could be the ingredients of an unstable situation. A vulnerable Chinese leadership, determined to bolster its shaky position by an aggressive policy toward India or the United States, or both, might become involved in a major crisis with India, and perhaps engage in nuclear saber-rattling. That would encourage India to adopt a stronger nuclear posture, possibly with American assistance.

Pakistan today seems to present the most immediate problem. Its non-Punjabi provinces are deeply resentful, its economy is teetering on the edge of collapse, it has undergone a traumatic reversal of policy in Afghanistan, and its political parties seem to be stuck in their personalistic rut. There is no credible civilian leadership emerging among the younger generation of politicians, and the two civilian leaders of the 1990s, Benazir Bhutto and Nawaz Sharif, are distrusted by the military.

One political development must be singled out as critically important. This is the coherence of the Pakistan army. For decades, the unwritten "golden rule" of the officer corps has been that the army sticks together against the political order. This rule was acted upon when Zulfikar Ali Bhutto tried to assert control over the military, and more recently in 1999 when Nawaz Sharif tried to insert his own man as army chief .

This pattern of army unity could be undone in one of two ways. First, the Pakistan army might suffer a military setback that created a division within the higher ranks of the officer corps. Second, a

politician might be successful in splitting the officer corps, perhaps along ideological rather than linguistic/ethnic lines. In either case, if the army lost its political coherence, there might be immediate consequences for Pakistan's nuclear program, and in turn, for Indian calculations of risk and gain.

A politically divided Pakistani army might come under a military commander who is a demagogue or dictator. Wracked by domestic turbulence, Pakistan might worry less about the future of Kashmir than the future of the Punjab heartland. It would be obsessed with access to the sea, particularly with control over Karachi and Sindh, and would treasure its nuclear weapons as the "last resort" against an Indian intervention designed to create more Bangladeshes. However, would a Pakistani regime take this step? Even if it hesitated to unleash a massive nuclear attack on India would it be able to prevent some officers from acting without orders and using nuclear weapons against Indian cities in such a crisis? Here, the standard of command and control that might be sufficient for a whole, united Pakistan might not be adequate to prevent unauthorized use.

For all the negative possibilities outlined above, actual developments may be far more positive and reassuring. All three countries may experience relatively stable development, including the growth of greater democracy. At the very least, more stable orders are conducive to less external tension. Translated into the realm of strategy, this could mean an overall picture of restraint, the absence of major crises and the adoption of more dove-like nuclear postures.

*Numbers and Types of Nuclear Weapons.* Numbers do count, as do the kinds of weapons in the possession of nuclear weapons states. Given the fissile material production capabilities of each state, it is possible to predict the numbers of bombs in their arsenals 5 or 7 years ahead, but this could change dramatically if new production facilities were created or India were to start "mining" its spent fuel

stocks. Further, the (presumably) first-generation designs tested by both countries could be perfected over the years, although this might require additional testing or assistance from states with more advanced nuclear programs. The expansion of China's nuclear capability in itself is unlikely to affect the subcontinent. The Chinese modernization program has not elicited anxieties in India. But, in conjunction with other factors, such as the deterioration in bilateral relations outlined above, an enhanced and more alert Chinese posture could result in a chain reaction in India and Pakistan.

Numbers and types of nuclear weapons matter in several ways. 1) Larger numbers create command and control problems if more weapons are deployed. There are still greater problems if they are suddenly deployed during a crisis. 2) The greater the number and the larger their size, the more potential there is for massive civilian damage. At the higher levels expected over the next 20 years, a nuclear war would lead to the virtual destruction of Pakistan as a state and the permanent crippling of India. 3) At higher numbers and larger yields, with adequate delivery systems, either the Indian or the Pakistani systems or both could intersect strongly with nearby emerging nuclear sets. Paul Bracken has described the process by which a number of regional nuclear systems could be intertwined in a larger interactive nuclear web stretching from Israel to North Korea, and including China.<sup>5</sup> At still farther ranges, the United States and Europe might be included in Indian or Pakistani nuclear targeting doctrines. At the very least, the nuclear politics of the two countries would have a new and complicating dimension.

*The Quality of Command and Control in Peacetime and Crisis.* We draw a distinction between command and control in crisis and non-crisis periods. A system that is reliable in ordinary circumstances may not be so during a crisis, and a weak command and control system may generate the fear that a state is planning a first-strike attack. Further, the quality of command and control must also be considered in terms of changing technologies and strategies: a

system that is adequate for five or fifty first-generation weapons may be inadequate for a hundred advanced, mobile systems that are widely dispersed.

In times of peace, the nature of deployment has diverse implications for command and control. For instance, if bomb cores are separated from their casings and other components, the risk of sabotage is higher, whereas integrated weapon systems are relatively more vulnerable to unauthorized launch, thus putting command and control systems under pressure. In times of crisis, there would be a natural inclination to disperse weapons as widely as possible, which would mean delegating launch authority or accepting greater vulnerability to a first strike, each of which is associated with a higher level of risk. The conjunction of policymakers' decisions, operational decisions, and the actions of adversaries make for a range of possible outcomes—from the stable to the catastrophic—that are impossible to predict.

This is a subject that has received a considerable amount of attention, and the possibility of assisting either the Indian or Pakistani governments to improve their command and control systems has been raised. As many observers have noted, a distinction has to be made between assistance that increases the reliability and stability of a nuclear force and the ability of the government to maintain control over its use, and that which enhances its strategic choices.

*Strategic Warning Time and Robustness of Deterrence.* Strategic warning time refers to the length of time a country has to prepare its forces for a response to an attack, or to ready them for a first strike, once that decision has been made. Strategic warning time can range from seconds—in the case of highly alerted, deployed and rapid response forces hooked up to a sophisticated detection system—to days, in the case of weapons that are disassembled and dispersed. If we combine this with deterrence robustness—the assurance that a

response to a first strike will be effective, in that the right kind of the right number of weapons will be delivered to the right targets (and the other side knows this to be true) —then essentially four different “states” are created: 1) a very stable situation in which a long strategic warning time is combined with a robust nuclear force (deterrence is credible, but not provocative) ; 2) a very unstable situation in which a short strategic warning time is combined with a less-than-credible deterrent force; and two intermediate states, 3) one in which deterrence is robust but strategic warning time is short (and thus very sensitive to the shift from non-crisis to crisis); and 4) one in which deterrence is less credible, but strategic warning time is very long (and also sensitive to the movement from non-crisis to crisis) . Of course in all four cases, perceptions count, and hence some degree of transparency may be necessary to convey the robustness of deterrence and/or the ability to respond at leisure, as opposed to a hair-trigger response. Again, these diverse possibilities allow for a range of outcomes, particularly in crisis situations, and it is impossible to predict the decisions that will lead to one or another.

*Conceptions of Deterrence and the Intersection of Conventional and Nuclear Conflict.* At present, there are areas of convergence as well as divergence in Indian and Pakistani thinking on deterrence. They have in common a conception of deterrence that involves relatively small arsenals, a pre-deployed posture, and a positive orientation toward arms control. However, they also differ on significant issues. One is the feasibility of covert military action under the shadow of nuclear weapons, which creates a “stability-instability paradox.”<sup>6</sup> The Kargil conflict was one manifestation of this, ratcheting up tensions sharply between the two countries and raising the prospect of uncontrollable escalation into nuclear war. Pakistan’s overall experience in the Kargil conflict was not an encouraging one. On the one hand, it did not place India under sufficient pressure to compromise at the negotiating table in Agra. On the other, Pakistan was branded an irresponsible nuclear power by world opinion and compelled by U.S. pressure to call the venture off, which in turn



brought domestic ignominy. However, Pakistan may have been a victim of its own initial success: a less glaring intrusion would have brought a smaller conflict, keeping the Kashmir issue alive without raising immediate fears of a nuclear denouement. In the future, a Pakistani decisionmaker will be tempted to use the interventionist strategy from time to time to keep the Kashmir issue on the table—a strategy that will mean constant tension, periodic crises, and the possibility of a nuclear confrontation.

Second, the idea of a limited nuclear war is embedded in Pakistani nuclear thinking, whereas it is rejected by most Indian strategists. But the Indian position could change. The issue is not closed, particularly in view of the fact that some of the 1998 tests were evidently for low-yield counterforce weapons. A critical factor in nuclear decisionmaking in both states, especially Pakistan, is the relationship between the conventional military balance (or imbalance), and the nuclear balance. If sub-kiloton nuclear munitions are developed by India or Pakistan, they might be useable tactically in the plains, and even in mountainous terrain, where they could substitute for conventional forces. If nothing else, their presence would make it difficult for one side or the other to bunch up armor or mass large numbers of troops. Despite the obvious importance of this linkage, we know of no adequate study of the connection between the conventional and nuclear dimensions. At present, it is not clear what direction the conventional-nuclear linkage will lead the India-Pakistan relationship over time. There seems to be less likelihood, though, of a similar problem with respect to the India-China relationship. Neither country has articulated the possibility of limited nuclear war or nuclear warfighting vis-à-vis the other.

Despite these differences in their conceptions of deterrence, as both India and Pakistan operationalize their respective arsenals, there will come into play a technical imperative toward a more expansionary, perhaps even MAD-oriented, posture than is evident now. These pressures will be backed by those who will ultimately

operate the nuclear weapons—the armed forces. In both countries, the understanding of “credible” deterrence tends to reflect some amount of MAD thinking about the adequacy of second strike capacity.

None of the above is inevitable. On the contrary, it may be that the stability-instability paradox is put to rest by an appreciation of its counter-productiveness, or because the Pakistan leadership decides that all terrorism is a threat, or because there is movement toward compromise between the subcontinental rivals. The difference between the two countries on limited war may not, in practice, be more than conceptual. Finally, the political awareness of the risks and economic costs of an ever-expanding nuclear inventory may induce greater restraint.

*Surprise Events: A Nuclear Incident?* In recent months, we have seen how a single incident can transform the behavior and perceptions of many states. A nuclear incident in South Asia might have a comparable impact on Indian and Pakistani behavior, and could influence the world’s perceptions of both the region and the dangers of nuclear weapons. A nuclear incident elsewhere in the world might also cause regional planners to rethink their nuclear strategies and capabilities.

What is a nuclear incident? We define it as an event short of nuclear war in which a device is accidentally or deliberately detonated, or fissile material is used in such a way that it creates a radiation hazard for a large population. We do not regard a nuclear threat as an incident—these have been coming fast and furious from both sides for several years. However, a threat that was backed up by actions that indicated a high probability of use, which was publicized, and which was taken seriously by decisionmakers on both sides, would almost certainly have a significant impact on the future course of India-Pakistan nuclear planning. Such an event would be a South Asian equivalent of the Cuban Missile Crisis. It

would also affect attitudes towards nuclear weapons elsewhere in the world. There is also the possibility that a significant nuclear event would be asymmetrically perceived, with one side viewing it as a crisis and the other ignoring the gravity of the event. India-Pakistan relations are replete with such asymmetric crises, notably the 1962 India-China war—dismissed by Pakistan’s leaders as an unimportant event caused by a provocative India—and the impact of the loss of Bangladesh on Pakistan, dismissed or forgotten by many Indians, but still a hurtful memory for the Pakistan military.

What would be the most important and likely of these scenarios? Theft is a possibility, as is unauthorized use. Perhaps even more likely is the possibility of accidental or inadvertent use, followed by the realization that no war was intended. This use could take place on the territory of the state that owned the weapon, or across the border. More frightening and far-reaching would be the detonation of a device—or the release of significant radioactive material—in an Indian or Pakistani city. Mumbai and Karachi are not only vulnerable to a smuggled nuclear weapon, they have prime nuclear targets in the form of research and power reactors, and an attack along the lines of the World Trade Center and Pentagon airplane bombings is now farther from the realm of the inconceivable. The entire set of Pakistani and Indian nuclear facilities could also be the site of a significant accidental release of radiation caused by mismanagement or sabotage. In these cases, the governments involved would have to determine quickly whether the radiation release was accidental or deliberate. If such an incident took place at a moment of very high India-Pakistan tension, it could precipitate a chain of events leading to still more serious steps. Thus, it is possible to envision a cataclysmic war between India and Pakistan triggered off by an unrelated event—or such an event might be caused by an individual or group that sought to precipitate such a war.

Other surprises can be envisaged. Beyond five years from now, there may be new and inexpensive ways of producing fissile

material, simpler and more effective weapons designs, and more sophisticated delivery systems available to India and—with assistance from others—Pakistan. There is likely to be a deployed Indian theater missile defense, probably with American, Russian, or Israeli technical assistance, and this might change the nuclear calculus between New Delhi and Islamabad in unknown ways. There might, for all we know, emerge a South Asian Gorbachev willing to take the kind of risk that will transform strategic relations dramatically. It is a sobering reminder that many of the most startling turns in global politics, such as Khomeini's revolution in Iran, the end of the Cold War, and the events of September 11, have caught us napping. Prudence requires us to expect the unexpected.

### **Implications for U.S. Policy.**

This analysis shows the large number of variables that can affect possible outcomes with regard to the nuclear future of India and its neighbors. Of these, only some are within the province of the United States to control. The variables we have considered are of two types: political and military. While the latter do have some autonomy, it would be fair to say that politics is the prime mover of strategic relationships. Ultimately, nuclear postures and interactions are shaped by perceptions of threat, and these are fundamentally political in character. That being said, the United States must distinguish between those variables over which it has little or no control and those it can hope to influence. It may be said at the outset that in no case is the United States likely to shape Chinese behavior or thinking except indirectly through the policies it follows directly toward China.

The India-Pakistan relationship can be influenced to some degree if the United States is willing to invest the effort and resources. It could help rebuild Pakistan's floundering economy and, with the judicious use of loan conditionalities, its social and political structures (through deradicalization and democratization) ; exert

pressure on Pakistan to eliminate terrorism as an instrument of state policy; and persuade India to come to the negotiating table. The India-China relationship, however, is unlikely to be influenced by the United States except to the extent that its future is determined by the altogether different dynamics of U.S.- China relations. The global environment, as we have seen, can have an important bearing on South Asia, but given its indeterminate effects, it is unlikely that the United States will shape its policies toward China and Russia, among other countries, on the basis of their eventual impact on the subcontinent. Nor is there much scope for ensuring the domestic stability of the three countries, with the exception, as noted earlier, of tied financial aid to Pakistan.

Of the four military variables discussed in this chapter, the United States will have little or no direct influence over three: numbers and types of weapons, strategic warning time and robustness of deterrence, and conceptions of deterrence. Its own predilections are not in accord with the minimalist postures that it would prefer India and Pakistan to adopt. At best it can try persuasion, but if their determination to go ahead is sufficiently strong to override their own history of restraint in the construction of nuclear capability, then it is unlikely that American efforts will have much effect. As regards stability of command and control, the United States can play a significant role, working independently with India and Pakistan, extending advice and technical assistance to strengthen nuclear safety and security, and not waiting for them to reach a joint confidence-building agreement. Safety concerns are particularly strong in light of the terrorist threat in both countries. Here, the primary challenge for U.S. policymakers will be to convince the nonproliferation lobby at home that technical assistance will not constitute a reversal of constraints imposed on proliferators.

Looking down the road 20 years, the possibilities are so diverse that it is hard to guess what will happen and harder still to devise appropriate policies to facilitate desired outcomes. We conclude by

offering two “golden rules”: the first is that the outside world, especially the United States, should stand ready to assist India and Pakistan in managing their inevitable crises and conflicts, and should not assume that the two states can, on their own, move down the road of a peace process. Second, the nuclear and strategic planners of these two states should avoid over-confidence, and not assume that they, or their successors, will be able to avoid a nuclear incident or nuclear war. Deterrence usually works, but the perceptual fog that hangs over the leadership of each state, especially regarding the motives and capabilities of the other, is quite thick. They must prepare for crisis management, but strive to keep their own nuclear arsenals as small and as reliable as possible, if only to reduce the scale of the catastrophe that would be a regional nuclear war.

## ENDNOTES

1. There have been several attempts to project the future course of regional nuclear programs. For a projection of the consequences of nuclear war at different levels, see S. Rashid Naim, “*Aadhi Raatke Baad (After Midnight)*” in Stephen Philip Cohen, ed., *Nuclear Proliferation in South Asia: The Prospects for Arms Control*, Boulder: Westview Press, 1990. For an attempt to apply different arms control strategies to different stages of proliferation, see Stephen Philip Cohen, “Policy Implications,” in *idem*, ed., *Nuclear Proliferation in South Asia*. For a look at the public’s response to the growth of nuclear programs in India and Pakistan, see David Cortright and Amitabh Mattoo, eds., *India and the Bomb*, Notre Dame, IN: University of Notre Dame Press, 1996; and Samina Ahmed and David Cortright, eds., *Pakistan and The Bomb*, Notre Dame, IN: University of Notre Dame Press, 1998.

2. Ashley J. Tellis, *India’s Emerging Nuclear Posture*, Santa Monica, CA: RAND, 2001, pp. 117-249.

3. If intermediate-range missiles are placed within a *short-range* radius vis-à-vis Pakistan, they are not likely to be threatening to that country, though technically, it is possible for such missiles to target Pakistan.

4. Alastair Iain Johnston, *Cultural Realism: Culture and Grand Strategy in Chinese History*, Princeton: Princeton University Press, 1995.

5. Paul Bracken, *Fire in the East: The Rise of Asian Military Power and the Second Nuclear Age*, New York: HarperCollins, 1999.

6. Michael Krepon and Chris Gagné, eds., *The Stability-Instability Paradox: Nuclear Weapons and Brinkmanship in South Asia*, Report No. 38, Henry L. Stimson Center, Washington, DC, June 2001.

## CHAPTER 8

### PAKISTAN'S NUCLEAR FUTURE

**Brigadier Feroz Hassan Khan**

#### INTRODUCTION

Predicting anything about the future is a monumental challenge. The South Asian rivalry is unparalleled in both the distinct challenge and the complex conundrum that it poses to international security. The region has such a fragile stability that every reasonable expectation can go wrong. Two years ago, President Bill Clinton, based on a U.S. National Intelligence Estimate (NIE), described the region as “the most dangerous place in the world.”<sup>1</sup> The NIE itself concluded that there was a “*sharply increased chance of a non-nuclear military conflict between India and Pakistan, possibly erupting into a nuclear exchange.*”<sup>2</sup> The CIA Director again asserted this fear in February of 2001, saying, “*the regional situation remains volatile, making the risk of war between two nuclear-armed adversaries unacceptably high.*”<sup>3</sup> As the war on terrorism in Afghanistan rages on, India and Pakistan are locked eyeball-to-eyeball, having amassed an estimated one million soldiers on operational alert along their border. South Asia is a veritable tinderbox that could explode at any moment.

The integrity of Pakistan’s long-term future has been seen as suspect. Not too long ago, U.S. officials and academics were openly predicting Pakistan’s inevitable march towards a failed state, citing internal chaotic breakdown and/or the probability of war with India. While the former prediction seems to have been outpaced by events, given the redirection by Pakistan’s leadership and its renewed status as a pivotal regional actor, the probability of the latter, i.e., war with India, unfortunately cannot be ruled out.<sup>4</sup> Since



the September 11 crisis and the war on terrorism, the dynamics in South Asia have not changed for the better, and if anything have worsened. The hostility between India and Pakistan has been a cognitive construct with deep roots, and has grown especially strong during the leadership of the Bharatiya Janata Party (BJP) in India.<sup>5</sup> Overt nuclearization and nuclear deterrence have not assured crisis stability in the region. Despite U.S. engagement and involvement with both India and Pakistan, the two countries have not developed a “sense of the region,” nor have they used this as an opportunity to eschew their zero-sum mentality. Instead, both have exploited each other’s vulnerability. Finally, for a host of reasons, no serious attempt has been made to establish the restraint measures that are so essential between the two nuclear neighbors.

Pakistan’s future will remain in the shadow of *crisis instability* (a state of constant tension and intermittent crisis) with India, teetering at the precipice of conventional war. The specter of nuclear war will also be ever-present. Security concerns limit Pakistan’s policy options, but given a choice, it would focus internally on economic revival and national reintegration, aimed at realizing the vision of Pakistan as a “liberal, tolerant, progressive, dynamic and strong Islamic state where theocracy has no place.”<sup>6</sup>

At the core of President Pervez Musharraf’s agenda is economic revival, through which he hopes to bring Pakistan back into the mainstream of regional and international politics. Nuclear weapons will also play an important role in this endeavor. Given the volatile neighborhood, and especially a hostile India, conditions in the region are likely to remain in a state of tension, if not war. Sudden eruptions, coming in the form of one crisis or another, are likely to continue as both sides have demonstrated a propensity to engage in dangerous practices that make the region unstable. Peace and tranquility will remain ephemeral, and joint security arrangements or cease-fires will be tenuous at best. Left on their own, India and Pakistan will likely continue this pattern of crisis instability.

Paraphrasing Newton's first law of motion, India and Pakistan will continue to be propelled by their own state of crisis unless and until acted upon by some external mitigating force.<sup>7</sup>

Pakistan's nuclear future is therefore essentially tied to the pathway the region might take. Essentially there are two basic paths the region can now steer towards. The first is a confrontational path based on cognitive biases that will involve an unconstrained arms race, leading to dangerous practices and a deployment or "hair-trigger" environment, resulting in increased security requirements. The second path relies on a cooperative security framework based on resolving issues, eschewing an arms race for controlled weapons development under restraints and regimes, creating an environment that improves the socioeconomic welfare of the citizens, and creating balance in the region. This model stresses management of nuclear capability and crisis prevention in the region. Should the region remain embroiled in the current intransigence towards resolution of the political conflict, it will likely proceed the way of the first path. This would mean the continuation of crises in various forms as well as perpetual tensions; neither country would be able to concentrate on urgent domestic issues or to invest in their own people's development. Moreover, neither would India attain its status-oriented objectives, nor would Pakistan achieve assured security. Meanwhile, the sufferings of the teeming millions would continue to multiply. The second path is more desirable but seems unlikely to be followed unless both states are compelled to seriously commence a sustained peace process and a formalized restraint arrangement. This paper proffers the second pathway as the only reasonable way forward. Following this path of peace and cooperation will entail frustration, and it will be protracted in nature. The process, however, must be started and hope must be kept alive.

In the effort to consider Pakistan's nuclear future circa 2020, this chapter will be divided into three parts:

**1) Pakistan's Nuclear Journey:** This section will discuss the backdrop of Pakistan's initial need for the nuclear program, past technical and political challenges, and the managerial basis of the nuclear program.

**2) Regional Dynamics:** This section will examine the regional dynamics in South Asia, amplified by outside actors and mutual threat perceptions, which shape Pakistan's security policymaking.

**3) The Way Forward:** This section will suggest a direction in which the region should go to maintain strategic stability, including roles that the United States can play. A technical framework for a restraint regime will be proposed.

## **PAKISTAN'S NUCLEAR JOURNEY**

Pakistan, the world's sixth most populous country, has the world's seventh largest armed forces and is in possession of an unspecified number of nuclear arms. It is also currently faced with a myriad of challenges stemming from economic mismanagement, competing political institutions, and multiple socioeconomic problems. With an extremely low yearly income of US\$470 per capita, Pakistan's economy is at one of its lowest ebbs ever. Pakistan is at a crucial crossroads, needing to carefully balance economic viability and military security.

Since 1999, following the Kargil crisis, India has increased its defense expenditures. In contrast, primarily due to its perilous economic situation, Pakistan has decreased its defense spending in real terms.<sup>8</sup> While India's steady economic growth allows it to increase defense spending annually, Pakistan's focus will likely remain on improving its economy, ailing from a decade of mismanagement.<sup>9</sup> With an "economic revival strategy,"<sup>10</sup> Pakistan hopes to make a turn around within this next decade. The goal of this strategy will be to return to the economic performance of the 1980s,

or even the 1960s, a decade that saw the highest Pakistani economic growth ever, prompting the Harvard Development Advisory Group to use Pakistan as a model developing country with gross domestic product (GDP) growth averaging 6 percent.<sup>11</sup> This “back to the future” scenario hinges on the sustainability of a peace resulting from nuclear deterrence. With all this in mind, Pakistan will be inwardly focused, seeking to maintain its domestic balance rather than to confront India. In the process, Pakistan will address its socioeconomic ills through “poverty alleviation programs and political reforms that will bring about a ‘silent revolution’.”<sup>12</sup> Nuclear capability will be an important factor guaranteeing external security as Pakistan proceeds toward reviving its economy and internal stability.

### **The Pakistani Narrative: Strategic Compulsions and Challenges.**

The strategic culture imperatives of Pakistan are derived from its own historical experiences, primarily two events: the 1971 war with India and India’s 1974 nuclear test (Pokhran I) . Since it began its quest for a nuclear deterrent, Pakistan faced and overcame three major political and technical challenges and four strategic challenges in the form of crises and threats to its national security. Serious endeavors to develop a nuclear program began in response to overt Indian nuclearization of the region in 1974. For Pakistan, the nuclear dimension changed the strategic balance dramatically. Pakistan’s basic deterrence rationale revolved around two elements. First was a belief that a nuclear threat warrants a nuclear response. Unlike some Middle Eastern countries, Pakistan eschewed the notion of seeking a “poor man’s equalizer” through chemical and/or biological options. Second, nuclear weapons were seen as a force multiplier to deter aggression by conventional force. Nuclear capability would serve as the core of national security and help to compensate for Pakistan’s limited resources and the strategic asymmetry with India.

The first political-technical challenge for Pakistan was to develop

a nuclear weapon. Unfortunately, the timing was not right for “nuclear late-bloomers.” The early 1970s was the beginning of the era of nuclear nonproliferation. At the time, attaining a nuclear deterrent was not a question of a breakthrough in nuclear physics but of overcoming international political barriers. No other country faced the kind of difficulties that Pakistan did. India and Israel, the other two states holding out from the nonproliferation regime, had passed through the gestation period and surpassed the critical technology threshold well before proliferation became a serious question after the Nuclear Non-Proliferation Treaty (NPT) came into force.<sup>13</sup> The perception in Pakistan was that for every proliferation act committed by India, Pakistan would be (and was) punished as it was forced to respond, pursuing what was perceived by Pakistan is to be their critical national security requirement. Meanwhile, India would either escape punishment or get away with a slap on the wrist.

In 1976, Pakistan laid the foundation of its nuclear program, based on enriching uranium through gas centrifuges after the United States pressured France not to transfer reprocessing plants to Pakistan, even though they would be under International Atomic Energy Agency (IAEA) safeguards. By 1977, U.S. legislation, under the Symington-Glenn Act, sought to restrict the acquisition and testing of nuclear weapons – a law that was essentially formulated in the wake of the 1974 Indian test. Subsequently, the U.S. Congress passed the Pressler Amendment, a Pakistan-specific law, in 1985; this made continued military and economic support to Pakistan contingent upon the U.S. President’s certification that Pakistan did not possess nuclear weapons. Over a period of time, India realized it had the advantage over Pakistan. Indian size and potential would allow it to weather the strictures of the Western-led nonproliferation regime, which India mitigated with diplomacy (especially using the “China rivalry” card that resonated well within certain anti-China and nonproliferation lobbies in the United States) and dependable Soviet/Russian support. The same was not true for Pakistan, which

had little room to maneuver diplomatically and economically, and which was always facing hard choices and political/strategic trade-offs due to its deleterious economy.

India began to apply this comparative advantage as a calculated strategy. First, India would challenge the nonproliferation regime by calling for global disarmament according to article six of the NPT, and then, after the predictable silence of the United States, use this lack of response as a pretext to justify its own nuclear program. Second, India would predict Pakistan's reaction and provoke it into a "tit-for-tat" response, simultaneously picking on China and Pakistan as the "two villains." Such claims not only provided the propaganda tool to justify India's actions, but also engaged Pakistan in an arms race that would erode Pakistan's cumulative security. Initially Islamabad obliged, but it soon realized the trap. It therefore began calculating what was critical for its national security, and worked on a strategy to put India on the defensive, with Pakistan responding only after carefully weighing security, diplomatic and economic factors.

By the mid-1980s, the U.S. Government believed Pakistan had developed sufficient capability to "produce enough weapons grade material to build several nuclear devices per year but was not believed to have assembled any nuclear explosive devices."<sup>14</sup> Pakistan might have deliberately kept its weaponization capability on the threshold, or only a "screw driver's turn away," primarily to accommodate U.S. concerns. It was both politically prudent and made security sense for Pakistan to do so. At the time, Pakistan was a beneficiary of military and economic support from this super-power ally. But Islamabad could not afford to slow down on this policy course. By the end of 2000, Pakistan had an unspecified number of nuclear weapons, primarily highly enriched uranium (HEU) devices.<sup>15</sup>

The second challenge for Pakistan after having developed

nuclear weapons was to acquire and/or develop a means of delivery. India enjoyed a five-to-one advantage over Pakistan in aerial delivery means. In 1990, the dreaded Pressler Amendment was applied to Pakistan, leading to the immediate denial of the delivery of the already paid for F-16 aircraft. The application of the Pressler Amendment happened amid important geopolitical changes in the world and in the region (the end of the Cold War, the Soviet withdrawal from Afghanistan, the Kuwait/Gulf crisis) that had far-reaching political implications: not only did these changes adversely affect U.S.-Pakistan relations, but they helped to create a security void in Afghanistan that would prove costly for the region and the world. In 1990, while Pakistan was denied an aerial means of delivery, India demonstrated the *Agni* and *Prithvi* missiles, the products of its integrated guided missile program (IGMP) established in 1983. The serial production of the missiles and their subsequent induction into the Indian armed forces caused further imbalance. With the end of the Cold War and visible signs of U.S. abandonment of the region, followed shortly by the collapse of the Soviet Union, Pakistan came to feel isolated—that it was being left on its own to face India as well as the socioeconomic fallout of the Afghan war, which was in the process of regressing into civil war. Confronted by such pressures, Pakistan felt compelled to develop a land-based delivery means for its nuclear weapons, namely, ballistic missiles. However, as with the NPT and its attendant supply-control regime,<sup>16</sup> Pakistan's quest for a missile deterrent now faced several missile-related sanctions under the Missile Technology Control Regime (MTCR), a supply-control cartel established in 1987. Pakistan turned to its trusted ally, China, and other sources of supply. Throughout the 1990s, Pakistan and China (as well as North Korea) were slapped with MTCR sanctions, the latter for alleged supply of missile technology to the former. This pattern continued until the Clinton administration departed.<sup>17</sup> Despite the sanctions, by 2000, Pakistan had several land-based solid- and liquid-fuelled missiles, ranging from 100 kilometers to 3,000 kilometers.<sup>18</sup>

The third challenge for Pakistan was to validate the delivery means and the weapons designs through testing. This challenge had obvious political costs and unlike the situation of India, Pakistan could not openly challenge the global nonproliferation regime. Given the international environment in the wake of the Comprehensive Test Ban Treaty (CTBT) negotiations, Pakistan could not have contemplated nuclear tests on its own. Indian preparations in 1995 and its intransigence during the CTBT debate made its intentions clear. In 1998 when India tested again, it was merely a tactical surprise rather than a strategic one. Pakistan was thus provided with an opportunity to validate its own designs by testing. Pakistan conducted fission tests that produced the desired results and thus gained confidence in its designs.

Earlier in April 1998, after much deliberation, Pakistan conducted its first test of a liquid-fueled missile (the *Ghauri*), and in April of the next year, of a solid-fueled missile (the *Shaheen*). Again, Pakistan received MTCR sanctions, but protested that India's 16 *Prithvi* tests and at least four *Agni* tests conducted earlier were ignored under the pretext that India's missiles were "indigenous" – a claim Pakistan contested. India's *Prithvi* and *Agni* were the result of a combination of reverse engineering and off -the-shelf technological acquisitions of Russian SA-2 missiles, U.S. Scout rockets and French rocket engines.<sup>19</sup> Pakistan believed India never incurred the same scrutiny, even though both programs contained imported elements.<sup>20</sup>

Thus, Pakistan overcame significant challenges to achieve national security. Not only was it under constant threat from India, but also from the strictures of the West – particularly in the form of the nonproliferation regimes for nuclear weapons and ballistic missiles. By the turn of the century, three generations had paid a steep price for achieving the nuclear deterrence that would ensure Pakistan's national survival and sovereignty.

### **Strategic Challenges: Major Crises in Nuclearization.**



Throughout this period of nuclearization, Pakistan lived in dangerous circumstances. In the late 1970s, major political and regional security changes occurred in the neighborhood. With respect to India, Pakistan's principal threat and *raison d'être* for going nuclear, four major crises have taken place, and the fifth one is currently in progress (spring 2002), with the Indian armed forces fully deployed against Pakistan in a game of brinkmanship in the wake of the war on terrorism in Afghanistan.

The 1972 Simla treaty brought peace for over a decade. India and Pakistan maintained good relations, especially in the late 1970s when there was a regime change in India for the first time. While major changes occurred in Iran (the revolution in 1979) and Afghanistan (the Soviet occupation of December 1979) that directly affected Pakistan's western border, India underwent an internal crisis. The Sikh freedom struggle in the Punjab, adjacent to the Pakistani border, precipitated a military operation in Amritsar. At approximately the same time (1984), the Soviet-Afghan war was also at its peak and undergoing a critical phase. Pakistan's security forces and intelligence agencies focused on two fronts – on the Punjab border in the east and in the west towards Afghanistan. India commenced a surprise occupation of the Siachin Glacier that from Pakistan's perspective was a stab in the back.<sup>21</sup> The ensuing crisis nearly brought the two countries to war in 1984. Also at that time, Pakistani intelligence learned that India had conceived plans to strike at Pakistan's nuclear enrichment facility at Kahuta in an apparent attempt to emulate Israel's attack on the Iraqi nuclear plant at Osirak.<sup>22</sup> The crisis diffused after Indian Prime Minister Indira Gandhi was assassinated in October 1984.

Two years later, India planned a major operation code-named "Brasstacks" under the garb of a military exercise on the border of the two countries. This event was designed to trigger a conventional war with Pakistan. Once again, India contemplated executing plans

to strike at Pakistan's nuclear installation. The operation would commence after the Indian air force faked an attack on its own installation at Trombay, providing the pretext for a "counterattack" on Pakistan. Again, the underlying notion was to destroy Pakistan's nascent nuclear capability before the enrichment process crossed critical thresholds. Pakistan responded by mobilizing its forces, and the standoff escalated to the brink of conventional war. This was the first conventional force assembly of its kind since the war in 1971.<sup>23</sup>

In 1990, the Kashmir crisis once again brought Pakistan and India close to war. By this time, the prospects of nuclear deployment were perceived to be real, prompting a mission by U.S. Deputy National Security Advisor Robert Gates to the region. In 1999, despite a much-trumpeted summit at Lahore, an incursion in the region of Kargil masterminded by Pakistan once again demonstrated that the India-Pakistan problems are deep rooted, requiring a sustained peace and conflict resolution process rather than "flash in the pan" peace initiatives.

Such a demonstrated pattern of crisis instability naturally leads observers to express concern about the very real possibility of escalation into a nuclear exchange. Just as the nuclear threat to Pakistan calls for the nuclear deterrent, the new and dangerous capability demands deliberate and responsible management. Mankind's deadliest device, nuclear weapons, can be a double-edged sword where mismanagement of arsenals can lead to destruction as quickly as an incoming attack. Tampering, accidents, and unauthorized launches are all the specters of deterrence in stability. It is for these reasons that development of a comprehensive command and control apparatus is extremely important.

### **Managing Nuclear Arsenals.**

During the nuclear age, the experience of the Cold War protagonists revealed that there was an imbalance in understanding

nuclear security because the “process of managing nuclear arsenals [was] less discussed and less familiar than either the weapons themselves or the doctrinal logic used to define it.”<sup>24</sup> Strategic affairs have traditionally been dominated by the military. Until 1998, Pakistan’s strategic development program was coordinated under the utmost secrecy by a small circle of the highest-level leaders. After the tests, the government had an obligation to the nation and the international community to delineate the roles and responsibilities of the various civilian and military organizations required for the management of the nuclear capability. In February 2000, Pakistan announced the creation of its Nuclear Command Authority (NCA) that would ensure civilian control. The “head of the government” (a civilian) is the chairman of both the “Employment Committee” and the “Development Committee.” The former is the apex body responsible for policy formulation and direction, establishment of the hierarchy of command and control, and the delegation of authority, as well as being responsible for safeguards, monitoring, and accounting of the nuclear material. The latter is essentially a military-scientific committee that implements the policy guidelines to attain specific strategic force objectives. The Strategic Plans Division (SPD) is the secretariat that plays the pivotal role of planning, coordinating, and guiding. At the services level, Strategic Force Commands are responsible for training, maintaining, and ensuring custodial safety of the assets under close supervision of the SPD. Figure 1 represents a skeletal model of Pakistan’s command and control hierarchy. Through this command and control, Pakistan has been able to set a strategic direction towards its “minimum deterrent requirement.” The establishment of this command system in Pakistan institutionalizes the nuclear capability under a centralized forum and ensures the future size and shape of the nuclear force. The control apparatus oversees every aspect of the arsenal in the strategic and policy context, ensuring that the program remains affordable and within the constraints of the economy.

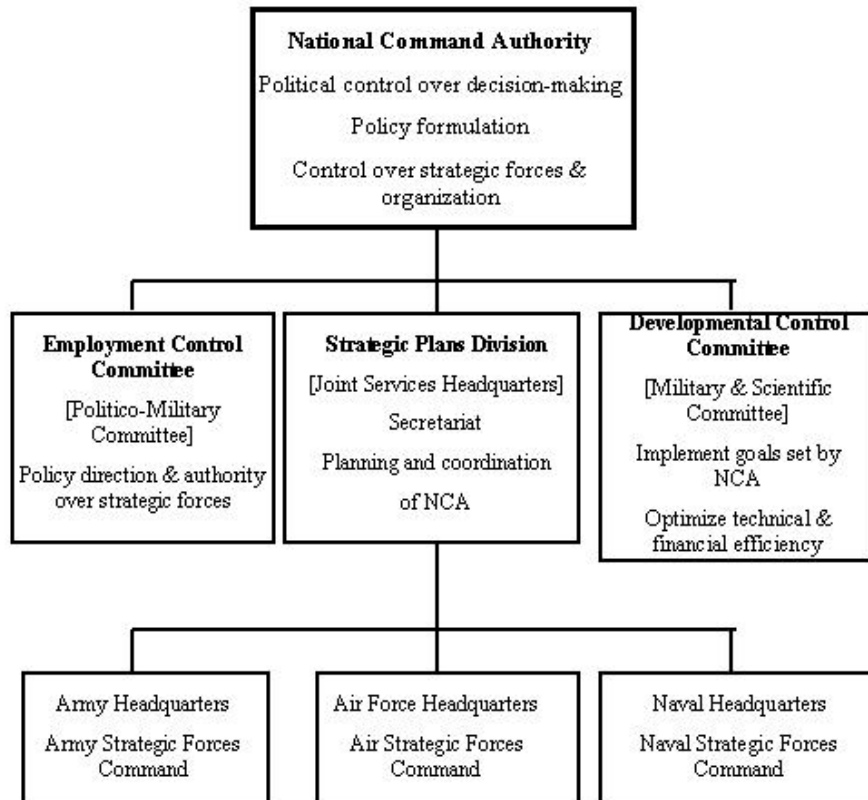


Figure 1. Pakistan's Command and Control Hierarchy.

## The Always/Never Dilemma.

Peter Feaver has described the central challenge of any strategic command and control system as an “always/never dilemma.” The always/never dilemma is one that faces every nuclear-capable state when it establishes the command systems to manage its nuclear forces.” Leaders want a high assurance that the weapons will *always* work when directed and a similar assurance that they will *never* be used in the absence of authorized direction.”<sup>26</sup> This factor is especially critical in a tense standoff like the one in South Asia. Normally such a system is based for peacetime operations; however, the dilemma here illustrates the trade-off between safety in the storage of nuclear weapons and the need for readiness if the deterrent threat is to be effective. The transition from peace to war is fraught with dangers. “Deterrence rests on the credibility of the command system ability. While deterring aggression, which is paramount, a second goal is to avoid accidental war.” Military history and everyday operational experience affirm that the unexpected is to be expected in complex operations – the more so in nuclear operations.<sup>27</sup> The propensity of South Asia to run into crisis makes the case for establishing a reliable command and control system all the more crucial. It stands to reason that centralized authority should be held exclusively by a commander who prefers never to actually use nuclear weapons, and who would therefore provide safeguards against their accidental or unauthorized launch, thereby making nuclear use exclusively contingent upon the central command authority. *However*, the vulnerability of the central command to a decapitating attack forces it to pre-delegate not the *authority* to launch nuclear weapons, but the *ability* to do so. While bolstering the deterrent threat, the diffusion of the ability to initiate nuclear use multiplies the difficulty of preventing three dangers: accidents, tampering, and un-authorized use – thus the always/never dilemma. This dilemma is even more trenchant for Pakistan, given the lack of strategic depth, technical asymmetry, and crisis instability vis-à-vis India.

## REGIONAL DYNAMICS: STRATEGIC ASYMMETRIES AFFECTING PAKISTAN'S SECURITY POLICYMAKING

### **Factors Affecting Pakistan's Security Future.**

Pakistan's future security will be contingent upon four factors: nuclear deterrence, economic development, stability in Afghanistan, and relations with India (the Kashmir dispute is central here). The interplay and policy trade-offs involved in balancing these factors will determine Pakistan's security for the foreseeable future.

Assuming that more resources will be consumed by the military in a state of war than in peace, nuclear deterrence of war therefore frees more capital for domestic investment. The whole idea of nuclear weapons development in Pakistan is predicated upon deterrence of aggression and prevention of war. The resultant peace, therefore, creates a window that must be used to optimize resources for economic reforms. Pakistan's future policy should therefore be to balance the symbiotic relationship between nuclear deterrence and economic revival, and handle the implicit trade-off.

Peace and stability in Afghanistan are inextricably linked to Pakistan's security, therefore Pakistan's objectives in Afghanistan remain that of a friendly government in Kabul and a peaceful and settled border (based on the Durand Line). The historical, cultural, geographical, and demographic linkages are imperative, making the two states "naturally interdependent." Afghanistan's "landlocked imperative" (her need for access to the Indian Ocean and aid from Pakistan) and Pakistan's quest to reintegrate itself into the Central Asian network (e.g., via oil pipelines) will not only enhance Pakistan's security but help to stabilize the entire region.<sup>28</sup> Pakistan may have learned from its mistake that her strategic interest does not warrant establishing a puppet regime in Kabul but is better served through a dependent and friendly regime that develops relations

based on geopolitical and cultural affinity. The dividends for Pakistan from stability on its Afghani border are many, including the elimination of a thorn in its relationship with Iran and with other Central Asian countries.

With India, the relationship is essentially complicated by the non-resolution of Kashmir and other disputes. In Pakistan, there are two distinct schools of thought regarding India. The first is the optimist school that believes that there are essentially no differences between India and Pakistan except those over specific issues. Once Kashmir and the other issues are resolved, South Asia will be ushered into an era of peace, amity, and prosperity. The second is the deterministic school of thought, which believes that hostility is a result of cognitive biases. Therefore, even if these issues are resolved, new issues will be created to keep the animus alive. While both of these schools of thought developed during the period of mutual mistrust between India and Pakistan, they lead to contradictory conclusions regarding the future if the outstanding issues can be resolved. Perhaps time will reveal which school is correct in its predictions.

### **The Myth of a Triangular Security Construct.**

The South Asian subcontinent has traditionally consisted only of India and Pakistan. Given India's perceptions about China, strategic analysts have long debated whether the security dynamics of South Asia can be complete without bringing in the China factor. A recent study done by the Henry Stimson Center concludes that should China be taken as part of the regional equation, a treaty-based triangular restraint arrangement would be "very difficult to negotiate since neither equality nor formalized inequality is likely to be acceptable to one or more parties."<sup>29</sup> Economic asymmetries also exacerbate the instability in the relationships between China and India and India and Pakistan. According to the World Bank's 2001 development report, both Pakistan and India have close to 40

percent of their population under the international poverty level (one dollar per day), while Chinese poverty is fewer than 5 percent of their population. Chinese growth rates are also projected to be higher at 7 percent than Indian rates (5.5 percent), which are in turn higher than Pakistani growth rates.<sup>30</sup> Moreover, the fundamental military disparity between the regional rivals is not going to change in the next 20 years. Although India may reach the current Chinese stockpile of nuclear weapons numbering over four hundred, Chinese stockpiles will, by that time, have grown greater, especially with no bright prospects for the Fissile Material Cut-off Treaty (FMCT) and the expected Chinese response to the U.S. deployment of a ballistic missile defense (BMD) system. Also, India's nuclear and conventional advantage over Pakistan will likely remain, especially given Pakistan's current prostrate economy.

India's security perception nevertheless revolves around the "twin threat" from China and Pakistan.<sup>31</sup> At one level, a Sino-Indian détente seems possible, yet the rhetoric of the "China threat" is a constant Indian mantra.<sup>32</sup> The propagation of the China threat is in part a deliberate Indian policy calculated for the ulterior motive of gaining political and security support from the West.<sup>33</sup> As for the other threat, Pakistan's nuclear program is driven purely by security concerns specific to India; Pakistan's nuclear future hinges upon the perceived threat and ambitions of India.

Pakistan believes Indian ambitions and aspirations are three-fold: 1) emerge as a global power (at least to be seen as China's equal); 2) eliminate the influence of outside powers in South Asia; and 3) develop regional security under Indian patronage and terms. To realize these objectives, India's hopes are pinned on three key assumptions. One is that the United States, in its perceived cold war with China, would feed Indian ambitions by accepting her as a strategic partner. Second, China would be kept away from influence on and cooperation with Pakistan, and possibly be deterred from deploying a naval presence in the Indian Ocean (seen as India's



“lake”) . The third is India’s ability to maintain a weak, subservient, and semi-sovereign Pakistan (as a “West Bangladesh”) . Indian designs on China and Pakistan could be construed as the following: in the short term, engage China to buy time while maintaining the rivalry in order to receive Western support and to justify an arms build up – thus narrowing the developmental and technological gap between India and China. In the long term, force China to accept India as a peer competitor with global status. With regard to Pakistan, in the short term, New Delhi seeks to isolate Islamabad and force it to change its Kashmir policy and/or accept the status quo. In the long term, India’s objective is to erode Pakistan’s military capacity and national will to sustain sovereignty in South Asia.

While the China factor in South Asian dynamics cannot be dismissed, its inclusion in the regional construct skews regional dynamics and dims the prospect of a secure nuclear future for the region. China may view an emerging India as a potential rival, but the disposition of Chinese armed forces does not indicate any offensive design or capability that is India-specific. Contrary to the claims to date, it has never been shown conclusively that China has targeted or deployed strategic forces or missiles anywhere that could threaten India. China’s security focus is toward the East.<sup>34</sup> Posing a real threat to India would obviously be counterproductive to Chinese aims, objectives and security interests.<sup>35</sup> Indeed, the China-Pakistan relationship has been very close and is likely to progress into economic and other fields since Pakistan considers “China’s role key to South Asian peace.”<sup>36</sup> Pakistan will continue to rely on China, and this factor will affect the larger Asian power balance.<sup>37</sup> Finally, the concept of deterrence is a key factor in each of the three actors’ perceptions of the others. In Kashmir, Pakistan supports a freedom struggle that India considers a sub-conventional war under the nuclear umbrella. India believes that asymmetrical assured destruction will provide an opportunity for limited conventional war by assuming that it possesses escalation control over Pakistan. Pakistan, therefore, has not foreclosed the use of nuclear weapons as a last

resort (the Samson option) . India keeps the Chinese threat alive to justify its arms build-up while China supports Pakistan to maintain the regional balance.

### **The Russian and Israeli Factors.**

Russian assistance to India's strategic and nuclear programs is another cause of potential instability in the region. Soviet S-300 missile sales with the possible transfer of Arrow missile technology from Israel and other Western countries may be helping India develop an anti-ballistic missile defense system of sorts. Furthermore, Russia's cooperation and transfer of early warning and surveillance systems to India will boost New Delhi's space program. Such cooperation skews the balance in the region and would obviously affect Pakistan's response. Israel has also been known to sell rocket technology, remotely piloted vehicles, and other armaments to the region. The arms flow between Israel and India is especially troubling and destabilizing because it invites Pakistan to reciprocate by beginning a similar relationship with Israel's Arab neighbors. Although Pakistan has deliberately avoided technology transfers to Israel's neighbors, the specter of a two-way "Middle East-South Asia arms corridor" is a very destabilizing one, increasing the pressure in two already tense regions.

### **U.S. Influence in South Asian Politics.**

Looking ahead, the emerging multipolarity of the international system and evolving U.S. policy on Asia (that may well engender a new cold war) will set the direction of the region's future. In the wake of the events of fall 2001, the focus on international terrorism will likely overshadow all other policy choices in the short term. In the long run, however, the interplay of geopolitics and strategic policy (notably the issues of proliferation and missile defense) will resurface. This will have a profound impact in determining the contours of regional dynamics. For example, the United States has

been seeking a “strategic partnership” with India, while at the same time seeking “strategic cooperation” with Pakistan. More importantly, the war in Afghanistan saw the United States win back its old ally, and brought Pakistan an “opportunity to come back from the precipice.”<sup>38</sup> In normal times, the United States would want to steer clear of the India-Pakistan rivalry. However, at the time of this writing, the United States is passing through a critical point in its war; the stakes are extremely high and the outcome of the evolving situation remains to be seen.

Both India and Pakistan are at odds with each other, but not with the United States. For the first time, Washington finds India allied to the United States and thus the United States has leverage to bring both parties to a negotiating table. Moreover, given the dynamics and dangers involved, the United States cannot afford to take the low road to South Asia. The apparent U.S. tilt in favor of India and concomitant abandonment of Pakistan and Afghanistan in the 1990s led to a vacuum in the region. Since September 11, however, that has been corrected, although skepticism continues in Pakistan regarding the longevity of U.S. engagement. Also, the United States has shown nominal interest in restraining India’s pursuit of a nuclear arsenal,<sup>39</sup> pulling out of various international treaties and protocols and clearly signaling to the world its disinterest in international treaties and regimes not having to do with Islamic terror. If this pattern continues, the next few years will likely see a continuation of the nuclear and conventional force build-ups in South Asia.

Lastly, the staying power of the United States will be the driving force behind the direction of South Asian politics. This may run contrary to India’s professed policy of opposing the involvement of outside powers in South Asian affairs, but Pakistan believes that the United States will maintain a balanced relationship with both the countries. In the context of the nuclear and conventional balances of power in the subcontinent, the United States should develop a policy that appreciates the security concerns of all parties in realistic rather

than idealistic terms.

## **THE WAY FORWARD: TOWARDS A RESTRAINT REGIME**

In the first two decades after independence, despite two wars (in 1948 and 1965) India and Pakistan took several steps towards peace and security in the region, including in Kashmir.<sup>40</sup> The Karachi agreement of 1948 was the basis for the conduct of troops on the Ceasefire Line (CfL) that became the Line of Control (LOC) after the 1971 War. Between 1972 and 1998, there were several bilateral agreements; most notable among them were three: an agreement not to attack the other's nuclear installations; membership in the chemical weapons convention; and an agreement on the conduct of military exercises and the demarcation of airspace.

Despite these agreements, tensions between the two countries continued, thereby eroding confidence in the agreements. India and Pakistan were discussing multiple issues, such as Jammu and Kashmir, the Siachin Glacier, Wullar Barrage, Sir Creek, trade, security, etc. With the arrival of the BJP government in 1998, India adopted a more belligerent agenda toward Pakistan. The nuclear tests in 1998 generated heat between the protagonists, and gained the attention of the global community. The United States engaged both India and Pakistan separately in strategic dialogues, leading to bilateral dialogue between the two.<sup>41</sup>

The talks between India and Pakistan resulted in the exchange of several restraint ideas. None of them ever resulted in a viable process for implementation as neither side was prepared to give up its advantage. For example, in the October 1998 talks between India and Pakistan on "Peace, Security and Confidence Building Measures," India offered an exclusive agreement on the nuclear aspect without any corresponding agreement on conventional force restraints. Further, they proposed not to engage in counter-value targeting (against cities and other civilian dwellings) while attempting to

neutralize Pakistan's deterrent by keeping the option of counter-force targeting (against military troops and bases) open. Conversely, Pakistan proposed a strategic restraint regime that included a combination of nuclear, missile and conventional force restraint arrangements.<sup>42</sup> Thus Pakistan called for no first use of force—conventional or nuclear—thereby curtailing India's options to use its conventional force advantage. Two years later, Pakistan also suggested the concept of the non-deployment of missiles at the Conference on Disarmament in Geneva, in which four specific proposals were made: not to deploy ballistic missiles, not to operationally deploy nuclear capable missile systems, to formalize flight test notification, and to declare a moratorium on the development, acquisition and deployment of anti-ballistic missiles.<sup>43</sup> India dismissed all of the proposals, and the world did not take interest—especially the Bush administration, whose indifference was perhaps a result of its quest for support of the unpopular BMD system, which India had previously backed.

### **Crafting a Restraint Regime.**

Based on these proposals and discussions, three distinct aspects of a restraint regime need to be considered.

*Regional Security Framework.* There are two categories of arms control measures particularly applicable in the regional context. First are the traditional measures that aim at crisis avoidance and build on restraints—essentially confidence-building measures (CBMs) and risk reduction measures. Second is the category of arms control that imposes limits on numbers and kinds of weapons, and is in the realm of imposing mutually acceptable developmental constraints that can be extended to disarmament. Past experience suggests that South Asia may not yet be amenable to this second category. At the same time, however, there is a desire for any agreement that could inspire a cautious rapprochement between India and Pakistan.

One of the key reasons for the breakdown of negotiations has been the failure to integrate various factors into a framework that redresses not just the issues of concern but also the structural asymmetries in the region. A regional security framework would involve four major principles: 1) development of some basic rules of engagement to ameliorate the danger of war; 2) a fundamental change in the strategic and political climate from zero-sum to positive-sum; 3) an integrated approach to nuclear and conventional forces; and 4) involvement of the international community to ensure that commitments are honored.

*Integrated Arms Control Framework.* Conventional arms control and restraint measures form an essential part of the equation, alongside nuclear missile restraint. The Conventional Forces in Europe (CfE) principles for asymmetrical and proportionate conventional arms control and restraint are the direction South Asia needs to travel. Both sides must mutually identify offensive and defensive forces. Buffers would be created to prevent the assembly of offensive forces in threatening areas (which would be designated as “low force zones”), thereby avoiding another “Brasstacks”-type of eventuality. Both India and Pakistan would voluntarily submit reports to the UN Register of Conventional Arms. In the same spirit, any increase in strength, equipment, or structure should be voluntarily and mutually made known as part of a CBM.

*Nuclear Missile Constraints.* Determining the thresholds for nuclear restraint is very difficult, as ambiguity is seen as an essential aspect of effective deterrence. A smokescreen is kept over actual capabilities, deployment status, and the numbers of delivery means as well as the weapons in a deliberate strategy to keep the enemy guessing by mixing ambiguity and transparency. It is difficult to determine a base line for the current state of weaponization and deployment. For obvious security reasons, there can be little transparency in the state of operational preparedness. Letting specific nuclear thresholds be known invites aggression up until that

point. Before the present crisis it was widely assumed that existing nuclear weapons were not fully deployed.<sup>44</sup> At least the delivery vehicles were not mated with the nuclear warheads. However, there was ambiguity over whether the warheads were being stored with the nuclear cores placed inside the warheads. From a technical perspective, restraint measures can range from non-weaponization up to full deployment. Examples include:

- The nuclear devices (cores) are kept separate from other warhead components and not co-located.
- The nuclear devices and warheads are not assembled but are co-located for rapid assembly.
- The nuclear warheads are assembled but not mated with the missile frames or aircraft.
- The nuclear warheads are mated with the missile frames but are not co-located with the delivery means (transporter/erector/launcher, TEL).
- All components are co-located to be rapidly mated.

In the India-Pakistan context, it is extremely difficult to verify the stage of weaponization and highly unlikely that transparency in the state of weaponization would be subjected to regime verification. However, if nuclear weapons are mounted with aircraft or missile delivery platforms and fully deployed, then it becomes technically possible to verify through various surveillance and other national technical means (NTMs).

### **Nuclear Scenarios.**

At present, both armies appear to be in a state of mobilization and deployment in battlefield locations. Because of ambiguity

surrounding nuclear weapons on both sides, if the situation continues to escalate, it cannot be construed that nuclear weapons are in the same state of weaponization as they were prior to December 13, 2001. Three scenarios of nuclear use could be visualized in South Asia between now and the future: preventive, accidental, and the escalation of limited war.

*Preventive Nuclear Strike.* India may conduct a decapitating attack after careful calculation and consideration of force levels, redundancy, and vulnerability. Sudden strikes to cripple or eliminate Pakistan's assets or nerve center and infrastructure would certainly start a nuclear exchange.<sup>45</sup>

*Accidental Launch.* In the absence of a treaty or formal restraint arrangement, and under conditions of non-verifiable CBMs and deliberate ambiguity (by informal consent of both parties), deployed nuclear forces area recipe for instability and misperceptions. Nuclear forces dispersed for reasons of survivability and invulnerability pose the necessity for early warning, surveillance, and reconnaissance. The biggest question would be how to address the dilemma of pre-delegation in the event of a decapitating attack. Further, the onus of physical security, protection, and reliability (human and technical) would now increase exponentially. The burden on command systems would be tremendous. Given the railroad conditions in the sub-continent, preventing an accident during the transportation of nuclear weapons, especially the paraphernalia involved with liquid-fueled missiles, would be extremely hard. Accidents cannot be ruled out and therefore the methods of ensuring safety during the move will be a very important feature in the South Asian environment. Deception is a part of adversarial relationships, but misperceptions during crisis can lead to risks of false warnings and possible nuclear exchange. Creating doubts in the minds of the opponent is a deliberate act, and in a hostile environment and during a crisis, confusing the other side could have very dangerous consequences.



*Limited War.* The belief of the Indian military that it could conduct a limited war under the nuclear umbrella has already been discussed. It is quite possible that the current situation could become a sequel to those previous crises. The strategic assembly and movement of conventional forces cannot remain concealed, and takes time to develop. However, nuclear weapons and forces can be assembled and deployed far more rapidly and secretly even though their use may not be contemplated. In such a scenario, nuclear forces may well be deployed preceding the conventional force build-up. The determination of redlines, or the nuclear threshold, may be very difficult to predict as conventional war escalates. The notion that India will keep escalation dominance may well prove wrong, if for no other reason than as a result of the sheer confusion generated in the fog of war.

### **Elements of a Restraint Regime.**

The very real possibility of any one of these aforementioned contingencies necessitates concrete measures to promote safety and to lessen the likelihood of misperception leading to tragedy. It is for this reason that delays in response, early warning systems, and the establishment of a crisis center is recommended.

*Delay in Response.* For crisis stability, restraint with respect to weaponization and deployment is critical, and that is reflected by a desire on both sides to have “only recessed or latent deterrence.”<sup>46</sup> This should not be construed as stymieing either country’s ability to respond. In fact, a delay in response in normal circumstances makes security sense and provides assurance that arsenals and delivery means are not only safe but under the control of the NCA. Delay in response allows for the prevention of accidental nuclear warfare while still allowing each country to protect its national security. Key proposals to implement a viable delay in response program are:

- Critical components are kept removed from the system;

- Launcher and warhead separation to mutually agreed geographical limits;
- Two-source warning system;
- Two or more persons in control; and
- A personnel reliability system.

It is also important to improve the sensor and command networks of nuclear forces under such a program. When strategic forces are kept in delayed response modes, alerting systems can fail in two ways: either by signaling false alarms or by failing to signal an alarm during an actual attack. Respective national command authorities must take into account both of these issues when redundancy checks are added into the system.

*Cooperative Warning Arrangement.* One of the key areas that need to be addressed is the surveillance and early warning disparity problems. Although generally both India and Pakistan lack reliable, up-to-date surveillance or warning systems, this is a major disadvantage for Pakistan. In a crisis, both leaderships would be working under blind spots, and they may well indulge in dangerous practices that could be misperceived by the other. Third parties, such as the United States, should help establish a cooperative warning arrangement between India and Pakistan and assist them in interpreting data provided by this warning system or provide the necessary information for the two parties to do so themselves. America should assist India and Pakistan in developing secure communications systems and in verifying accidental nuclear detonations or unannounced missile launches.<sup>47</sup> In addition, if both countries have a restraint agreement that includes a non-deployment agreement, the United States could verify the absence of deployment to both parties in case of misperceptions. This cooperative warning

system “might well be linked to the recently opened U.S.-Russia joint warning system, and could eventually include China. Indeed, it might be part of a larger Asian verification system.”<sup>48</sup> In the long run, India and Pakistan must themselves accord a high priority to achieving a bilateral agreement on aerospace developments for surveillance and satellite monitoring. Such an agreement is not to justify spying but to be confident that there is nothing to hide and that no hidden strikes are being planned. This is a CBM critical to the nuclear future of both India and Pakistan, and would go a long way toward relieving tensions on both sides.

*Crisis Prevention Center.* At this stage, both India and Pakistan are very sensitive to intrusive verification mechanisms. However, in the absence of verification, the strength of any arms control agreement is diluted. They might agree to establish central crisis prevention centers, patterned after the Nuclear Risk Reduction Center (NRRC), in their respective capitals that would deal with crises where short-term, immediate communications are needed. The basic purpose of these centers is to support crisis management and crisis avoidance, and to substantiate implementation of CBMs—basically, to prevent the crisis from escalating into a war that could lead to the use of nuclear force. They would also help both countries respond promptly to any unanticipated developments. Functional arrangements can be worked out if a basic code of engagement, like the one suggested above in the regional security framework, is already established.

As an integral part of the crisis prevention centers, “nuclear accident centers” should also be established. These centers would be staffed with specialists and observers. When a crisis occurs, they can confer with each other and report to their respective national command authority/head of state, providing critical information for decisions. To prepare a mutually acceptable blueprint of the centers, both sides should establish a “consultative commission,” comprised of scientists, technicians, diplomats and experts from the military,

which could meet periodically to plan and oversee the centers, exchange concerns and discuss future modalities.

### **U.S. Cooperation on Crisis Prevention.**

The United States is in a unique position with regard to India and Pakistan. It can play a vital role in encouraging nuclear and political CBMs. Politically, the United States could support an interim agreement to de-escalate the current situation by mutually withdrawing forces from the (unstable) deployed positions. The next obvious challenge for the United States would be to facilitate a peace process that includes Kashmir and other issues in which the crisis threshold could be raised, thereby fostering greater stability and predictability. Nuclear CBMs could be engendered by “carefully weighing the merits and pitfalls of sharing [its] expertise and, where possible, technology.”<sup>49</sup> No matter how confident India and Pakistan are about their nuclear safeguards, the matter of nuclear safety should never be taken lightly. There are always human and technical errors, or a combination of the two, that can happen. To help ameliorate that risk, the United States can:

- Help establish Nuclear Risk Reduction Centers (NRRCs).
- Establish a cooperative warning arrangement that institutionalizes a method for exchanging information and that identifies areas where instant cooperation could help prevent crisis escalation.
- Help introduce a personnel reliability program (PRP).
- Co-develop systems akin to the Nuclear Emergency Search Teams (NEST), with specially trained teams that can react and take control in case of a hoax or an emergency.<sup>50</sup>
- Share experience with accident avoidance techniques to

reduce technological errors, such as electromagnetic radiation, computer fallibility, etc., and such areas where the United States and others have experienced nuclear dangers.

- Help design software for better electronic locks.
- Suggest alternative means/measures for developing fool-proof communications so as to obviate the possibilities of misinterpretation, especially in a crisis or war-like environment.
- Identify factors that can check or recheck verification measures to prevent premature reactions to a false warning—especially on radar screen, etc.
- Provide generic physical protection and material accounting practices.<sup>51</sup>
- Provide sophisticated vaults and access doors.
- Provide portal command equipment.
- Provide advanced circuitry to prevent accidental launch.

## CONCLUSION

India and Pakistan need to coexist as sovereign neighbors. Because both are nuclear-capable states, they are required to exercise restraint and limit their actions. It is incumbent not only upon them but also the international community to seek early resolutions to their conflicts. It would be foolhardy to expect that arms control and restraint measures will work unless meaningful and substantive moves forward on core issues are pursued concurrently. Nevertheless, to prevent nuclear accidents and formal nuclear and/or conventional force deployments, there is an urgent need to

establish a restraint regime in this region—perhaps more critical than in any other place in the world.

With an eye towards the next 20 years, two paths can be seen as possibilities for the region. One of those paths is the status quo, leading to a future determined by aggressive military policies that cause their mirror images in the rival state's reactionary policies. This would no doubt spell an unrestricted arms race with less and less communication and fewer safety measures. The alternative to this path would be characterized by third party intervention leading to greater cooperation and the construction of a mutually acceptable framework for a restraint and stability regime, something along the lines described above.

This chapter has proffered ideas where the West could help by sharing experience, expertise and technology. Such cooperation is not for the purpose of rewarding or enhancing capabilities but to ensure stability and peace and to avoid the risk of a nuclear war. Toward this end, it is time to take a fresh look at the current policy of denying technology and experience, and to distinguish between technologies that contribute toward stability and reducing the risk of nuclear war, and those that aid proliferation. South Asia stands at the crossroads—on one hand the precipice of nuclear war and on the other a redefinition of nuclear history by developing a restraint regime model based not on *mutually assured destruction*, but on *mutually assured accommodation*. Which road is taken will impact us all.

## ENDNOTES

1. Judith Miller and James Risen, "A Nuclear War Feared over Kashmir," *New York Times*, August 8, 2000, p. A8.

2. *Ibid* (emphasis added).

3. George J. Tenet, "Worldwide Threat 2001: National Security in a Changing

World,” statement made before the Senate Select Committee on Intelligence, February 7, 2001, available at: [http://www.cia.gov/public\\_affairs/speeches/archives/2001/UNCLASWWT\\_02072001.html](http://www.cia.gov/public_affairs/speeches/archives/2001/UNCLASWWT_02072001.html) (emphasis added).

4. See, for example, the CIA study *Global Trends 2015: A Dialogue about the Future with Nongovernment Experts*, NIE 2000-02, December 2000, Washington, DC, available at <http://www.cia.gov/nic/pubs/index.htm>.

5. Under the BJP, tensions between Hindu and Muslims within India as well as between India and Pakistan have been at their highest levels since partition.

6. President Pervez Musharaff, “Pakistan: A Vision for the Future,” address at the Woodrow Wilson International Center, Washington, DC, February 12, 2002.

7. This analogy was used in the same context by Jairam Ramesh of the Indian National Congress in a talk on South Asia at The Brookings Institution, Washington, DC, and November 26, 2001.

8. For details and comparison, see *The Military Balance 2001/2002*, Oxford: Oxford University Press for the International Institute of Strategic Studies, 2001, p. 155.

9. *Ibid.* See also *The Military Balance 2000/2001*, p. 160, for the previous year estimate.

10. President Musharraf used this phrase in his address, “Pakistan: A Vision for the Future.”

11. See Ahmed Faruqi, “Pakistan’s Security Environment in the year 2015: Scenarios, Disruptive Events, and U.S. Policy Options,” paper presented at a workshop sponsored by the Strategic Studies Institute, U.S. Army War College, Washington, DC, June 27, 2001.

12. Term used by President Musharraf in his address at Woodrow Wilson Center to describe Pakistan’s domestic political reform of establishing grassroots democracy at the local level. Musharraf, “Vision for the Future.”

13. See George Perkovich, *India’s Nuclear Bomb*, Berkeley: University of California Press, 1999. India’s unsafeguarded reactors, including a Canadian CIRUS that was commissioned in 1960 and U.S.-supplied heavy water, were principal contributors to India’s 1974 nuclear test. For Israel’s program and clandestine assistance from the West, see Seymour M. Hersh, *The Samson Option*,

New York: Vintage Books, 1993, pp. 242-243; and Elaine Davenport, Paul Eddy and Peter Gillman, *The Lumbat Affair*, London: André Deutsch, 1978.

14. See declassified documents, such as National Security Archives, "US Nuclear Non-Proliferation Policy: 1945-91," document No. 02328.1992, cited in David Albright, *et al.*, *Plutonium and Highly Enriched Uranium, 1996: World Inventories, Capabilities, and Policies*, Solana, Sweden, Oxford, and New York: SIPRI and Oxford University Press, 1997, p. 223. See also U.S. Department of State, "The Pakistani Nuclear Program," Secret Memorandum dated June 23, 1983, declassified and available at the National Security Archive, and at [http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB6/ipn22\\_1.htm](http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB6/ipn22_1.htm).

15. Pakistan does not have a major plutonium reprocessing plant and has only a pilot scale laboratory, the "New Labs" next to the Pakistan Institute of Nuclear Science and Technology. This facility can produce only a limited quantity of extracted plutonium. See David Albright, "India's and Pakistan's Fissile Material and Nuclear Weapons Inventories, end of 1999," Institute for Science and International Security, October 11, 2000, at <http://www.@isis-online.org/publications/southasia/-stocks1000.html>.

16. Under Article 1 of the NPT, nuclear-weapon member states are prohibited from transferring nuclear-related technology to non-nuclear-weapon states. In that spirit, supply-control regimes were established, such as the Nuclear Supply Group (NSG) and the Zangger Committee, both having their respective trigger lists that specified the technologies not to be transferred, especially to non-NPT signatory states—notably India, Pakistan and Israel.

17. The last MTCR sanction was exclusive to Pakistan for alleged missile-related technology transfers from China. The sanction was imposed in November 2000, just two months before the Clinton administration departed.

18. See the "Pakistan" chapter in Rodney W. Jones, Mark G. McDonough, *et al.*, *Tracking Nuclear Proliferation: 1998*, Washington, DC: Carnegie Endowment For International Peace, pp. 131-143.

19. Jones and McDonough, *Tracking Nuclear Proliferation*, p. 114.

20. Raju G. C. Thomas, "India's Nuclear and Missile Programs," in *idem* and Amit Gupta, eds., *India's Nuclear Security*, Boulder: Lynne Rienner, 2000, pp. 87-122. See also Jones and McDonough, *Tracking Nuclear Proliferation*, p. 114.

21. The Siachin Glacier occupation was conducted in an operation code-



named "Meghdoot." Simultaneously, the Indian army was involved in another operation, code-named "Bluestar," conducted at the Golden Temple in Amritsar, Punjab (the Sikhs' holiest shrine) to flush out Sikh extremists from the temple.

22. Abdul Sattar, "Nuclear Stability In South Asia: Reducing Nuclear Dangers," August 29, 1994, Washington, DC: United States Institute of Peace, states that a file entitled "Attack on Kahuta" was reported by India's *Hindustan Times* to be missing from the Prime Minister's office.

23. Simultaneous with "Operation Brasstacks," India conducted another large military exercise code-named "Operation Chequerboard," in the Sumdorang Chu Valley in the North-East Frontier Agency (NEFA) sector against the Chinese border (October 1986-March 1987). See Waheguru Pal Singh Sidhu and Jing-Dong Yuan, *Cooperative Monitoring for Confidence Building: A Case Study of the Sino-Indian Border Areas*, Cooperative Monitoring Center, Occasional Paper No. 13, August 1999.

24. Ashton B. Carter, John D. Steinbruner and Charles A. Zraket, "Introduction," in *idem*, eds., *Managing Nuclear Operations*, Washington, DC: Brookings Institution, 1987, p. 1.

25. This term is borrowed from Peter D. Feaver, "Command and Control in Emerging Nuclear Nations," *International Security*, Vol. 17, No. 3, Winter 1992-93, p. 163.

26. Feaver as quoted by Scott D. Sagan, "The Origins of Military Doctrine and Command and Control Systems," in Peter R. Lavoy, Scott D. Sagan, and James J. Wirtz, eds., *Planning the Unthinkable: How New Powers Will Use Nuclear, Biological, And Chemical Weapons*, Ithaca: Cornell University Press, 2000, p. 36.

27. Carter, Steinbruner, and Zraket, "Introduction," p. 7.

28. Rashid Ahmed, *Taliban*, New Haven: Yale University Press, 2000, p. 215. See also the concluding chapter on "peace dividends" for Pakistan and other actors, pp. 215-216.

29. Michael Krepon, "Nuclear Risk Reduction: is Cold War Experience Applicable to South Asia?" in *idem* and Chris Gagné, eds., *The Stability-Instability Paradox: Nuclear Weapons and Brinkmanship in South Asia*, The Henry Stimson Center, Report No. 38, June 2001, p. 10.

30. World Bank, *World Development Indicators 2001*, Washington, DC: World

Bank, 2001.

31. See John Garver, *Protracted Contest: Sino-India Rivalry in the Twentieth Century*," Seattle: University of Washington Press, 2001.

32. *Ibid*, pp. 336-337.

33. Feroz Hassan Khan, "Navigating the Crossroads," *The Monitor*, Center for International Trade and Security, Fall 2001, Vol. 7, No. 3, pp. 10-14.

34. Yunhua Zou, "Chinese Perspectives on the South Asian Nuclear Tests," CISAC Working Paper, Center for International Security and Cooperation, Stanford University, January 1999.

35. *Ibid*. India sees Chinese assistance to Pakistan as the connivance of two hostile neighbors, but itself seeks assistance from Russia and other countries. China perceives defense and economic assistance for Pakistan as a means of stabilizing Pakistani security, thereby balancing India and contributing toward stability in South Asia.

36. Talat Hussain, *The News* (Islamabad), May 16, 2001, citing General Musharraf's speech at a seminar at the Institute of Strategic Studies, Islamabad.

37. For a discussion of the role that China might play in Asia, see Zbigniew Brzezinski, "A Geostrategy for Asia," *Foreign Affairs*, Vol. 76, No. 5, September/October 1997, p. 58.

38. Dennis Kux, as quoted in "Building U.S.-Pakistan Relations," in *Centerpoint*, newsletter of the Woodrow Wilson International Center for Scholars, January 2002.

39. Traditionally, the United States had little leverage over India's policy, which has been fiercely independent, suspicious of and reactive to any U.S. initiatives.

40. In addition to the Partial Test Ban Treaty, both countries signed the 1960 Indus Water Basin agreement, regulating water supply in the region, that was brokered by the World Bank.

41. India and Pakistan held bilateral peace and security talks in October 1998 that eventually led to the Lahore Resolution in February 1999.

42. The two sides reached no conclusion on any concrete proposal, but subsequently at Lahore in February 1999, they agreed on an eight-point "Memorandum of Understanding." One of the points was that "[t]he two sides shall engage in bilateral consultations on security concepts, and nuclear doctrines, with a view to developing measures for confidence building in the nuclear and conventional fields, aimed at avoidance of conflict." See Chris Gagné, "Nuclear Risk Reduction in South Asia: Building A Common Ground," in Krepon and Gagné, eds., *The Stability-Instability Paradox*, p. 52 (emphasis added).

43. Inam-ul-Haq, Pakistani Foreign Secretary, speech at Conference on Disarmament, Geneva, January 25, 2001.

44. A fully deployed state of missiles would mean that the missiles, with operational warhead and processed fuel and guidance systems, were programmed and mated with a transporter/erector/launcher (TEL) in a ready-to-launch-on-orders mode and just short of being enabled.

45. This scenario may be unlikely if the rational actor principle is applied. However, given the geophysical differences between India and Pakistan as well as the air and naval power asymmetries, Pakistan's strategic planning parameters will always consider this hypothesis to be within India's capability, and thus a possible—even if least likely—scenario. In his comments during the conference at Stanford, Professor Sumit Ganguly presented the counterargument to the possibility of an Indian preventive attack. He contends that it would be "preposterous" to imagine that India would contemplate a decapitating attack, given its limited capability and the knowledge that Pakistan would disperse and camouflage its assets to ensure their survivability, as well as build in redundancy.

46. See Neil Joeck, "Nuclear Relations In South Asia," in Joseph Cirincione, ed., *Repairing the Regime*, Washington, DC: Carnegie Endowment for International Peace, 2000.

47. Stephen P. Cohen, *Moving Forward in South Asia*, Policy Brief No. 81, Washington, DC: The Brookings Institution, May 2001.

48. *Ibid.*

49. Kurt M. Campbell, "The Future of Military Diplomacy in US-Soviet Relations," in Alexander George, ed., *Avoiding War: Problems of Crisis Management*, Boulder: Westview Press, 1991, p. 525.

50. Pakistan expressed an interest in learning about the Personnel Reliability

Program (PRP) and Nuclear Emergency Search Teams (NEST) from the United States. See Pakistani Foreign Minister Abdul Sattar, keynote address, Carnegie International Non-Proliferation Conference, Washington, DC: June 18, 2001. Available at Carnegie Endowment for International Peace website: <http://www.ceip.org/files/projects/npp/resources/conference%202001/sattar.htm>.

51. David Albright, "Securing Pakistan's Nuclear Weapons Complex: Thought-Piece for the South Asia Working Group," paper presented at the Stanley Foundation conference on "US Strategies for Regional Security, " Airlie Conference Center, Warrenton, VA, October 25-27, 2001.

## CHAPTER 9

### THE PERILS OF PROLIFERATION IN SOUTH ASIA<sup>1</sup>

Scott D. Sagan

On May 11 and 13, 1998, India tested five nuclear weapons in the Rajasthan desert. By the end of the month, Pakistan had followed suit, claiming to have detonated six nuclear devices—five to match New Delhi's tests and one in response to India's 1974 peaceful nuclear explosive test—at an underground facility in the Chagai Hills. With these tests, the governments in Islamabad and New Delhi loudly announced to the world community, and especially to each other, that they both held the capability to retaliate with nuclear weapons in response to any attack.

What will be the strategic effects of these nuclear weapons developments? Will the spread of nuclear weapons to South Asia bring stability to the region or lead to nuclear war? There are many scholars and defense analysts—some in the United States and many more in India and Pakistan—who argue that the spread of nuclear weapons to South Asia will significantly reduce, or even eliminate, the risk of future wars between India and Pakistan.<sup>2</sup> Following the logic of rational deterrence theory, these “proliferation optimists” argue that statesmen and soldiers in Islamabad and New Delhi know that a nuclear exchange in South Asia will create devastating damage and therefore will be deterred from starting any military conflict in which there is a serious possibility of escalation to the use of nuclear weapons.

Other scholars and defense analysts—some in India and Pakistan, and many more in the United States—argue the opposite: nuclear weapons proliferation in India and Pakistan will increase the

likelihood of crises, accidents, and nuclear war.<sup>3</sup> These proliferation pessimists do not base their arguments on claims that Indian or Pakistani statesmen are irrational or that the Indian and Pakistani governments are weak. Instead, these scholars start their analysis by noting that nuclear weapons are controlled by military organizations and civilian bureaucracies, not by states or by statesmen. Organization theory, not just rational deterrence theory, should therefore be used to understand the problem and predict the future of security in the region. This organizational perspective leads the proliferation pessimists to focus on the pathways by which deterrence could fail, due to common organizational bias and errors, despite the unacceptable costs of any nuclear war.

These two theoretical perspectives thus lead to different predictions about the consequences of nuclear proliferation in South Asia. Fortunately, a new history of nuclear India and nuclear Pakistan is emerging, a history by which scholars and policymakers alike can judge whether the predictions of the deterrence optimists or the organizational pessimists have been borne out. Unfortunately, the emerging evidence strongly supports the pessimistic predictions of organizational theorists.

There are four requirements for stable nuclear deterrence: prevention of preventive war during periods of transition when one side has a temporary advantage; the development of survivable second-strike forces; the avoidance of accidental nuclear war; and finally the ability to keep nuclear weapons out of the hands of terrorists. Each of these requirements will be examined in turn. I will first present the pessimistic predictions deduced from organization theory about difficulties governments will face in attempts to meet these nuclear stability requirements. I will then illustrate the resulting problems with historical examples concerning the United States and the Soviet Union during the Cold War. In each case, I will then show how very similar problems have already appeared or are emerging in India and Pakistan. Finally, the conclusions will then

briefly outline both the lessons for theory development and the policy implications of the argument.

It should be acknowledged from the start that there are important differences between the nuclear relationship emerging between India and Pakistan and the Cold War system that developed over time between the United States and the Soviet Union. While the differences are clear, the significance of these differences is not. For example, the nuclear arsenals in South Asia are, and are likely to remain, much smaller and less sophisticated than was the case with the U.S. and Russian arsenals. This should make each arsenal both more vulnerable to a counterforce attack and less capable of mounting counterforce attacks, and thus the net effect is uncertain.

There are also important differences in civil-military relations in the two cases, but these differences too are potentially both stabilizing and destabilizing. The Russians and the Americans both eventually developed an assertive command system with tight high-level civilian control over their nuclear weapons. In contrast, India has an extreme system of assertive civilian control of the military, with (at least until recently) little direct military influence on any aspect of nuclear weapons policy. Pakistan, however, is at the other end of the spectrum, with the military in complete control of the nuclear arsenal and only marginal influence from civilian political leaders, even during the periods when there is a civilian-led government in Islamabad.

There are, finally, important differences in mutual understanding, proximity, and hostility. India and Pakistan share a common colonial and pre-colonial history, have some common cultural roots, and share a common border; they also have engaged in four wars against each other and are involved in a violent 50-year-long dispute about the status of Kashmir. In contrast, the Americans and Soviets were on opposite sides of the globe and viewed each other as

mysterious, often unpredictable, adversaries. The Cold War superpowers held a deep-seated ideological rivalry, but held no disputed territory between them and had no enduring history of armed violence against each other.

There is also, however, a crucially important similarity between the nuclear conditions that existed in Cold War and those in South Asia today. In both cases, the parochial interests and routine behaviors of the organizations that manage nuclear weapons limit the stability of nuclear deterrence. In this chapter, I will demonstrate that serious organizational perils of proliferation, like those witnessed in the Cold War, are emerging in both India and Pakistan. The newest nuclear powers will not make exactly the same mistakes with nuclear weapons as did their superpower predecessors. They are, however, also not likely to meet with complete success in the difficult effort to control nuclear weapons and maintain stable deterrence.

### **The Problem of Preventive War.**

From an organizational perspective, one can deduce three reasons why military officers have a bias in favor of preventive war—defined as a deliberate attack initiated during the period when one has a temporary military advantage over an adversary and believes that war is better now than later. First, military officers are more likely than civilians to believe that war is inevitable in the long term, a belief that stems from both their self-selection into the profession and their training once they join the armed forces. If war is deemed inevitable in the long run, it makes sense to strike an enemy state before it is able to strengthen its retaliatory capabilities.

In addition, military officers have biases in favor of offensive doctrines. Offenses can bring decisive victories and glory and military officers often believe that offensive operations can take advantage of the principle of the initiative, enabling them to



implement their own complex war plans and forcing adversaries to improvise and react to these plans, rather than implement their own. Preventive wars are by definition offensive in character and military planners have the tactical advantage of deciding when to attack and how to execute their war plan.

Finally, military officers are less likely than civilians to focus on domestic or international political disincentives against preventive war. By their training and their locus of responsibility, military officers focus primarily on military requirements of victory and not on allied states' concerns, post-war reconstruction and recovery in enemy states, or domestic political constraints on the initiation of the use of force.

*American Preventive War Discussions.* Considerable evidence from U.S. Cold War history supports these theoretical predictions. The Truman administration discussed the possibility of nuclear preventive war after the 1949 Soviet atomic bomb test, but rejected the idea in April 1950.<sup>4</sup> In September 1950, however, Major General Orvil Anderson, the commandant of the Air University, publicly called for a preventive war against the USSR, telling a *New York Times* reporter: "Give me the order to do it and I can break up Russia's five A-bomb nests in a week. . . . And when I went up to Christ—I think I could explain to Him that I had saved civilization."<sup>5</sup>

Anderson was fired for this indiscretion. But when widespread organizational preferences are rejected, they do not vanish overnight. Indeed, many senior U.S. military officers continued to advocate preventive war as a way of coping with the emerging Soviet threat well into the mid-1950s. Perhaps the most dramatic example was Air Force Chief of Staff General Nathan Twining who recommended a preventive attack on the Russians in 1954 before they developed larger nuclear forces. General Twining is quoted as saying that: "[W]e must recognize this time of decision, or we will continue blindly down a suicidal path and arrive at a situation in

which we will have entrusted our survival to the whims of a small group of proven barbarians.”<sup>6</sup>

President Dwight D. Eisenhower rejected these recommendations in 1954, largely on grounds that even a successful nuclear first strike would lead to a long and costly conventional conflict with the Russians. Moreover, Eisenhower questioned whether war with the Russians was inevitable, given U.S. deterrent capabilities and the hope that containment would eventually lead to an overthrow of the Soviet system from within. Finally, although Eisenhower expected that the United States would win what he called a third world war, he also believed it would leave the United States with a dictatorial government and an isolationist public, ill-prepared to occupy the vast territories of enemy nations.

In short, preventive war was advocated by senior leaders of the U.S. military for many years after the first Soviet nuclear test, but was eventually rejected by senior civilian authorities that held strong views of the broader costs of such an attack and held different beliefs about the inevitability of war with the Russians.

*Brasstacks and Preventive War in South Asia.* Pakistan has been under direct military rule for almost half of its existence and some analysts have argued that that the organizational biases of its military leaders had strong effects on strategic decisions concerning the initiation and conduct of the 1965 and 1971 wars with India.<sup>7</sup> In contrast, India has a sustained tradition of strict civilian control over the military since independence.

These patterns of civil-military relations are highly influential in nuclear weapons doctrine and operations. In India, the military has traditionally not been involved in decisions concerning nuclear testing, designs, or even command and control. In Pakistan, the military largely runs the nuclear weapons program; even during the periods in which civilian prime ministers have held the reins of

government, they have not been told of the full details of the nuclear weapons program nor given direct control over the operational arsenal. Prime Minister Benazir Bhutto, for example, appears not to have been given full details of the status of the Pakistani nuclear weapons program before she visited Washington in June 1989 and has stated that she was not consulted before the Pakistani military ordered the assembly of Pakistan's first nuclear weapon during the 1990 crisis over Kashmir.

This organizational theory lens suggests that it is fortunate that it was India, not Pakistan, that developed nuclear weapons first in South Asia. Military rule in Islamabad (and military influence during periods of civilian rule) certainly has played an important role in Pakistani decision-making concerning the use of force (see the discussion of the Kargil conflict below) . But the Pakistani military did not possess nuclear weapons before India tested in 1974 and thus was not in a position to argue that preventive war now was better than war later as India developed a rudimentary arsenal.

The preventive war problem in South Asia is not so simple, however, for new evidence suggests that military influence in India produced serious risks of preventive war in the 1980s, despite strong institutionalized civilian control. The government of Prime Minister Indira Gandhi considered, but then rejected, plans to attack Pakistan's Kahuta nuclear facility in the early 1980s, a preventive attack plan that was recommended by senior Indian military leaders.<sup>8</sup> Yet as occurred in the United States, the preferences of senior officers did not suddenly change when civilian leaders ruled against preventive war. Instead, the beliefs went underground, only to resurface later in a potentially more dangerous form.

The most important example of preventive war thinking influencing Indian nuclear policy can be seen in the 1986-87 Brasstacks crisis.<sup>9</sup> This serious crisis began in late 1986 when the Indian military initiated a massive military exercise in Rajasthan

involving an estimated 250,000 troops and 1,500 tanks, including the issuance of live ammunition to troops, and concluding with a simulated counter-offensive attack, including Indian Air Force strikes, into Pakistan. The Pakistani military, fearing that the exercise might turn into a large-scale attack, alerted military forces and conducted exercises along the border, which led to Indian military counter-movements closer to the border and an operational Indian Air Force alert. The resulting crisis produced a flurry of diplomatic activity and was resolved only after direct intervention by the highest authorities, including an emergency telephone conversation between Prime Minister Mohammed Khan Junejo and Prime Minister Rajiv Gandhi and special diplomatic missions to India by Foreign Secretary Abdul Sattar and President Zia ul-Haq.

The traditional explanation for the Brasstacks crisis has been that it was an accidental crisis, caused by Pakistan's misinterpretation of an inadvertently provocative Indian Army exercise. For example, Devin Hagerty's detailed examination of "New Delhi's intentions in conducting Brasstacks" concludes that "India's conduct of 'normal' exercises rang alarm bells in Pakistan; subsequently, the logic of the security dilemma structured both sides' behavior, with each interpreting the other's defensive moves as preparations for offensive action."<sup>10</sup> A stronger explanation, however, unpacks New Delhi's intentions to look at what different Indian decision-makers wanted to do before and during the crisis.

The key to interpreting the crisis correctly is to understand the preventive war thinking of then-Indian chief of the army staff, General Krishnaswami Sundarji. Sundarji apparently felt that India's security would be greatly eroded by Pakistani development of a usable nuclear arsenal and thus deliberately designed the Brasstacks exercise in hopes of provoking a Pakistani military response. This in turn could then provide India with an excuse to implement existing contingency plans to go on the offensive against Pakistan and take out the nuclear program in a preventive strike.<sup>11</sup> This argument was

confirmed in the memoirs of Lt. General P. N. Hoon, the commander-in-chief of the Western Army during Brasstacks. He wrote:

What had remained only a suspicion all along is now being revealed to be true. . . . Brasstacks was no military exercise. It was a plan to build up a situation for a fourth war with Pakistan. And what is even more shocking is that the Prime Minister, Mr. Rajiv Gandhi, was not aware of these plans for war.<sup>12</sup>

The preventive war motivation behind Sundarji's plans helps to explain why the Indian military did not provide full notification of the exercise to the Pakistanis and then failed to use the special hotline to explain their operations when information was requested by Pakistan during the crisis. A final piece of evidence confirms that Sundarji advocated a preventive strike against Pakistan during the crisis. Indeed, as George Perkovich reports, considerations of an attack on Pakistani nuclear facilities went all the way up to the most senior decision-makers in New Delhi in January 1987:

[ Prime Minister] Rajiv [ Gandhi] now considered the possibility that Pakistan might initiate war with India. In a meeting with a handful of senior bureaucrats and General Sundarji, he contemplated beating Pakistan to the draw by launching a preemptive attack on the Army Reserve South. This would have included automatically an attack on Pakistan's nuclear facilities to remove the potential for a Pakistani nuclear riposte to India's attack. Relevant government agencies were not asked to contribute analysis or views to the discussion. Sundarji argued that India's cities could be protected from a Pakistani counter-attack (perhaps a nuclear one), but, upon being probed, could not say how. One important advisor from the Ministry of Defense argued eloquently that "India and Pakistan have already fought their last war, and there is too much to lose in contemplating another one." This view ultimately prevailed.<sup>13</sup>

*The Kargil Conflict and Future Problems.* Optimists could accept that the Brasstacks crisis may have been a deliberate attempt to spark a preventive attack, but they might be reassured by the final

outcome, as senior political leaders stepped in to stop further escalation. The power of nuclear deterrence to prevent war in South Asia, optimists insist, has been demonstrated in repeated crises, e.g., the Indian preventive attack discussions in 1984, the Brasstacks crisis, and the 1990 Kashmir crisis. "There is no more ironclad law in international relations theory than this, " Devin Hagerty's detailed study concludes, "nuclear states do not fight wars with each other."<sup>14</sup>

In the spring and summer of 1999, however, India and Pakistan did fight a war in the mountains along the Line of Control (LOC), separating the portions of Kashmir controlled by each country, near the Indian town of Kargil. The conflict began in May, when the Indian intelligence services discovered what appeared to be Pakistani regular forces lodged into mountain redoubts on the Indian side of the LOC. For almost two months, Indian army units attacked the Pakistani forces and Indian Air Force jets bombed their bases in the high Himalayan peaks. Although the Indian forces carefully stayed on their side of the LOC in Kashmir, Indian Prime Minister Atal Vajpayee informed the U.S. government that he might have to order attacks into Pakistan and U.S. spy satellites revealed that Indian tanks and heavy artillery were being prepared for a counter-offensive in Rajasthan.

The fighting ended in July, when Pakistani Prime Minister Nawaz Sharif flew to Washington and, after receiving political cover in the form of a statement that President Bill Clinton would "take a personal interest" in resolving the Kashmir problem, pledged to withdraw the forces to the Pakistani side of the LOC.<sup>15</sup> That Clinton's statement on Kashmir was merely political cover for the withdrawal was later made clear when Clinton revealed that he had told Sharif that he could not come to Washington unless he was willing to withdraw the troops back across the LOC.<sup>16</sup>

Over 1,000 Indian and Pakistan soldiers died in the conflict and

Sharif's decision to pull out was one of the major causes of the coup that overthrew his regime in October 1999. The 1999 Kargil conflict is also disturbing, not only because it demonstrates that nuclear-armed states can fight wars, but also because the organizational biases of the Pakistani military were a major cause of the conflict. Moreover, such biases continued to exist and could play a role in starting crises in the future. This will increase the dangers of both a preventive and preemptive strike if war is considered inevitable, as well as the danger of a deliberate but limited use of nuclear weapons on the battlefield.

Three puzzling aspects of the Kargil conflict are understandable from an organizational perspective. First, in late 1998, the Pakistani military planned the Kargil operation paying much more attention, as organization theory would predict, to the tactical effects of the surprise military maneuver than to the broader strategic consequences. Ignoring the likely international reaction and the predictable domestic consequences of the military incursion in India, however, proved to be significant blind spots contributing to the ultimate failure of the Kargil operation. Second, the Pakistani Army also started the operation with the apparent belief—following the logic of what has been called the stability/instability paradox—that a stable nuclear balance between India and Pakistan permitted more offensive actions to take place with impunity in Kashmir. It is important to note that this belief was more strongly held by senior military officers than by civilian leaders. For example, at the height of the fighting near Kargil, Pakistani Army leaders stated that “there is almost a red alert situation, ”but they nevertheless insisted “there is no chance of the Kargil conflict leading to a full-fledged war between the two sides.”<sup>17</sup> This leaked statement to the press apparently reflected what the Pakistani Army was privately advising the government and helps explain why senior officers opposed the withdrawal of the Pakistani forces from Kargil.

Although Prime Minister Nawaz Sharif apparently approved of

the plan to move forces across the LOC, it is not clear that he was fully briefed on the nature, scope, or potential consequences of the operation. The prime minister's statement that he was "trying to avoid nuclear war" and his suggestion that he feared "that India was getting ready to launch a full-scale military operation against Pakistan" provide a clear contrast to the confident military assessment that there were virtually no risks of an Indian counter-attack or escalation to nuclear war.<sup>18</sup>

Third, the current Pakistani military government's interpretation of the Kargil crisis, at least in public, is that Nawaz Sharif lost courage and backed down unnecessarily. This view is not widely shared among scholars or Pakistani journalists, but such a stab-in-the-back thesis does serve the parochial self-interests of the Pakistani army – which does not want to acknowledge its errors – and those of the current Musharraf regime. The New Delhi government's interpretation, however, is that the Indian threats that military escalation, a counterattack across the international border, would be ordered if necessary forced Pakistan to retreat. These different lessons learned could produce ominous outcomes in future crises: each side believes that the Kargil conflict proved that the other will exhibit restraint and back away from the brink in the future if their government exhibits resolve and threatens to escalate to new levels of violence.

Future military crises in South Asia are likely to be nuclear crises. Proliferation optimists are not concerned about this likelihood, however, since they argue that the danger of preventive war, if it ever existed at all, has been eliminated by the development of deliverable nuclear weapons in both countries after May 1998. The problem of preventive war during periods of transition in South Asia is only of historical interest now, optimists would insist.

I am not convinced by this argument for two basic reasons. First, the Indian government has given strong support to the Bush



administration in its plans to develop missile defense technology and expressed interest in eventually procuring or developing its own missile defense capability in the future. The development of missile defenses in India, however, given the relatively small number of nuclear warheads and missiles in Pakistan, would inevitably reopen the window of opportunity for preventive war considerations. Military biases, under the preventive war logic of better now than later, could encourage precipitous action in either country if their government was seen to have a fleeting moment of superiority in this new kind of arms race, facing the dangerous possibility of the adversary catching up and surpassing it in the future.

The second reason to be pessimistic is that preventive war biases can have a background influence on considerations of preemptive war—that is, attacks based on the belief that an enemy's use of nuclear weapons is imminent and unavoidable—in serious crises. To the degree those decision-makers believe (or think that adversary decision-makers believe) that war is inevitable in the long term, it is likely to color the perceptions of the other side's actions and plans at the brink of war. Here the lessons of Kargil are ominous.

While it is clear that the existence of nuclear weapons in South Asia made both governments cautious in their use of conventional military force in 1999, it is also clear that Indian leaders were preparing to escalate the conflict if necessary. Pakistani political authorities, moreover, made nuclear threats during the crisis, suggesting that nuclear weapons would be used precisely under such conditions: Foreign Secretary Shamshad Ahmad, for example, proclaimed in May that Pakistan “will not hesitate to use any weapon in our arsenal to defend our territorial integrity.”<sup>19</sup> In addition, Indian military officials believe that Pakistan took initial steps to alert its nuclear forces during the conflict.<sup>20</sup>

In future crises in South Asia, the likelihood of either a preventive or preemptive attack will be strongly influenced by a

complex mixture of perceptions of the adversary's intent, estimates about its future offensive and defensive capabilities, and estimates of the vulnerability of its current nuclear arsenal. Organizational biases could encourage worst-case assumptions about the adversary's intent and pessimistic beliefs about the prospects for successful strategic deterrence over the long term. Unfortunately, as will be seen below, organizational proclivities could also lead to destabilizing vulnerabilities to an enemy first strike in the immediate term.

### **Organizational Problems Compromising Survivability.**

The fear of retaliation is central to successful deterrence, and the second requirement for stability with nuclear weapons is therefore the development of secure, second-strike forces. From an organizational theory perspective, however, there are many reasons to predict that military organizations might not deploy nuclear weapons in survivable basing modes despite the existence of a strong national security imperative to do so. Military leaders understandably favor development and deployment of more weaponry, and with limited budgets these interests often lead them to spend more on weapons production and skimp on expensive operational practices that increase survivability. Similarly, professional military officers have strong proclivities to engage in traditional operations and their interest in preserving traditions and organizational morale can lead them to oppose innovative weapons delivery systems and deployment operations.

Even when their leaders do not consciously reject new military operations, organizations will tend to follow their past behaviors and may continue to practice specific deployments that make forces vulnerable to attacks when adversaries have developed new threats. To the degree that leaders of military organizations have offensive biases, they have increased incentives to rely upon first strike, preemptive, or launch-on-warning options that do not require force survivability.

Moreover, organizational learning tends to occur only after failures: military organizations, like other organizations, have few incentives to review and adjust operations when they believe they are successful. This can lead them to follow practices that appear to be working well, even though in reality they are not. At the same time, organizational routines often produce signatures to enemy intelligence agencies that inadvertently reveal secret information and the location of otherwise hidden military forces.

*Cold War Vulnerabilities.* The history of the Cold War provides numerous examples of these kinds of organizational problems producing inadvertent military vulnerabilities. In the 1980s, for example, the U.S. Air Force leadership strongly supported the development of a larger and more powerful intercontinental ballistic missile (ICBM), but they cared far less about whether the planned MX missile was deployed in any of the expensive basing modes—mobile racetrack configurations, railway basing, rotating them between empty silos—under discussion. In the 1950s, the United States Navy leadership also opposed the creation of a ballistic missile submarine fleet, because they preferred traditional and more exciting attack submarines. By emphasizing tradition over innovation, this policy delayed the development of what eventually became the most survivable leg of the U.S. strategic triad.

A dramatic example of how a military organization's operational routines can produce serious strategic vulnerabilities is the U.S. secret penetration of the Soviet Navy's underwater communications system. Ballistic missile submarines (SSBNs) are widely considered to be the least vulnerable portion of a nuclear arsenal, providing a stabilizing, secure second-strike capability. In the early 1970s, however, the U.S. Navy initiated a secret intelligence operation against the Soviet SSBN fleet that enabled the United States to know the timing and locations of Soviet submarine patrols in the Pacific and maintain a U.S. attack submarine trailing behind each Soviet

SSBN. The organizational failures of the Russian military that led to this problem read more like the Keystone Kops than the KGB. First, the Soviets failed to encrypt many messages sent through an underwater communications cable in the Sea of Okhotsk to the missile submarine base at Petropavlovsk, figuring that such protected waters were safe from U.S. spying activities. Second, to make matters worse, they gave away the location of the secret communications cable by posting a sign on the beach telling local fisherman "do not anchor, cable here." The crew of the U.S.S. *Halibut* thus easily located the line, tapped into the Soviet Navy's secret underwater communications, and received the operational plans and tactical patrol orders for the Russian SSBN fleet. It is important to note that the Soviet General Staff continued use of this vulnerable communication system, believing that their forces were secure unless proved otherwise, until an American spy revealed the secret operation to Moscow.<sup>21</sup>

Soviet organizational routines also created vulnerabilities to their land-based nuclear missile forces during the Cold War. For example, the failure of the Soviet military to keep its 1962 missile deployment in Cuba secret, despite the strong desire for such secrecy by the Kremlin, was caused by construction crew routines that produced signatures leading American intelligence analysts to locate otherwise secret missiles. The Star of David pattern of air defense missile battery placements and the easily recognized slash marks on missile pads, practices developed and seen in the USSR, gave away the secret Cuban operation to American intelligence officers.<sup>22</sup> Similarly, American photo-interpreters were able to locate the secret ICBM silos of the Soviet Strategic Rocket Forces because of the triple security fences built around the silo buildings and the distinctive wide radius curves in the entry roads, built to transport long missiles to the sites.<sup>23</sup> These kinds of organizational problems are common in military history, as intelligence agents figure out how to understand enemy operations and make them vulnerable to attack.

*Survivability of Nuclear Forces in South Asia.* Will such organizational problems exist with nuclear weapons arsenals in South Asia? Before the 1998 nuclear tests, proliferation optimists used to assume that second-strike survivability would be easily maintained because India and Pakistan had a form of non-weaponized deterrence and thus could not target each other. It is by no means certain, however, that this condition of non-weaponized deterrence will continue as both India and Pakistan develop advanced missiles in the coming years.

An organization perspective points to numerous reasons to be concerned about the ability of the Indian and Pakistani organizations that control nuclear weapons in South Asia to maintain survivable forces. Two organizational problems can already be seen to have reduced (at least temporarily) the survivability of nuclear forces in Pakistan. First, there is evidence that the Pakistani military, as was the case in the Cold War examples cited above, deployed its first missile forces, following standard operating procedures, in ways that produce signatures giving away their deployment locations. Indian intelligence officers thus identified the locations of planned Pakistani deployments of M-11 missiles by spotting the placement of defense communication terminals nearby.<sup>24</sup> A second, and even more dramatic, example follows a Cold War precedent quite closely. Just as the road engineers in the Soviet Union inadvertently gave away the location of their ICBMs because construction crews built roads with extra wide-radius turns next to the missile silos, Pakistani road construction crews have inadvertently signaled the location of the secret M-11 missiles by placing wide-radius roads and roundabouts outside special garages at Sargodha Missile Base.<sup>25</sup>

Military biases are also seen in conventional war plans in India. Indian military officers are clearly planning large-scale conventional force operations against Pakistani airbases, using U.S. Paveway II laser guidance bombs. These operations could present Pakistan with serious “use it or lose it” problems and with serious degradation in

their command and control of nuclear weapons, yet these are inadvertent escalation dangers that have not been discussed at all in the emerging Indian strategic writings on limited war in South Asia. Instead, these strategists simply assume that limited wars can be fought and won, without creating a risk of precipitating a desperate nuclear strike.

Finally, analysts should also not ignore the possibility that Indian or Pakistani intelligence agencies could intercept messages revealing the secret locations of otherwise survivable military forces, an absolutely critical issue with small or opaque nuclear arsenals. Indeed, the history of the 1971 war between India and Pakistan demonstrates that both states' intelligence agencies were able to intercept critical classified messages sent by and to the other side. For example, the Pakistan is learned immediately when the Indian Army commander issued operational orders to prepare for military intervention against East Pakistan; while before the war, Indian intelligence agencies acquired a copy of the critical message from Beijing to Rawalpindi informing the Pakistan is that China would not intervene militarily in any Pakistani-Indian war.<sup>26</sup> Perhaps most dramatically, on December 12, 1971, the Indians intercepted a radio message scheduling a meeting of high-level Pakistani officials at Government House in Dacca, which led to an immediate air attack on the building in the middle of the meeting.<sup>27</sup>

The Kargil conflict also provides evidence of the difficulty of keeping what are intended to be secret operations secret from one's adversary. Throughout the conflict, the Pakistani government insisted that the forces fighting on the Indian side of the LOC were *mujahideen* (indigenous Islamic freedom fighters). This cover story was exposed, however, when some of the *mujahideen* failed to leave their Pakistani military identification cards at their base in Pakistan while others wrote about General Musharraf's involvement in the operation's planning process in a diary that was later captured.<sup>28</sup> Finally, Indian intelligence organizations intercepted a critical secret

telephone conversation between General Musharraf and one of his senior military officers, which revealed the Pakistani Army's central involvement in the Kargil intrusion.<sup>29</sup>

### **The Risks of Accidental Nuclear War.**

Social science research on efforts to maintain safe operations in many modern technological systems suggests that serious accidents are likely over time if the system in question has two structural characteristics: high interactive complexity and tight-coupling. Complexity is problematic in hazardous systems because it decreases the likelihood that anyone can predict all potential failure modes and thereby fix them ahead of time. Moreover, the most common engineering strategy to make reliable systems out of inherently unreliable parts is to utilize redundancy in many forms such as multiple safety devices, backup systems, and extra personnel as signed to a problem. Redundancy, however, makes the system more complex and can therefore create hidden failure modes that no one wants or anticipates.<sup>30</sup>

Tight-coupling simply means that there is little time to stop processes once begun, little slack in the system to permit pause and reflection. Incidents and individual accidents still occur in loosely-coupled systems, but they do not cascade into catastrophic systems accidents. In tightly-coupled systems, however, one error leads to another and another and no one can intervene in time to stop the serious accidents from occurring. Highly complex and tightly-coupled organizational or technological systems may operate successfully for a while, but they are very accident-prone over the long term. In short, there are inherent limits to safety with such systems.

*The Limits of Cold War Safety.* Two close calls to accidental nuclear war that occurred during the Cuban Missile Crisis illustrate the way in which complex and tightly-coupled systems can create serious

nuclear dangers that no one can anticipate ahead of time or fix easily on the spot.<sup>31</sup> In October 1962, the U.S. Air Force had ten test missile silos at Vandenberg Air Force Base (AFB), in California, which it used for launching test missiles over the Pacific to Kwajalein Atoll. When the crisis alert began, the Strategic Air Command (SAC) put nuclear warheads on nine of the ten test missiles at the base and aimed them at the Sino-Soviet bloc. On October 26, without further communication with Washington political authorities, officers at Vandenberg launched the tenth missile on a previously scheduled test launch over the Pacific Ocean. No one thought through the possibility that the nuclear alert might be detected and that the subsequent missile launch might be misperceived.

Another illustrative case occurred in the special Cuban Missile Early Warning System set up by the United States during the crisis. U.S. military personnel set up an emergency radar system facing Cuba, but no one anticipated that a technician would place a training tape (showing what an attack would look like) into the online system and that the radar operators would become confused and report that a Soviet missile had been launched from Cuba and was about to detonate near Tampa, Florida. Precisely such a set of unexpected interactions did occur on October 28 at the height of the crisis. These incidents are the kind of false warnings and near accidents that a normal accident theorist would predict are inevitable in a complex and tightly coupled nuclear command and control system.

*Normal Accidents in Nuclear South Asia.* Will the Indian and Pakistani nuclear arsenals be more or less safe than were the U.S. and Soviet arsenals in the Cold War? It is clear that the emerging South Asian nuclear deterrence system is both smaller and less complex today than was the case in the United States or Soviet Union earlier. It is also clear, however, that the South Asian nuclear relationship is inherently more tightly coupled because of geographical proximity.



With inadequate warning systems in place and with weapons with short flight times emerging in the region, the timelines for decision making are highly compressed and the danger that one accident could lead to another and then lead to a catastrophic accidental war is high and growing. The proximity of New Delhi and Islamabad to the potential adversary's border poses particular concerns about rapid decapitation attacks on national capitals. Moreover, there are legitimate concerns about social stability, especially in Pakistan, that could compromise nuclear weapons safety and security. These concerns have increased as a result of the potential for domestic strife in Pakistan that could follow the war against the Taliban regime in Afghanistan.

Proliferation optimists will cite the small sizes of India and Pakistan's nuclear arsenals as a reason to be less worried about the problem. Yet the key from a normal accidents perspective is not the numbers, but rather the structure of the arsenal. Here there is good and bad news. The good news is that under normal peacetime conditions, India, and most likely Pakistan as well, do not regularly deploy nuclear forces mated with delivery systems in the field. The bad news is that, as noted earlier, the Indian military has stated that it received intelligence reports that Pakistan had begun initial nuclear alert operations during the Kargil conflict.

From an organizational perspective, it is not surprising to find evidence of serious accidents emerging in the Indian nuclear and missile programs. The first example is disturbing, but predictable. On January 4, 2001, Indian Defense Secretary, Yogender Narain, led a special inspection of the Milan missile production facility in Hyderabad. The Milan missile, a short-range (two kilometer) missile normally armed with a large conventional warhead, had failed in test launches and during the Kargil war, and Narain was to discuss the matter with the plant's managers and technical personnel. For reasons that remain unclear, the electrical circuitry was not disconnected and the live conventional warhead was not capped on

the missile displayed for the visiting dignitary from New Delhi when the plant manager accidentally touched the start button. The missile launched, flew through the body of one official, killing him instantly and then nose-dived into the ground, catching on fire and injuring five other workers. The defense secretary was shocked but unharmed. The official killed was the quality control officer for the Milan missile program.<sup>32</sup>

The false warning incident that occurred just prior to the Pakistani nuclear tests in May 1998 is a second case demonstrating the dangers of accidental war in South Asia. During the crucial days just prior to Prime Minister Sharif's decision to order the tests of Pakistani nuclear weapons, senior military intelligence officers informed him that the Indian and Israeli air forces were about to launch a preventive strike on the test site.<sup>33</sup> The incident is shrouded in mystery and neither the cause nor the consequences of this warning message are clear. Some press reports claim that Pakistani intelligence officers, fearing an Israeli raid like the attack on Osirak in 1981, misidentified an F-16 aircraft that strayed into or near Pakistani territory. Other reports state that an Israeli cargo plane carrying Prime Minister Benjamin Netanyahu's armored Cadillacs triggered the warning system. A third possibility is that officials of Pakistan's Inter Services Intelligence agency did not believe there was any threat of an imminent Indian-Israeli attack in 1998, but deliberately concocted (or exaggerated) the warning of a preventive strike to force the prime minister, who was wavering under U.S. pressure, to test the weapons immediately. It is not clear which of these is the more worrisome interpretation of the incident: false warnings could be catastrophic in a crisis whether they are deliberate provocations by rogue intelligence officers, or genuinely believed, but inaccurate, reports of imminent or actual attack.

It is important to note that the possibility of a false warning producing an accidental nuclear war in South Asia is reduced, but is by no means eliminated, by India's adoption of a nuclear no-first use

policy. Not only might the Pakistani government respond, following its stated first-use doctrine, to intelligence (in this case false) that India was about to attack successfully a large portion of Pakistani nuclear forces, but either government could misidentify an accidental nuclear detonation, occurring during transport and alert activities at one of their own military bases, as the start of a counterforce attack by the other state.

Pakistani officials should be particularly sensitive to this possibility because of the memory of the 1988 Ojheri incident, in which a massive conventional munitions explosion at a secret ammunition dump near Rawalpindi caused fears among some decisionmakers that an Indian attack had begun. The cause of the Ojheri explosion appears to have been a fire caused by an accidental rocket explosion during loading at the depot. It has also been claimed, however, that the accident was actually a deliberate act of sabotage against the munitions dump.<sup>34</sup> This kind of accident producing a false warning of an attack cannot, however, be ruled out in India as well, as long as the government plans to alert forces or mate nuclear weapons to delivery vehicles during crises.

In addition, there should be serious concern about whether both countries can maintain centralized authority over nuclear-use decisions. Although government policy in this regard is kept classified, for obvious reasons, serious analysts in both countries who are worried about decapitation of the government leadership in a nuclear strike on the capital recognize the need for some form of predelegation. Some Pakistani observers are aware of this issue and therefore have advocated predelegation of nuclear authority to lower level military officers. The Indian Draft Nuclear Doctrine simply states that "the authority to release nuclear weapons for use resides in the person of the Prime Minister of India, or the designated successor(s), "yet some Indian analysts also recognize that in crises or war, as one military officer put it, "by design or default" nuclear weapons "control may pass to the professional military men and

women who serve the nation well.”<sup>35</sup>

The risk of accidental war in South Asia is exacerbated by the fact that neither government has instituted a Personnel Reliability Program (PRP), the set of psychological screening tests, safety training, and drug use and mental health monitoring programs used in the United States to reduce the risk that an unstable civilian or military officer would be involved in critical nuclear weapons or command and control duties. Historically in the United States between 2.5 percent and 5 percent of previously PRP-certified individuals were decertified, that is, deemed unsuitable for nuclear weapons-related duties, each year. Presumably similar low but still significant percentages of officers, soldiers, and civilians in other countries would be of questionable reliability as guardians of the arsenal. This personnel reliability problem is serious in India, where civilian custodians maintain custody of the nuclear weapons. However, it is particularly worrisome in Pakistan, where the weapons are controlled by a professional military organization facing the difficult challenge of maintaining discipline in the midst a society facing a failing economy and problems of religious fundamentalism after the fall of the Taliban government.

Finally, there is evidence that neither the Indian nor the Pakistani military has focused sufficiently on the danger that a missile test launch during a crisis could be misperceived as the start of a nuclear attack. There was an agreement, as part of the Lahore accords in January 1999, to provide missile test advance notification, but even such an agreement is not a foolproof solution, as the Russians discovered in January 1995 when a bureaucratic snafu in Moscow led to a failure to pass on advance notification of a Norwegian weather rocket launch that resulted in a serious false warning of a missile attack. Moreover, both the Pakistanis and the Indians appear to be planning to use their missile test facilities for actual nuclear weapons launches in war. In India, Wheeler Island is reportedly being used like Vandenberg AFB, a test site in peacetime and crises,

and a launch site in war.<sup>36</sup> During the Kargil crisis, according to the Indian army chief of staff, alert activities were also detected at “some of Pakistan’s launch areas—some of the areas where they carried out tests earlier of one of their missiles.”<sup>37</sup>

### **The New Challenge of Terrorism.**

Before September 11, 2001, Osama bin Laden was quite open in stating his desire for nuclear weapons. Indeed, when he declared a *jihad* (holy war) against the United States in 1998, he was asked about reports that he wanted nuclear weapons and replied, “to possess the weapons that could counter those of the infidels is a religious duty.”<sup>38</sup> Bin Laden added in a May 1998 interview, “we do not differentiate between those dressed in military uniforms and civilians.”

We must use such punishment to keep your evil away from Muslims, Muslim children, and women. American history does not distinguish between civilian and military, and not even women and children. They are the ones who used the bombs against Nagasaki. Can these bombs distinguish between infants and military? . . . We believe that the biggest thieves in the world and the terrorists are the Americans. The only way for us to fend off these assaults is to use similar means.<sup>39</sup>

Hatred and shame and a desire to punish Americans motivate such terrorist visions. But I also fear that there is considerable method in Osama bin Laden’s madness. Immediately after the September 11 attacks, many observers wondered how bin Laden could think that he could get away with killing six thousand American citizens. How could such an attack serve his political purpose of overthrowing conservative Muslim regimes in the Middle East and destroying Israel, given that a massive U.S. military response was inevitable? The answer is that there is a kind of strategic logic behind his use of mass murder, a logic that he also outlined in interviews. Two factors appear to be important: his belief that the U.S. public lacked the will to support a long war and his

hope that large-scale U.S. intervention in the Middle East would destabilize the regimes that he seeks to overthrow.

In May 1998, bin Laden clearly expressed his views about the lack of U.S. willingness to fight:

We have seen in the last decade the decline of the American government and the weakness of the American soldier who is ready to wage Cold Wars and unprepared to fight long wars. This was proven in Beirut when the Marines fled after two explosions. It also proves they can run in less than 24 hours, and this was also repeated in Somalia. We are ready for all occasions. We rely on Allah.<sup>40</sup>

In addition, he argued that the Saudi government would eventually fall because of its support for the United States, just as the Shah's government fell in the Iranian revolution. U.S. military activities in the region could increase the likelihood of an uprising from the streets and mosques. "We predict that the Riyadh leader and those with him that stood with the Jews and the Christians . . . will disintegrate. They have left the Muslim nation." Bin Laden concluded, "the Muslims are moving toward liberating the Muslim worlds. Allah willing, we will win."<sup>41</sup>

Any terrorist leader with this kind of strategic vision is not likely to be deterred from using nuclear weapons or radiological weapons against the United States. U.S. threats to use conventional military forces to kill or capture such a terrorist may not be believed since such an effort could require a long and drawn out military campaign. It is also possible that nuclear weapons could be delivered in a covert manner (by a commercial airline or ship, by a cruise missile, or by truck). In such cases, deterrence would fail since the perpetrator would believe that there was no return address against which to retaliate. Finally, even if the perpetrator of such an attack was known, Jihadi terrorists might welcome U.S. threats to retaliate in kind, since the U.S. use of nuclear weapons could hasten the

downfall of allied regimes in the Muslim world through protests in the mosques and riots in the streets.

Because deterrence will not work, the best way, by far, to prevent Jihadi fundamentalist terrorists from ever using nuclear weapons is to prevent them from ever possessing such weapons. This anti-terrorist imperative adds yet one more compelling reason why the spread of nuclear weapons to potential proliferate states is to be feared, not welcomed. For the best way, by far, to prevent Islamic terrorists from possessing nuclear weapons is to prevent unstable states, especially unstable Islamic states, from possessing nuclear weapons.

Pakistan is clearly the most serious concern in the short run. Pakistani weapons lack the advanced Permissive Actions Link (PALs) locks that make it difficult for a terrorist or other unauthorized individual to use a stolen nuclear weapon.<sup>42</sup> There are no specialized Pakistani teams trained to seize or dismantle a nuclear weapon if one was stolen. No dedicated personnel reliability program (PRP) is in place to ensure the psychological stability and reliability of the officers and guards of Pakistan's nuclear forces.<sup>43</sup> Instead, Pakistani soldiers and scientists with nuclear responsibilities are reviewed and approved for duty if they are not suspected of being Indian agents by the Inter Services Intelligence (ISI) agency.

It was clear after September 11, however, that this organizational arrangement was an inadequate answer to the vexing question of who would guard the guardians. After Pakistani President Musharraf decided to support the U.S. war against bin Laden and the Taliban regime, he forced a number of senior and junior officers of the ISI to leave office because of their ties to the Taliban (and reportedly al Qaeda as well in some cases) and placed a smaller number of nuclear scientists from the Pakistani program under house arrest.<sup>44</sup> This was certainly reassuring news, but it remains unknown how many secret Jihadi supporters still exist inside the

shadows of Pakistan's military intelligence agencies. Nor do we know how close those shadows fall to nuclear weapons storage sites.

Prior to the September 11 attacks, the U.S. government had maintained that it would not assist new nuclear powers in making their arsenals safer and secure for fear that this would signal other potential nuclear powers that the United States was not serious about its nonproliferation policy. The terrorist attacks forced a reevaluation of this policy and led to an emergency U.S. government effort to assist in providing increased security for Pakistani nuclear weapons and nuclear materials storage sites.<sup>45</sup> The fear among some policymakers in Islamabad also clearly increased. Despite the earlier assurances by the Pakistani Foreign Ministry that Pakistani "(nuclear) assets are 100% secure," Pakistani Foreign Minister Sattar quickly accepted at least some degree of U.S. technical assistance in nuclear security improvements in November 2001. When asked whether Pakistan would accept the new U.S. offer of assistance, Sattar answered, "Who would refuse?"<sup>46</sup>

Unfortunately, the Pakistani military government apparently did refuse to accept the kind of assistance that the United States offered, and on November 9 President Musharraf told ABC's Nightline that after September 11, "I didn't take any particular precautions . . . We have strong custodial controls, and a command control system which is very effective. I did not issue any special orders as such." When asked to assess the likelihood, on a scale of one to 100, that Pakistani nuclear weapons would fall into the hand of terrorists, Musharraf replied, "I would certainly give it over 90."<sup>47</sup>

Hopefully, this emergency nuclear security assistance effort will be implemented and prove successful in meeting the severe counter-terrorism challenge created by the ties between some Pakistanis and the al Qaeda terrorist group. This challenge will continue, however, well beyond the initial anti-terrorist military campaigns.



Kenneth Waltz and other proliferation optimists have assumed that the weapons of new nuclear states will remain in the hands of the central governments that built them. That assumption is not warranted. The risk of terrorist seizure of nuclear weapons or materials is yet one more reason why we should fear nuclear proliferation.

### **Conclusions: Beyond Denial**

Nuclear South Asia will be a dangerous place. This will be the case, not because of ill will or irrationality among government leaders nor because of any unique cultural inhibitions against strategic thinking in both countries. India and Pakistan face a dangerous nuclear future because they have become like other nuclear powers. Their leaders seek perfect security through nuclear deterrence, but imperfect humans inside imperfect organizations control their nuclear weapons. If my theories are right, these organizations will someday fail to produce secure nuclear deterrence. Unfortunately, the evidence emerging from these first years of South Asia's nuclear history suggests that this theoretical perspective is powerful and its pessimistic predictions are likely to come true, even though we cannot predict the precise organizational pathway by which deterrence will break down.

This perspective on the consequences of nuclear proliferation in South Asia provides important and related lessons for both theory and for policy. Most Indian and Pakistani scholars and government analysts have followed on traditional pathways blazed by American nuclear strategists: they produce policy recommendations about arsenal structure and targeting plans based on the seductive and deductive logic of rational deterrence theory. Less common are studies focusing on the complex organizational and operational problems that nuclear weapons create for those who possess them.

There is great need for more work in this area, however, since

nuclear weapons in South Asia present several new theoretical puzzles that have not been thoroughly analyzed. There are several questions that must be asked in future research. What important behavioral differences are likely to exist between organizations that manage nuclear weapons that are run primarily by civilians (India) and similar organizations run entirely by military officers (Pakistan)? Will organizational biases grow stronger during crises, when there is insufficient time for detailed civilian or even military leaders' intervention in detailed operational plans? How do common military biases change when a military officer assumes a senior political post: does where he sits determine how he stands on nuclear issues or does he carry the intellectual baggage of training in military organizations along with him to the new post? How broad a shadow do nuclear weapons cast in South Asia? Kargil demonstrated that they have not prevented all wars between nuclear states. But what kinds of limited wars are likely in the future? And how can they remain limited?

The organizational perspective suggests that there are more similarities than differences between the nuclear powers and the way they manage, or at least try to manage, nuclear weapons operations. There is, however, one important structural difference between the new nuclear powers and their Cold War predecessors. Just as each new child is born into a different family, each new nuclear power is born into a different nuclear system since other nuclear states exist and influence their behavior. This phenomenon, however, is in theory likely to have contradictory effects on nuclear crisis behavior. On the one hand, the ability of other nuclear powers to intervene in future crises may be a major constraint on undesired escalation. On the other hand, this ability may encourage the governments of weaker states to engage in risky behavior – initiating crises or making limited uses of force – precisely because they anticipate (correctly or incorrectly) that other nuclear powers may bail them out diplomatically if the going gets rough.

The possibility that other nuclear states can influence nuclear behavior in South Asia does lead to one final optimistic note. There are many potential unilateral steps and bilateral agreements that could be instituted to reduce the risks of nuclear war between India and Pakistan, and the U.S. government can play a useful role in helping to facilitate such agreements. Many, though not all, of the problems identified in this article can be reduced if nuclear weapons in both countries are maintained in a de-mated or dealerted state, with warheads removed from delivery vehicles, either through unilateral action or bilateral agreement. U.S. assistance could be helpful in providing the concepts and arms verification technology that could permit such dealerting (or non-alerting in this case) to take place within a cooperative framework. The United States could also be helpful in providing intelligence and warning information, on a case-by-case basis, in peacetime or in crises to reduce the danger of false alarms. In addition, safer management of nuclear weapons operations can be encouraged through discussions of organizational best practices in the area of nuclear weapons security and safety with other nuclear states.

There will be no progress on any of these issues, however, unless Indians, Pakistanis, and Americans alike stop denying that serious problems exist. A basic awareness of nuclear command and control problems exists in New Delhi and Islamabad, but unfortunately Indian and Pakistani leaders too often minimize them. The August 1999 Indian draft doctrine report, for example, claimed that "nuclear weapons shall be tightly controlled," that command systems "shall be organized for very high survivability against surprise attacks, " and that "safety is an absolute requirement."<sup>48</sup> But it did not explain how such lofty goals could be confidently achieved. Government officials in New Delhi sometimes speak as if nuclear safety problems have been successfully addressed, as when Ministry of Defense officials told parliamentarians in July 1998 that the nuclear weapons safety procedures "have been revised and updated in keeping with requirements in this regard."<sup>49</sup> For their part, senior Pakistani

authorities have claimed that the problem of accidental nuclear war has already been solved. A. Q. Khan, for example, has claimed that “Pakistan has a flawless command and control system” for nuclear arms, and former Foreign Minister Sartaj Aziz insisted that there was “no chance” of an accidental nuclear war in South Asia.<sup>50</sup>

The U.S. government refused to assist the Pakistanis in developing improved safety and security for their nuclear weapons until the September 2001 terrorist attacks and the war in Afghanistan highlighted the danger of al Qaeda members or Taliban supporters stealing a weapon or nuclear materials from a storage site. Prior to September 11, Washington officials argued that any assistance in this area would reward Islamabad for testing and signal other potential nuclear weapons states that the United States is not serious about its nonproliferation goals. An even more serious concern is that sharing specific technological devices and information could be counter-productive if it encourages Pakistan to mate warheads and bombs to delivery vehicles and to deploy weapons into the field in the belief that these operations would now be safe. Any future nuclear security assistance program should therefore focus on encouraging safe and secure storage, transport, and maintenance of nuclear materials, components, and warheads. It should not include technical assistance or studies of organizational best practices regarding nuclear alert operations such as mating warheads to missiles or transporting fully assembled weapons. The principle behind U.S. nuclear assistance should be to focus on organizational practices and technologies that would encourage Pakistan to maintain its nuclear components stored separately and not mated to delivery vehicles. Future programs with India should have the same focus.

A first useful step for the United States is to accept that nuclear weapons will remain in Pakistan and India for the foreseeable future and that the problem of Kashmir will not be solved easily or quickly. The political problems between the two South Asia nuclear powers may someday be resolved. Until that day comes, the U.S.

government has a strong interest in doing whatever it can to reduce the risk that India and Pakistan will use nuclear weapons against each other.

## ENDNOTES

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**Part IV.**

**U.S. MILITARY PERSPECTIVES**

## CHAPTER 10

### U.S. MILITARY PERSPECTIVES ON REGIONAL SECURITY IN SOUTH ASIA

Compiled by  
Michael R. Chambers

Editor's Note: This chapter represents a summary compilation of the views and ideas expressed by the three military officers on this panel. Most, if not all, of the ideas and views in this chapter were presented by more than one member of the panel, and so no direct attribution is intended, nor should it be attempted by the reader.

Regional security and stability in South Asia are important national security interests of the United States, and of our military forces. If anyone did not understand this fact prior to September 2001, the events of that month and the succeeding months have made it abundantly clear. The possession of nuclear weapons by both India and Pakistan, coupled with their periodic crises, has for many years worried American military and security analysts. But the attacks on the World Trade Center in New York City and on the Pentagon in Washington, DC, brought the concerns about regional security in South Asia to the fore. India, and especially Pakistan, is playing very important roles in the global war on terrorism, and yet tensions between these countries could complicate the efforts in that war.

One of the most important ways for the U.S. military to promote regional security and stability in South Asia is through military-to-military relationships and exchanges. These ties can exist on numerous different levels, ranging from annual dialogues between defense secretaries/ministers to junior officers attending staff colleges in other countries. The United States benefits from these

relationships by gaining insights into the thinking of other militaries, by training with these militaries and enhancing interoperability in case we need to join with them in coalition military operations, and by gaining access to military facilities in these countries in times of crises. These kinds of relationships have proven very important in the war on terrorism, just as they have in the past in other situations. And the lack of such relations with Pakistan during the 1990s also showed their consequences in the immediate aftermath of September 11. Into the future, it is imperative that the United States builds and sustains these military-to-military relationships in South Asia.

### **South Asia and U.S. National Interests.**

One of the most important enduring national interests of the United States is economic prosperity. The U.S. military plays an important role in the pursuit of this interest because one of the most important underlying conditions for economic growth and prosperity is security. As Secretary of State Colin Powell has noted, money is one of the biggest cowards in the world, running away from insecurity, as do investors and businessmen from instability in a country or region. American armed forces help to ensure global order and thus to maintain the global economic system.

South Asia, and India in particular, has great potential economically. Helping South Asia to realize this potential will not only benefit the people of this region, but also all of us. A dynamic economy in the South Asian region will provide an impetus for continued global economic growth. Regional security and stability are necessary (but not sufficient) conditions for the economies of the South Asian countries to grow and achieve prosperity. If the United States hopes to promote regional security and stability in South Asia so that the region can continue on a path toward economic prosperity and thereby contribute to the world economy, it must be involved in the region—politically, economically, and militarily. Included as part of our military efforts to support regional security

should be military cooperation programs.

In addition to this economic rationale for supporting regional stability, the United States has an enduring interest in promoting regional security because it can affect security and stability beyond the region. This was made painfully obvious to the United States on September 11. Regional security and stability in South Asia is also a precondition for security and stability in Central Asia. Central Asia is a region of great potential: on the downside, as a continuing source of terrorism; on the upside, as a source of abundant energy resources that can help to fuel economic development in many Asian countries. Which way Central Asia goes will depend to a large extent on the security situation in South Asia. Instability and insecurity on the subcontinent will surely spill northward.

A third enduring U.S. national interest, as well as a global interest, is in seeing the Muslim world move forward with modernization. Much of the Muslim world today is locked in a challenge where militant fundamentalist elements within their societies are atavistically pulling these nations back toward the past. Pakistan could play an important role here, serving as an example to other Muslim nations on how to advance into the 21st century and join the modern world. American involvement with Pakistan, including military cooperation, could facilitate this process.

These national interests in South Asia should guide U.S. policy toward the region well into 2020 and beyond. The United States also has some more immediate security interests in the region that are guiding short- to medium-term policy. The first of these is access to and through the South Asian region for direct action operations in the global war on terrorism. In particular, this access was important for the “theater opening” process of the war. Theater opening refers to setting the stage for successful operations, and includes opening up bases for U.S. and coalition armed forces, putting logistics into place, putting medical support into place, and leveraging off host

nation resources to achieve these goals. As long as the campaign against global terrorism continues in Afghanistan, access to and through India, and especially Pakistan, will remain vital. This access will also remain vital after the initial phases of the campaign are over, and we turn to stability operations and nation-building operations in Afghanistan. These operations will continue for sometime, and the efforts of Pakistan and India to provide access are critical.

A second immediate security interest is in eliminating terrorism within the South Asian region. This is a broader problem than merely eliminating the Taliban and al Qaeda in Afghanistan. This is a complex issue, and the terrorist networks within the region have tentacles that extend beyond South Asia. In fact, it needs to be remembered that some of the terrorists that struck the United States on September 11 received training in Western Europe and even in the United States. And in addressing this objective of eliminating terrorism from South Asia, the United States needs to do some introspection. To what extent did our policies, particularly the sanctions placed upon Pakistan since 1990, contribute to or exacerbate the conditions that led to Pakistan's support for the Taliban in Afghanistan, a Taliban regime that allowed Osama bin Laden's al Qaeda terrorist network to operate from its territory? As we move forward, we need to ensure that any past mistakes are not repeated.

A third immediate security interest in South Asia is to do all that we can to prevent the use of weapons of mass destruction in this region, particularly nuclear weapons. If a conflict between India and Pakistan should escalate to the nuclear level, it would have catastrophic consequences for the people of the region. It would also have global repercussions. The attacks on the World Trade Center and the Pentagon, as well as the plane that crashed in Pennsylvania in a failed attack, lowered the bar for what could be attempted by terrorists in their attacks on innocent civilians. If India or Pakistan were to use nuclear weapons in a South Asian conflict, it would

similarly lower the threshold for use of these weapons. This could have a demonstration effect that would be disastrous for the world and for global security.

Thus, South Asia is an area of important U.S. national interests. This is true in the immediate period as we try to prosecute the war on terrorism against the Taliban and al Qaeda in Afghanistan, and as we try to prevent a nuclear catastrophe in the region. Longer term, we have enduring interests in the region to help it grow economically and prosper, and to maintain regional security and stability since instability here could spill over into other regions of the world. Moreover, we need to encourage Pakistan to serve as an example to other Muslim countries of how to resist militant fundamentalism and move into the 21st century as a modern yet Muslim society.

#### **Military-to-Military Security Cooperation Programs.**

In order for the United States to successfully pursue these interests if it hopes to influence the events and developments in South Asia, then it needs to be involved in the region. This includes political, economic, and diplomatic engagement, and also military cooperation. There is a new paradigm of involvement with South Asia, and it is one that seeks military-to-military relations with both India and Pakistan. U.S. military relations with both countries have been hampered over the last 10-15 years by legislatively mandated sanctions. These were imposed in 1990 on Pakistan after President George Bush could no longer certify that Islamabad was not developing nuclear weapons, with the effect that we lost contact with a generation of junior and middle-ranking officers. These ties were only restarted since September 11. Relations were developing in the 1990s with India but were suspended in 1998 after its nuclear tests of that year. Fortunately, these relationships were slowly restarted in 1999-2000, and have been proceeding apace.

Military cooperation programs are comprised of a broad scope of activities, ranging from coalition military operations in warfare, to peacekeeping and humanitarian assistance operations, to joint training exercises, to foreign arms sales and financial military aid, and to various types of dialogues and exchanges. These include regularized discussions between senior civilian and military defense officials, such as the recently revived Defense Planning Group with India; the exchange of visits by senior officers; and the educational exchanges under the International Military Education and Training (IMET) program. IMET programs are possibly the most important of the security cooperation programs, because they lead to insights and personal relationships that can be critical in the event of a crisis. Included under IMET are educational exchanges at the cadet level where foreign citizens can be educated at our service academies. Also included are exchanges of officers at intermediate service schools in which American officers are able to spend time learning about the military of other countries, and foreign officers are able to learn what American officers are taught—and to be influenced by our philosophy and ideas on civilian control over the military.

Cooperation programs serve a number of important objectives, several of which are relevant to the pursuit of U.S. immediate and enduring interests in South Asia. First, they can provide access to decisionmakers. This is more true in a country such as Pakistan where the military has a very strong role in the government than in India, but even in India the military leadership has a crucial voice in many national security issues, particularly regarding tensions with Pakistan and the potential use of nuclear weapons. Such access can be gained through senior-level contacts, but it is also possible that a junior officer who studied in the United States many years ago could become one of the senior officers today. Having a former classmate in such a position could prove valuable if a crisis erupts.

Second, such security cooperation activities can provide access to bases and facilities for U.S. military operations if needed. Since the



end of the Cold War, the United States no longer has an extensive global network of bases—nor can it afford to have such a network. Instead, it must rely on access to bases and facilities of other countries near a theater of operation. Working with the military of other countries and building relationships with members of the military in those countries can assist the United States in gaining such access when it is needed.

Third, security cooperation activities are intended to foster what Admiral Dennis Blair, former commander of the U.S. forces in the Pacific, has called “security communities,” to develop “coalition outlooks” within a specific region. Whether the U.S. military likes it or not, the political reality today is that we will have to operate in coalitions with militaries from other countries to pursue many of our goals. Such operations include not only warfare—such as the global war on terrorism, or the Gulf War—but also peacekeeping operations, humanitarian assistance operations, disaster relief operations, and search-and-rescue operations. If we expect to function well with other militaries during armed conflict and other types of crises, we need to learn how to work with them during peacetime, to train and practice with them. Achieving interoperability and this level of cooperation requires a large investment in time and effort, and so we need to be engaging militaries from other countries prior to a crisis in order to work well with them in a time of crisis. Moreover, training together and setting patterns of cooperation between militaries can help to reduce mutual suspicions and even to develop outlooks that see security within a region as being held in common.

Fourth, these activities can increase mutual understanding between militaries and provide important insights into the thinking of the security elites of other countries. Mutual understanding is built by various types of discussions and exchanges within military-to-military relationships, but in particular by exchanges promoted under IMET. Having officers spend time learning in a service school of another military provides those officers with knowledge about the

thinking and culture of that military. And spending time in that other country provides exposure to the broader values and cultures of the society that military is nested within. The insights gained by such involvement could facilitate the development of common views and approaches to solving a problem. Or more simply, they could provide important intelligence insights on other militaries.

Finally, such activities enable the U.S. military to learn in a direct, functional way from the experiences and expertise of other militaries. The United States should not assume that it has a monopoly on knowledge or expertise. For example, there is much we could learn about high-altitude mountain warfare from the Indians and Pakistanis, who have more experience in this area than we do. Security cooperation activities, such as joint training exercises, can enable our military to draw on such expertise to improve our own capabilities.

#### **The Value of These Programs: Fall 2001.**

The value of these security cooperation activities—the personal and institutional relationships that are created and sustained, the insights and understandings that are gained—was made abundantly clear in September-October 2001 in our efforts to launch the global war on terrorism and the campaign in Afghanistan. The relationships with the Pakistani military established in the 1980s proved extremely important for reestablishing these ties last fall. Despite the lack of involvement over the last decade, these previous relationships smoothed our efforts to gain access to facilities in Pakistan, facilities necessary for staging some of our operations into Afghanistan. We also were able to operate across Pakistan to execute the initial strikes against the Taliban and al Qaeda. And most importantly, a relationship of many years standing existed between General Anthony Zinni, then the Commander of U.S. Central Command, and General Pervez Musharraf, who became leader of Pakistan. When General Tommy Franks succeeded Zinni, he

adopted this relationship and persevered in sustaining it. This relationship probably contributed to Musharraf's decision to side with the United States in the war on terrorism and provide us access to the facilities we needed.

Nevertheless, the decade without security cooperation and the loss of contact with a generation of Pakistani officers had its costs. First, we were unsure about the degree to which the junior and middle officer corps in Pakistan were fundamentalist, and therefore might side with the Taliban against us. We knew the character and leanings of the senior officers based on our contacts in the 1980s. This uncertainty about the affiliations of the lower ranking officers was one of the big, troubling questions on September 12. Second, once President Musharraf chose to side with us and allow us access to Pakistani facilities, we were unsure about whom to call to work out the details of coordination and access to the facilities. Because of the years with no military-to-military relationship, we did not have a good answer to this question at first. Having a military relationship in place prior to September 11 would have greatly assisted this process.

Even a relationship that is still in its infancy can prove vital. The uncertainties experienced by the American military in reopening dialogue with Pakistan and in arranging the details of access to facilities there were noticeably absent in our discussions with Uzbekistan and even Tajikistan. We had an established security cooperation program with the Uzbek military, which greatly eased our discussions with them. And even in Tajikistan, where our relationship was still just getting off the ground, the fact that we had some level of security cooperation—rather than none—again facilitated our ability to get access. The story was the same with Oman, where preexisting relationships with senior officers facilitated our gaining crucial access to bases there for the campaign in Afghanistan, even though Oman was at the time hosting a major joint exercise with the British.

Military cooperation activities are intended to achieve important U.S. national interests, particularly security interests, as already discussed. They also provide important avenues of communication with senior military officers in other countries. For these reasons, such activities should not be used in carrot-and-stick fashion by U.S. political leaders to pursue varying diplomatic goals. The relationships created by these cooperation activities can have long-term value, if they are sustained. Moreover, we cannot expect that the relations will be easily restarted once they have been cancelled. Thus, security cooperation programs, particularly IMET, should be continued even if tensions or problems arise with a country, and should only be fully terminated if actual conflict breaks out. We cannot hope to influence or promote reform in the military of another country (for example, Indonesia) if we do not have a relationship with them.

### **Moving Forward with Military Relations in South Asia: The Challenges to be Faced.**

It is important for the United States to move forward in developing military relations and security cooperation with India and Pakistan, for all of the reasons discussed above. This is an important region for U.S. security, in the present and into the future. Military cooperation programs can assist our government in achieving these interests, particularly by promoting mutual understanding between individuals and institutions, and building relationships that can someday provide access to important decision-makers and military facilities. Nevertheless, we will face some challenges as we move forward.

First of all, the revived relationships in South Asia are heavily influenced by the war on terrorism. This war involves, for the first time since World War II, the application of all of the U.S. elements of national power in a synchronized fashion on a global scale. This will

require a high level of interagency discussion and coordination on our part. We are out of practice here, and this could complicate our efforts.

Second, how should we conceptualize our military-to-military relationships today, especially in the context of the war on terrorism? Whereas in the past these relationships have been state-to-state, we are seeing the increased relevance of nonstate, transnational actors in al Qaeda, and their ability to operate from within various countries where the government does not have full authority. How should this be factored into our relationships? Also, is the war on terrorism truly a war in the conventional sense of the term, or is it more of a law enforcement operation?

Third, we need to deal with the history of animosity between India and Pakistan in our military relations with these two countries. The U.S. approach has been one of balance, and we need to continue this. We need to ensure that our cooperation with one country does not give, or potentially give, it an advantage over the other, and we need to ensure that our cooperation is not *perceived* as giving one side the advantage over the other. Toward this end, we need to maintain complete transparency in our military relationships with both the Indian and Pakistani militaries.

Finally, these military relations will remain vulnerable to manipulation by our political leaders due to the potential for tensions in the future between the United States and the countries of South Asia, particularly over the issue of nuclear weapons. Political leaders have used these relationships in the past in an attempt to gain political or diplomatic leverage, and the possibility of this will remain in the future. Hopefully, they will understand the value of these relationships, understand the possible costs when these are suspended or cancelled, and understand the difficulties involved when trying to restart them in a hurry to deal with an emerging crisis.

**Part V.**

**STRATEGIC CULTURE**

## CHAPTER 11

### INDIAN STRATEGIC CULTURE

**Kanti Bajpai**

The future of South Asia will depend in large part on India. As the largest country in the region, its choices and actions will condition the policies of its neighbors and of the nonregional powers that have a stake in the subcontinent. India's policies are likely to affect actors well beyond South Asia as well. India's choices and actions will affect the life chances of over one billion Indians and perhaps another two billion people around its periphery from Afghanistan and Pakistan in the west, to Nepal and China in the north, to Bangladesh and Burma in the east, and a number of other countries in the Asia-Pacific and Indian Ocean littoral. How will India behave in the years to come? Observers of India claim that Indian diplomatic rhetoric and moves have changed considerably since the end of the Cold War, but in what respects exactly? One way of answering that question is by understanding Indian strategic culture. What are the basic perceptions and precepts of India's strategic community? What do they tell us about how India might behave over the next decade or so?

This paper attempts to delineate Indian strategic culture in the post-Cold War period. Indian strategic culture, which was dominated by the worldview of its first Prime Minister, Jawaharlal Nehru, is in ferment. With the end of the Cold War, at least three different streams of thinking are vying for dominance. These three schools may be called *Nehruvianism*, *neoliberalism*, and *hyperrealism*. To call them "schools" is to overstate the case. Those who hold to the views associated with the three perspectives do not call themselves by the names I have used, although the usage of the term Nehruvian

is common enough in Indian discourse. I claim, however, that these three viewpoints exist, and that if one abstracts from Indian security texts they can be assembled in the way that I have done here.

Such a claim will be controversial even in India. It is a commonplace of the discourse on Indian security that India does not have a strategic culture and that Indians have historically not thought consistently and rigorously about strategy. At the very least, Indians have not recorded their strategic thinking in written texts, the only exception being the ancient classic, *Arthashastra*.<sup>1</sup> That India does not have a tradition of strategic thinking is not altogether incorrect. On the other hand, since the country's independence in 1947, it has had to deal with a number of security challenges, and the volume of writings on these issues is enormous. Newspaper and magazine commentary is probably the largest single source on Indian thinking. In addition, the strategic community has produced a corpus of scholarly writings on security. A number of journals publish regularly on security matters. Finally, there are the texts of Indian prime ministers and other leaders who have over the years written and spoken publicly on security policy.

I argue that Indian strategic culture can be understood in terms of an identifiable set of basic assumptions about the nature of international relations, some of which are shared between the three schools and some of which are not. With Alastair Iain Johnston, we can refer to these assumptions as constituting the *central strategic paradigms* of the three perspectives. In addition, the three perspectives can, once again in terms of Johnston's schema, be described by their *grand strategic prescriptions* on the means that should be used to make India secure.

### **What is Strategic Culture?**

What is strategic culture? Johnston defines strategic culture in the following terms:



Strategic culture is an integrated set of symbols (i.e. argumentation structures, languages, analogies, metaphors, etc.) that acts to establish pervasive and long-lasting grand strategic preferences by formulating concepts of the role and efficacy of force in interstate political affairs, and by clothing these conceptions with such an aura of factuality that the strategic preferences seem uniquely realistic and efficacious.<sup>2</sup>

Strategic culture consists of two parts. The first is the central strategic paradigm—the basic assumptions about orderliness in the world. Included here are assumptions about the role of war in human affairs, about the nature of the adversary, and about the efficacy of the use of force. The second part is grand strategy, or the secondary assumptions about operational policy that follow from the prior assumptions.<sup>3</sup> These may be gleaned from various texts written over time by statesmen, soldiers, scholars, commentators, and diplomats.

Johnston's conception of strategic culture will inform this inquiry into Indian strategic culture. For example, we will use his distinction between the central strategic paradigm and grand strategy to parse Indian strategic culture. We will also follow his lead in unearthing strategic culture by interpreting various written texts rather than by inferring cultural traits or constants from behavior. However, we will also depart from his schema in various ways. First, while Johnston could turn to a series of well-known ancient Chinese military classics for his work on China, this is not possible in the Indian case where there are no established canonical texts except for the *Arthashastra*. Instead, we will turn to the post-Cold War writings of some of the most important voices in the Indian strategic community. This is probably more appropriate in any case, given how difficult it is to establish the influence of ancient texts on contemporary thinking and choices.

Second, Johnston's conception of strategic culture and grand strategy places great emphasis on the role and deployment of force. The use of force is clearly the key issue in any conception of *strategy*, although it may be less important in *grand strategy*, which refers to the coordination of a nation's military, political, diplomatic, and even cultural resources for the purposes of security. Grand strategies vary not just by differences in how force is used but also by the extent to which other instruments are deployed. Johnston allows for this to some extent, but the issue of the efficacy and disposition of force is pervasive in his study.<sup>4</sup> Since this paper will examine in particular Indian grand strategy as a component of its strategic culture, we will give due weight to economic, cultural and other nonmilitary instruments of grand strategy.

Third, Johnston's conception is overly preoccupied with external security threats whereas in most post-colonial societies, and indeed in much of the post-Cold War world, it is internal security that is increasingly at the fore of security concerns. Johnston's basic grand strategic typology could be used to describe a state's posture towards internal security threats as well—accommodation, defensiveness, and offensiveness. However, once again, his emphasis on coercion and force in these grand strategic formulations becomes problematic in the context of internal security where governments typically prefer to use other methods and instruments as far as possible.

Fourth, Johnston's work, at least implicitly, seems to assume that a state's security is dominated by local, regional threats, mostly to territorial integrity. This is not incorrect. A country's neighbors and near-neighbors on the whole are the most salient threats. However, in the modern world (i.e., the past 4 centuries), major threats to a society have often come from distant lands. The rise of great powers with global reach are a fact of life in the inter-national system and few regional states, particularly rising powers such as India, can afford to ignore the reach of nonregional powers who do not

necessarily covet distant territory but can intervene in regional and domestic politics. How a country deals with distant or nearby great powers is a vital component of security policy. Grand strategies will differ on the means of dealing with these powerful states.

We will also need to relax some of Johnston's methodological principles in order to deal with the Indian case. Johnston grants that there may be different streams of strategic thinking, but he suggests that, in order to establish the existence of a strategic culture, it is necessary to show that there exists a set of strategic preferences that are consistently ranked above others in some canonical texts, that the different streams in effect can be ordered from the most to the least important. He also insists that the link to actual behavior must be established, by showing that the preferences of a strategic culture "anchor" the thinking of decisionmakers and that their thinking then determines the course of government policy.<sup>5</sup> While Johnston is correct to insist on such rigor, this is not possible at this stage of research on Indian strategic culture. For one thing, as noted earlier, in India there are no canonical texts across which one would test for consistency of preference ranking. The researcher on Indian strategic culture must therefore take a more college-like approach to textuality, fashioning a composite text out of scattered writings in the press, academic journals and volumes, think tank publications, biographies and autobiographies, and so on. Secondly, our research method will be to delineate the three dominant approaches culled out of this collage of materials and then to juxtapose the various grand strategic recommendations against the actual policies of the Indian government over the past decade or so. The paper will show that post-Cold War Indian policy correlates or is congruent with the neoliberal approach more than either the Nehruvian or hyperrealist approach. For now, the best that can be done is to show that there is at least a circumstantial link between strategic culture and strategic choice/behavior.

### **Central Strategic Paradigms.**

According to Johnston, a core strategic paradigm provides answers to the following questions:

- The role of war in international relations.
- The nature of the adversaries and the threats they pose.
- The utility of force.

Indian strategic thought does not address these questions systematically and explicitly enough for a Johnstonian analysis. There are no ancient “military” classics as far as we know apart from Kautilya’s *Arthashastra*. As for the *Arthashastra*, it does not have the status of the Western or Chinese military classics. It would be hard to show, for instance, that its tenets were widely known historically. Nor are there any modern classics of strategy and grand strategy, although Jawaharlal Nehru’s writings on international affairs and Indian foreign policy do constitute a corpus of influential materials. More recently, the writings of K. Subrahmanyam and, in nuclear matters, of General K. Sundarji, have been influential. Subrahmanyam’s views in particular, because of his extensive news paper writings, are widely known.

In the Indian case, therefore, the central strategic paradigm cannot be delineated with the kind of textual richness and interpretive rigor that Johnston was able to bring to bear in the Chinese case. What this paper will do therefore in this section is to sketch out the broad approach to international relations that is embodied in the three Indian schools of thought. To do this it will be necessary to reconstruct that thought and then to extrapolate from it answers to the three questions located at the heart of a central strategic paradigm.

*Nehruvianism, Neoliberalism, and Hyperrealism.* Before we proceed to reconstruct Nehruvian, neoliberal and hyperrealist approaches to international relations in terms of their differences, it is important to note their areas of agreement. For while they disagree in key respects, they also proceed from a core set of common assumptions and arguments.

First of all, all three paradigms accept that at the heart of international relations is the notion of the sovereign state that recognizes no higher authority. In such a system, each state is responsible fundamentally for its own security and well-being. Above all, states strive to protect their territory and autonomy. Second, all three paradigms recognize that interests, power, and violence are staples of international relations. States cannot avoid the responsibility of pursuing the national interest, however that is defined. Nor can they be indifferent to the cultivation of power – their own and that of other states. States must in some measure accrue power in a competitive system. Finally, conflict and war are a constant shadow over interstate relations. While the three paradigms differ on the causes of conflict and war and on the ability of states to control and transcend these forces, all three accept that disputes and large-scale organized violence are a regular feature of international relations. Third, all three paradigms accept that power comprises both military and economic capabilities, at a minimum. States need both. While they differ on the optimum mix and use of these capabilities, proponents of the three views are in agreement that military and economic strength are vital for security. Beyond this common base, the three paradigms differ.

Fundamental to Nehruvianism is the argument that states and peoples can come to understand each other better and thereby make and sustain peace. Nehruvians accept that in the international system, without a supranational authority, the threat of war to settle disputes and rivalries is in some measure inescapable. States must look after themselves in such a world, in which violence is a

regrettable last resort.<sup>6</sup> However, Nehruvians believe that this state of “anarchy” can be mitigated, if not eventually supervened. International laws and institutions, military restraint, negotiations and compromise, cooperation, free intercourse between societies, and regard for the well-being of peoples everywhere and not just one’s own citizens, all these can overcome the rigors of the international system.<sup>7</sup> Furthermore, to make preparations for war and a balance of power the central objectives of security and foreign policy is, for Nehruvians, both ruinous and futile: ruinous because arms spending can only impoverish societies materially and create the very conditions that sustain violence and war; futile because, ultimately, balances of power are fragile and do not prevent large-scale violence (as the two world wars so catastrophically demonstrated).<sup>8</sup>

Neoliberals also accept the general characterization of international relations as a state of war. That coercion plays an important role in such a world is not denied by neoliberals. However, the lure of mutual gain in any interaction is also a powerful conditioning factor among states, particularly as they become more interdependent. Neoliberals often express their distinct view of international relations by comparing the role of military and economic power. According to neoliberals, states pursue not just military power but also economic well-being. They do so in part because economic strength is ultimately the basis for military power. Economic strength can, in addition, substitute for military power: military domination is one way of achieving one’s ends; economic domination is another. Economic power can even be more effective than military power. Thus, in situations of “complex interdependence,” force is unuseable or ineffective.<sup>9</sup>

Most importantly, though, neoliberals believe that economic well-being is vital for national security in a broader sense. An economically deprived people cannot be a satisfied people, and a dissatisfied people cannot be secure.<sup>10</sup> The key question then is:

where does economic strength and well-being come from? In the neoliberal view, it can only come from free market policies. Free market policies at home imply, in addition, free trade abroad. Free trade is a relationship of mutual gain, even if asymmetric gain, and is therefore a factor in the relations between states. Indeed, where Nehruvians see communication and contact as the key to the transformation of international relations, neoliberals believe that trade and economic interactions can achieve this.<sup>11</sup>

Hyperrealists harbor the most pessimistic view of international relations.<sup>12</sup> Where Nehruvians and neoliberals believe that international relations can be transformed—either by means of communication and contact or by free market economic reforms and the logic of comparative advantage—hyperrealists see an endless cycle of repetition in interstate interactions. The governing metaphor of hyperrealists is threat and counterthreat.<sup>13</sup> In the absence of a supranational authority that can tell them how to behave and is capable of enforcing those commands, states are doomed to balance of power, deterrence and war. Conflict and rivalry between states cannot be transformed into peace and friendship (except temporarily as in an alliance against a common foe); they can only be managed by the threat and use of violence.<sup>14</sup>

From this, hyperrealists conclude that the surest way of achieving peace and stability is through the accumulation of military power and the willingness to use force.<sup>15</sup> Hyperrealists reject the Nehruvian and neoliberal concern over runaway military spending and preparedness, arguing that there is no good evidence that defense derogates from development.<sup>16</sup> Indeed, defense spending may, in the Keynesian sense at least, boost economic growth and development. Hyperrealists are also skeptical about the role of institutions, laws, treaties, and agreements. For hyperrealists, what counts in international relations is power in the service of national interest; all the rest is illusion. The neoliberal faith in the power of economics is equally one that hyperrealists do not share.

Hyperrealists invert the relationship between military and economic power. Historically, they argue, military power is more important than, and probably prior to, economic power. A state that can build its military power will safeguard its international interests and will build an economy and society that is strong.<sup>17</sup>

*War, the Nature of the Adversary, and the Utility of Force.* What can we say from this reconstruction of Nehruvian, neoliberal, and hyperrealist approaches to international relations in relation to the role of war, the nature of the adversary, and the utility of force?

For Nehruvians, war is a choice that states can and will make. While Nehruvians accept that the international system is anarchic and that states pursue their interests with vigor, violence is not inevitable.<sup>18</sup> Wars, as Nehru affirmed, are made in the minds of men, and therefore it is in the minds of men that war must be eradicated. War is not a natural, inherent activity. It can therefore be avoided and limited even when it occurs. The state of war—the fear, expectation, and preparation for war—can be overcome by wise, cooperative policies amongst states.<sup>19</sup>

The adversary, in the Nehruvian view, therefore is not a permanent one. War arises from misperceptions and ideological systems that color the attitudes of states and societies and spread fear and hatred. The adversary either does not comprehend India or is misled about Indian goals and methods. Its leadership may be at fault. Ordinary citizens may support their governments out of ignorance or illusion created by government propaganda. The adversary therefore can be made into a friend by communication and contact with India and Indians, at both the official and nonofficial levels.<sup>20</sup>

It is this—communication and contact between governments and peoples—rather than force that will end conflict and make India more secure. International organizations and interstate negotiations



are ways of institutionalizing communication and contact. The threat or use of force, particularly in a coercive, offensive way, is counterproductive and will generally be reciprocated by the adversary, leaving the basic quarrel unchanged. Both parties can only be weakened and harmed by a relationship built on force. All issues are negotiable in the end. India must possess enough force to defend itself, but it should not have so much that it makes others fearful. Certainly, force must be absolutely the last resort, even if it is used coercively.<sup>21</sup>

Neoliberals, too, admit that war is a possibility between sovereign states. However, it is not the only inherent condition in the international system. Given that societies have different comparative advantages and that there is a global division of labor, states cannot escape the logic of interdependence.<sup>22</sup> Interdependence makes for more pragmatic international policies: states worry not just about war but also about trade, investment, and technology.<sup>23</sup>

In the neoliberal conception, adversarial relations are produced by two factors. First, like Nehruvians, neoliberals believe misunderstanding and miscalculation are responsible for enmity. If governments and peoples were more clear-headed and did their cost-benefit calculations correctly, they would see that rivalry and violence is irrational and that the benefits of economic relations untrammelled by quarrels over territory are far greater than anything that may be gained from conflict. Second, military enmity is fundamentally an old-fashioned condition which cannot be sustained as economic globalization goes forward. India itself is guilty of seeing its relations with various countries in the old geopolitical way because it has not understood the logic and power of globalization.<sup>24</sup>

Therefore, force is an instrument of declining utility. For neoliberals, force is an outmoded and blunt instrument unsuited to the new world order. States must have enough force to defend

themselves, but it is economic power and the capacity to innovate in a global economy that eventually makes societies secure. Force in the service of expansionism is irrelevant. Territorial conquest and control, in a world where capital, in formation, and even skills flow across national boundaries, is anachronistic. States must be attentive to defense needs, but on the whole India's economic growth and modernization, and its integration into a globalized world economy, are its greatest sources of strength.<sup>25</sup> India would do better to use its increasing economic power as a way of influencing others than to use force in such a role.<sup>26</sup>

Hyperrealists offer quite different perspectives on war, adversaries and force. War is a constant possibility in an anarchical system and, while it can be destructive and painful, is also the basis for a state's autonomy and security. War is not therefore an aberration but a natural tendency of international relations. Preparing for war is not warmongering; it is responsible and wise statecraft. War comes when rival states calculate that the other side is either getting too powerful or is weakening.<sup>27</sup>

In the hyperrealist view, the international system is a lonely place. States have no permanent friends. Anyone can be an adversary. The adversary, as much as India, must prepare for war in the service of its interests and survival. Other things being equal, neighboring states are more likely to be adversaries: conflicts over territory, status, and power are ever-present possibilities in intimate relationships. No amount of communication and contact or economic interaction will transform the relationship because it is zero-sum. Only a balance of power can regulate relations with nearby or distant rivals.<sup>28</sup>

Force, in the hyperrealist view, is an indispensable instrument in international relations. It is the only means by which states can truly achieve their ends against rivals. States must accept that violence may be necessary in the national interest. Force may be deployed

purely defensively, but the best defense is often offense. It may even save lives on both sides. Control of territory is not old fashioned but rather militarily imperative, especially in conflicts with neighbors. In the end, force may have to be used to destroy the adversary's military formations and to control or wrest contested territory. No political or military leadership can responsibly avoid planning for the coercive use of force. Only "idealists" of various stripes—Nehruvians or neoliberals—could fool themselves into thinking that a more aggressive posture is always bad.<sup>29</sup>

### **Grand Strategy.**

Grand strategic thought, as Johnston emphasizes, is focused on the issue of means rather than ends. How do the three schools of thought deal with the operational challenges of internal security, regional security, and relations with the great powers? The strategic paradigms have indicated the general predispositions of different streams of Indian thinking. What prescriptions do they offer more specifically on ethnic diversity and violence and India's dealings with Pakistan, China and the United States? In addition, now that India is a nuclear power, how do the three schools view nuclear weapons?

*Ethnic Diversity.* Nehruvians base internal security on a secular, democratic, and socialist order. The use of force to regulate internal order is in this view an absolute last resort. In a vast and diverse nation, peace at home requires enlightened social, political, and economic policies. Secularism, liberal democracy built along federal lines, and socialist economics constitute such policies.

The Nehruvian formula for managing a large, heterogeneous country with religious, linguistic, caste, and regional differences consists of various elements: constitutionalism and civic nationalism; the devolution of power in a layered federalism; the granting of group rights (e.g., a differentiated civil code in practice, linguistically

based states and the three-language arrangement, and reservations for backward castes); and the calibrated use of force when necessary. In addition, Nehruvianism relies on a mixed economy to deliver a measure of social justice so that disadvantaged social groups have a stake in being loyal to the Indian state. In sum, the Nehruvian view is that communitarian democracy and social resilience is the surest path to internal security.<sup>30</sup>

Neoliberals agree with Nehruvians in large measure on the issue of internal security, but have two rather sharp differences. First, neoliberals think that the mixed economy in India went too far and became overly regulative. The claims of social justice were sadly not achieved by the “license and permit raj.” What was achieved was corruption and stagnation. Without steady and high rates of growth, the economy did not have enough steam to pull the poor up and away from their destitution. Deprivation fuelled ethnic hostility and violence and will continue to do so. Only high rates of economic growth over several decades can reverse the trend. Secondly, neoliberals think that reservations for disadvantaged groups are destructive beyond a point. Reservations, they concede, serve the cause of social justice, but India has exceeded the sustainable limits of a quota system. The tensions generated by the new reservations policy (e.g., the backward classes or Mandal award) are doing more harm than any good that might have been achieved by the policy.<sup>31</sup>

On internal security, the hyperrealists differ significantly from the Nehruvians and neoliberals. While they do not altogether reject the role of secularism and democracy, they are usually contemptuous of socialism. Secularism and democracy are necessary but not sufficient conditions of internal order and stability. Socialism, on the other hand, positively harms India by sapping its social and economic vitality.<sup>32</sup> For hyperrealists, the hallmark of a responsible government faced with internal instability is the willingness to use force against those who are undermining peace and order. Secularism and democracy can only be kept alive by a

strong hand. Hard, pre-emptive and dissuasive actions will promote lawful behavior; any delay in using force and excessive restraint in the application of violence will only increase the challenges to state authority and lead to greater disarray.<sup>33</sup>

Some hyperrealists go further, though. As Hindu cultural nationalists, they regard secularism, democracy and socialism as part of the problem and not part of the solution. Secularism, for them, has become appeasement of India's minorities at the expense of the Hindu majority.<sup>34</sup> Democracy is often license. And socialism at its worst is the rejection of age-old virtues and methods, even godlessness, which can only lead to social decay and disintegration. What India needs is social and cultural coherence, not revolutionary socialism. This can only come from relying on the leadership of those who by tradition and merit lead society and by respecting traditional cultural norms and practices. Cultural nationalists argue that it is Hindu society that gives India its fundamental unity. Internal security is therefore achieved by promoting the idea of a Hindu realm in which minorities will be treated with tolerance and respect but in which Hindu leadership is at the political helm and Hindu preferences come first.<sup>35</sup>

*Pakistan.* Nehruvians believe that India and its various neighbors, including Pakistan, can and will live in peace. With the smaller states, there is little or no prospect of violence. With Pakistan, on the other hand, there is a long history of violence. Nehruvians see Pakistan as an aggressive state, as do the neoliberals and hyperrealists. In the Nehruvian view, Pakistan is an artificial state, created on the basis of the erroneous "two-nation theory."<sup>36</sup> A state based on Islamic precepts and on its difference with India cannot hold together. Compounding the problem is the absence of democracy. Feudal overlords and the military together control the country. They perpetuate their domination by casting India in the role of a mortal threat.<sup>37</sup> Having demonized India, Pakistan must constantly enlist powerful protectors against its bigger neighbor.

During the Cold War, this meant allying with the United States and China. Pakistan's alliances with Washington and Beijing gave Islamabad an inflated sense of its military and diplomatic strength. Backed by American and Chinese power, Pakistan became obdurate and aggressive.<sup>38</sup>

In the Nehruvian view, India's policy towards Pakistan must take account of these complexities. While relations with Pakistan are daunting, they are not hopeless. Given the intricacies of the relationship, India's moves must be geared to patient, long-run diplomacy rather than dramatic breakthroughs. The Nehruvian diagnosis rests on the view that enmity and hostility towards India comes from misunderstanding and delusion. The original partition ideology—the two-nation theory—is a mass delusion that was propagated by Jinnah and the Muslim League.<sup>39</sup> The enemy image of India sustained and elaborated by the feudals and the military is also false. The primary aim of Indian policy is of course to defend the country from military aggression and subversion. In the longer term, though, it is to undermine the two-nation theory and to break down the image of India as a hostile state. Communication and contact between India and Pakistan is the only way of doing this.<sup>40</sup>

Various lines of policy follow. First of all, an adequate defense against aggression is vital. India cannot afford to be surprised and overcome militarily. The accent in the Nehruvian program, though, is on the word "adequate." Nehruvians, we should remember, are skeptical of the use of force and of balance-of-power politics. India, they believe, should be able to defend itself against its enemies but should not dispose of so much force that it frightens others.<sup>41</sup> In addition, Nehruvians believe in the efficacy of international institutions and rules in preventing and limiting violence among states: there are alternatives to responding to violence *with* violence.

Thus, a second important line of policy is to use international law and institutions as well as bilateral treaties and agreements to tie

Pakistan down. Not surprisingly, it was Jawaharlal Nehru and India that took the Kashmir issue to the United Nations (UN) in 1948. It is also India that has repeatedly sought to codify relations with Pakistan in treaties and agreements—most importantly, the Simla Accord, and most recently, the Lahore Declaration. While Nehruvians no longer have much faith in the UN in the matter of Kashmir and more generally in dealing with Pakistan, they insist that bilateral agreements have an important place in resolving conflict. The Simla and other agreements, including the various cooperative and confidence-building accords, must be the touchstone of India's Pakistan policy.<sup>42</sup>

A third line of Nehruvian policy is to wean Pakistan away from its external backers and supporters and to discourage those powers from interfering in the region. Weaning Pakistan away from its external dependencies will require it to shed its hostile image of India and restructure its domestic politics. Discouraging external powers from meddling in regional affairs can be achieved by pursuing a policy of nonalignment. By adopting a principled stand on great power behavior and by refusing to permanently ally with one power or other, India can persuade those powers to leave it and the region alone.

Finally, the core of the Nehruvian approach is to change Pakistani attitudes towards India. The only way of accomplishing this, in the end, is through communication and contact with both the Pakistani government and people. No matter what the provocation by Pakistan, Nehruvians argue, New Delhi must hold firmly to a policy of engagement and negotiation. Summitry is one way of keeping a conversation going with official Pakistan. Trade and the benefits from it can be instrumental in showing Pakistanis that diplomatic normalization with India is profitable. People-to-people interactions (sports, culture, intellectual exchanges) can serve to demystify India in the Pakistani imagination. In sum, only a multifaceted relationship with Pakistan can bring about lasting

accommodation and a robust peace.

When neoliberals think about India-Pakistan relations, they approach the issue differently from Nehruvians. Where Nehruvians emphasize a multifaceted process of communication and contact, neoliberals look essentially to strike bargains to the advantage of both sides. In this view, Pakistan is a threat to India's security but can be brought around to a more pacific and accommodative view of the relationship if New Delhi uses an approach built on the promise of mutual gain, particularly economic gain.<sup>43</sup> Neoliberals argue that, ultimately, Pakistan's leaders and people are not above the logic of costs and benefits. Whatever their sense of national identity and their fear of India, Pakistanis will eventually measure their policies toward their neighbor in terms of the advantages and disadvantages of alternative courses of action. In the end, economic well-being is paramount for any society, and Pakistan will come around to the view that it must cut a deal with India in order to give its people a better life.<sup>44</sup>

Neoliberals do not reject the entire Nehruvian program. The Nehruvian insistence on an adequate but non-threatening defense posture and a multifaceted relationship with Pakistan is congenial to neoliberals who place great emphasis on economic well-being via free market policies. An overly ambitious defense posture, in their view, will channel government and private expenditures into non-productive areas and cramp economic growth.<sup>45</sup> In this respect, they do not differ greatly from the Nehruvians. Neoliberals also support the Nehruvian view of working toward a broad relationship with Pakistan and Pakistanis. The core of the neoliberal approach is based on the primacy of economics, and therefore anything that goes beyond the traditional focus on military and diplomatic interactions is helpful. However, neoliberals differ from Nehruvians in two key respects.

First of all, neoliberals are not great believers in the effectiveness



of international institutions and laws or bilateral treaties and agreements.<sup>46</sup> The Nehruvian “obsession” with institutions, laws, treaties and agreements (e.g., in the UN, especially in the early years) and the various bilateral accords with Pakistan are, in their view, a negotiatory dead end. The Nehruvian way constitutes a formalistic, old-fashioned approach to diplomacy and statecraft and has been the bane of India’s foreign policy. UN resolutions are ineffective, even against the humblest states. And the bilateral accords with Pakistan are mere paper commitments, which Islamabad can ignore—even tear up—at will. New Delhi should be prepared to scrap any or all of these accords if and when it is necessary to do so; the Nehruvian insistence on sticking by them in rote fashion is unimaginative and unhelpful. Neoliberals do not necessarily reject these accords, but they want India to adopt a more flexible, nondogmatic approach.<sup>47</sup>

The second difference with the Nehruvians is on the regional role of the great powers—the United States, Russia, China, Japan and the Europeans. Neoliberals argue that keeping the great powers out of the region is futile and, worse still, positively harmful to the Indian cause. Great powers by definition are hard to keep out of strategic arenas and, in the case of the United States, virtually impossible. More importantly, great power involvement could be to India’s advantage.<sup>48</sup> After the Cold War, the great powers perceive India and Pakistan quite differently. An India that is booming economically in the wake of economic reforms, that is a nonexpansionist power, and that is a stable multiethnic democracy is an asset. Pakistan, with its economic problems, its revisionist agenda in South Asia and its support of revolutionary Islamic groups, and its chaotic, Islamic polity, by contrast, is a potential failed state.<sup>49</sup> In this new geopolitical situation, India should cultivate the great powers and encourage them to lean on Pakistan as a way of bringing Islamabad around to a deal. From the neoliberal perspective, what India therefore needs is omni-alignment, not nonalignment: an engagement and rapprochement with all the great powers, even China, in the service of a regional order that suits New

Delhi's interests and that is not inimical to great power preferences.<sup>50</sup>

For neoliberals, then, Pakistan policy must be geared to bringing Islamabad to the negotiating table. Whereas Nehruvians want to fundamentally change Pakistani thinking, neoliberals are more "pragmatic" and "worldly," insisting that an economic logic will eventually engineer accommodation. Economic development in Pakistan will do more to transform elite and popular attitudes than anything India can do by way of political, social, and cultural engagement. But for Pakistan to come to the table, India must become an economic powerhouse. The example of India's economic growth, the gap in capabilities that will open up as a result, and the potential opportunities for Pakistanis in an accelerating Indian economy will give New Delhi the power to make Pakistan an offer it cannot refuse. When the economic foundation for a new relationship is built, as it increasingly has been over the past decade of reforms, flexibility in India's diplomatic stance will be crucial for encouraging Pakistan to reciprocate with its own brand of new thinking. Finally, the pressures exerted by the great powers on India's behalf will put Pakistan in a mood to negotiate seriously.

The hyperrealist prescription for dealing with Pakistan is not to worry overly about the intensity of communication and contact with that country, nor to rely on the imperatives of economic change, nor even to turn to others for help. Instead, hyperrealists argue, India must focus on the "fundamentals" and on policies that have stood the test of time in the international system. Ultimately, the only language that Pakistan understands and heeds, like any other country, is the language of power and violence. The core of India's policy therefore is to build its military strength.<sup>51</sup> Given that India is eight times Pakistan's size, it should be in a position to overawe Pakistan militarily. From a position of dominance, New Delhi should dictate terms to Pakistan. With military strength will come an array of options that can be used to raise the costs of Pakistan's intervention in Kashmir. These options should be exercised sooner

rather than later. Taking the fight to Pakistan rather than reacting to Pakistani provocations is the essence of a workable, effective policy.<sup>52</sup>

What does it mean to take the fight to Pakistan? Hyperrealists argue that India should repay Pakistan in the same coin militarily, but, in addition, politically and economically. Militarily, India should make Pakistan pay a much higher cost for the conflict in Kashmir. At the very least, Indian forces should be more aggressive in counterinsurgency operations, as they were in Punjab. Beyond this, Indian forces could begin to test the Line of Control or even the international boundary. Artillery fire, air strikes and “hot pursuit” attacks into Pakistan-held Kashmir would serve notice that India was no longer willing to fight a purely defensive internal war. Finally, at the limit, India should be prepared to attack across the international boundary to threaten Pakistan’s heartland. The fact that India and Pakistan are nuclear powers does not bother some hyperrealists who would seriously contemplate the possibility of “limited war under nuclear conditions,” arguing that India’s nuclear superiority will give it “escalation dominance,” that is, the ability to control the pace and direction of military action. Politically, hyperrealists argue, there is no reason why India cannot do what the Pakistanis are doing in Kashmir. New Delhi could begin to fund and arm various dissident groups in Pakistan, including separatists or ethnic rebels in Baluchistan and Sindh as well as unhappy religious groups in Punjab. India could increasingly play host to prominent dissident leaders as well, especially Sindhis, but also those from the Pakistani side of Kashmir.<sup>53</sup> Finally, India could resort to economic warfare to raise the costs of conflict. New Delhi could meddle with Pakistan’s currency and stock market. It could increase its own defense spending, compelling Pakistan to raise its expenditures and driving its economy into a fiscal meltdown. As the United States drove the Soviet Union out of business, so India could spend Pakistan into oblivion.

Hyperrealists, therefore, in effect imply that the collapse or destruction of Pakistan is the only truly viable solution. Pakistan is an implacable foe and, with every setback or defeat, it will only rebuild itself for the next round of conflict. After 1971, that should have been clear to India. Pakistanis see compromise and negotiation, restraint and cooperation as signs of weakness and incoherence in India. Unless Pakistan is reduced to a state of permanent chaos or debility, it will, phoenix-like, rise from the ashes to challenge India again and again.

Nehruvians, neoliberals, and hyperrealists have quite different prescriptions for how to deal with Pakistan. Nehruvians trust in patient, long-term diplomacy that builds on existing treaties and obligations, defensive defense, society-to-society contact and communication, and nonalignment. Neoliberals prefer a pragmatic, flexible approach to Pakistan, a reliance on economic contacts and India's growing economic strength to bring Pakistanis around, a restrained military posture, and alignment with the great powers (especially the United States) rather than nonalignment. Hyperrealists want India to rely on power and force rather than treaties and economic links to take the fight to Pakistan, to subvert it from within, and eventually to bring about its collapse.

*China.* The Nehruvian belief that states and peoples can eventually be brought around to make peace with each other extends to relations with China. Notwithstanding the war of 1962 with China, Nehruvians do not see China as an imperial power trying to intimidate its neighbors. Rather, China is a backward country trying to improve the lives of its huge population, much like India. It is also trying to overcome the trauma of a semi-colonial occupation in the 19th century. Its communist regime is repressive but has also played a progressive role for its people. The communists liberated and united China and incurred the wrath of the Western powers, and much of the ire against China in the international system continues to be Western inspired. China's desire to reintegrate Hong Kong,

Macao, and Taiwan is justified because these areas belonged to China historically. China's claim to Tibet is more controversial, but there is little that can be done about the Tibetan situation except hope that eventually China will realize the folly of forcible occupation. While Chinese communism is distasteful, to mount a crusade against it internationally is counterproductive. Communication and dialogue with China, and giving China its due in the international order, will modify Chinese policies more than confrontation.

India's own difficulties with China, in the Nehruvian perspective, arose from Beijing's obduracy and its involvement in the Cold War—and New Delhi's own mistakes. While China was ultimately responsible for the war of 1962, its aggressiveness was momentary and limited. China and India have historically never been enemies, in the Nehruvian view.<sup>54</sup> They represent two ancient civilizations with a fair degree of contact with each other over two millennia and no record of hostilities. In the modern period, they generally have been friends and are, even now, central to the prospects of peace and security in Asia.<sup>55</sup> India was supportive of China's national liberation struggle and, after 1949, of its membership in international society. The war was an aberration and was due to a series of misunderstandings. A settlement over the border issue and long-term peace and friendship with China is made easier by these facts.

Nehruvians broadly endorse the kinds of policies that the Indian government has pursued with China since 1962 in bringing Beijing around to a settlement. An adequate defense against China is vital. New Delhi must be able to defend its borders and cannot be caught napping if India-China relations should suddenly decay as they did in 1961-62. However, India's posture along the border should not be provocative.<sup>56</sup> Beyond this, India has to pursue a steady, patient course of diplomacy with China. Nehruvians are supportive of the general thrust of India's diplomacy with China over the past decade.

Before 1988, India insisted that there could be no real improvement in relations until the Chinese reverted to the military situation before 1962 and handed back any territories taken from 1949 onwards. New Delhi insisted that a border settlement must be based on an acknowledged principle of demarcation rather than mere give-and-take. Since 1988, when Rajiv Gandhi became the first Indian prime minister to visit China after the 1962 war, India has changed its approach. The basic shift has been to broaden the relationship and to refuse to hold other areas of interaction hostage to a settlement of the border. Thus, in the 1990s, India signed a number of confidence-building agreements with China. Over a decade, the presidents, prime ministers, and foreign ministers of the two countries met over a dozen times, more than at any time since 1949. Before 1998, Indian and Chinese military leaders were meeting more frequently as well. In 2000, India and China began an official security dialogue which goes beyond border issues. Finally, India-China trade blossomed, from a mere \$200 million to well over \$2 billion in the course of a decade. India has also agreed to develop closer social links between the two societies in terms of cultural, scientific and sporting exchanges.<sup>57</sup>

Beyond this bilateral engagement, Nehruvians believe that India and China have a broad geopolitical interest in common, namely, to ensure that Asia does not become either an arena of conflict between Asian countries themselves or an object of Western influence once again.<sup>58</sup> As rising powers, India and China could come into conflict as they grow in capabilities and influence. A number of other Asian conflicts and rivalries exist. And without the Soviet Union to hold them in check, the Western states, particularly the United States, could begin to interfere in the affairs of Asia and exert pressures on Asian countries in the name of humanitarian concerns such as human rights. Nehruvians therefore see a future concert with China and other Asian powers—including Russia—as a long-term goal. India, China, and the major Asian powers should come together to build confidence and cooperation amongst themselves in order to

avoid mutual conflict and to keep the U.S. and other Westerners at bay.<sup>59</sup>

Neoliberals view China differently. India-China relations in the ancient past or even more recent past are largely irrelevant. It is the present and future of India and China that must be determinative. In a globalized world, where the barriers to trade, investment, and technology have loosened as never before, the past holds few lessons. Older quarrels, such as the border dispute, are anachronisms that have little bearing on contemporary choices; above all, these choices must be concerned with how states can manage the opportunities and threats of globalization.<sup>60</sup> Solving the border quarrel is a relatively insignificant issue, though it will not be easy to dispose of. Looking at China through the lens of the border dispute is the wrong way to assess the relationship. It is China's economic revolution and the effects of economic change on its foreign and security policies that are crucial. China is rapidly becoming a great power. Its economic power is giving it enormous leverage, even with rivals such as the United States. In the pursuit of great power status via rapid economic change, China is now committed to pragmatic policies toward Taiwan, Japan, and India, as well as toward the United States.

For India, this has at least two implications. First, the primary goal of grand strategy in a globalizing world is economic strength. Economic strength is good in itself in terms of better living standards and a more resilient society, but it is also a source of influence in international affairs. India must emulate China to be secure against its neighbor in the decades to come, and more importantly, to manage its relations with other great powers as Beijing does.<sup>61</sup> Second, with its eye on economic progress, China is likely to be a restrained power interested in managing and resolving conflict.<sup>62</sup>

Neoliberals support the Nehruvians on an adequate rather than extravagant defense and on a multifaceted engagement with China.

From the point of view of neoliberals, though, it is economics that should lead the way. China is interested in economic advancement through trade, investment, and technology transfers, as is India. Trade with China could be much larger than it is at present. India and China could in addition invest in each other's economies. There are areas of technology where they could cooperate, especially in information technology.<sup>63</sup> Neoliberals argue that India will benefit from an economic relationship with China and in addition will gain diplomatic leverage: New Delhi should aim to "do a China" on China. With a steadily deepening economic engagement, differences over the border and Beijing's relationship with Islamabad will be easier to resolve, and on terms that suit India. The problem, in the neoliberal view, is India, not China. India has not learned to be coldly calculative, to put economics center stage in its external relations, to shed its prejudices about market-driven economics and globalization, to marginalize old-fashioned disputes over territory, and to forsake old methods, policies, and agreements. Neoliberals are impatient with both Nehruvians and hyperrealists who they see as being old-fashioned about economics, security, and the conduct of diplomacy.

Thus, in the neoliberal view, the Nehruvian interest in a concert with China and Russia and other Asian powers is unrealistic, even counterproductive.<sup>64</sup> Older security problems and rivalries will gradually dissipate as economics comes center stage. A concert of Asians to regulate intra-Asian conflicts is an idea whose time has probably come and gone. An economic league in Asia would be more to the point. As for even a loose alliance against the United States and the West, this is highly improbable. China, Russia, and India individually have much greater stakes in a relationship with the United States and the West than with each other, for the most part. In any case, India, as a secular, modern democracy has much more in common with the Western countries than with China or even the new Russia. Flirting with China and Russia is tactically understandable: it is a signal to the United States not to take India



for granted. But an Asian concert of powers that excludes the United States in particular is virtually impossible.

While Nehruvians think that India and China can be friends and allies and while neoliberals argue that India and China can cut a strategic deal if they develop their economic relations, hyperrealists see China as the greatest military threat to India, far more so than Pakistan.<sup>65</sup> The Nehruvians, in the hyperrealist view, failed in the 1950s and 1960s to comprehend Chinese goals and methods, and to prepare to meet force with force. They are no wiser about China 40 years later: communication and contacts with China will do little to change the basic expansionist and aggressive tenets of the authoritarian Chinese leadership, and it is absurd to think that the two countries can combine to manage Asian security.<sup>66</sup> The neoliberals also are misguided about China. Their faith in the power of economics is exaggerated. For China, pragmatism in foreign and security policy and economic modernization is merely tactical and will be dispensed with when Beijing feels strong enough to use unilateral means. India must therefore prepare itself militarily to deal with China. Nuclear deterrence is vital if India is to be secure against China.<sup>67</sup> In addition, India's conventional military power must be augmented to defend Indian territory against the largest army in the world.

Beyond military preparedness on India's part, New Delhi must knit together an alliance of Asian countries that will contain China. It must do to China what China has done to India, namely, encirclement.<sup>68</sup> In the 1950s, China took over Tibet. In the 1960s and 1970s, it carefully cultivated Pakistan, diplomatically and militarily. Whenever possible, it has sought to increase its influence in South Asia among the smaller states, especially Bangladesh and Nepal. In the 1990s, it began to penetrate Burma. Hyperrealists argue that it is time for India to break out of this encirclement with its own counter-encirclement of China. New Delhi must put together an alliance in Southeast and East Asia all along the Chinese periphery. This would

involve strengthening relations with Taiwan, Japan, South Korea, and the ASEAN states including Vietnam and Burma, all of whom in the end must fear China more than anyone else.<sup>69</sup> Hyperrealists favor an Indian naval presence in the South China Sea as much as the Chinese navy is a presence in the Indian Ocean. Some hyperrealists would go so far as to insist that India must reopen the Tibet question and help counter China's rule.<sup>70</sup> A counter-encirclement will assume even greater importance as the U.S. position in Asia diminishes. Hyperrealists argue that the United States will eventually have to pull out of Asia, leaving the field open to China. At that point, Asians will have to face up to the responsibilities of containing China by themselves.

In sum, as with Pakistan, hyperrealists envisage India taking the fight to China. They see India as being too complacent about China and merely reactive to Chinese diplomatic and strategic moves. The Chinese, in their view, only respect power. India's own military strength, combined with an alliance system in Asia, would in the aggregate be powerful enough to replace the United States as the main check on Chinese ambitions. Hyperrealists see India as a potential pole of attraction in the international system, particularly so in Asia. India should be the linchpin of a system of alliances, from Israel at one end to Taiwan at the other, that combats both Islamic fundamentalism and Chinese expansionism.

Nehruvians, neoliberals, and hyperrealists have quite different perspectives on China. China at one level is like Pakistan—a neighbor with whom India has a territorial dispute and with whom hostilities are possible. At another level, with its astonishing economic growth and size, China represents a rising power, a great power in the making at the very least. Nehruvians in the end believe that India can create the conditions for peace and cooperation with the giant to the north, much as it can with Pakistan. Neoliberals argue that economics can lead the way even with China, and that a pragmatic approach to the border can bring about a stable

relationship. Hyperrealists see a rising China as aggressive and expansionist, and therefore argue that only Indian military power and a containment of China by a ring of Asian powers will hold Beijing in check.

*The United States.* For most countries in the world, dealing with the great powers, whether they are nearby or distant, is a special challenge of grand strategy. Nehruvians, neoliberals, and hyperrealists differ as much on this issue as on internal security, relations with Pakistan and China, and nuclear weapons. All three groups recognize that the only great power of any significance for India is the United States, and that the United States is not a military threat in any foreseeable future. However, it is a diplomatic threat. Often, U.S. policies hurt Indian interests collaterally rather than intentionally. American regional and global policies run counter to Indian preferences in various ways, and managing both the intended and unintended effects of U.S. policies pose a special challenge given the American superiority over all other powers.

The Nehruvian prescription for dealing with great powers is nonalignment. Nonalignment is not neutrality, and it is not amorality. It is a policy built around three elements: first, a refusal to be permanently attached to any great power, and to judge international issues in the light of India's interests and general principles of international security; second, the fashioning of a coalition of Third World countries against great power dominance; and third, mediating between rival great powers and the fostering of international institutions and law so that the international system as a whole is made safer and, in particular, weak Third World powers are afforded more protection. In short, autonomy, balancing, mediation, and institutionalism are at the heart of the Nehruvian system for managing relations with the great powers. These points deserve some elaboration.

First of all, according to Nehruvians, nonalignment served to

keep India outside the East-West fray for the most part. India was able to avoid being entangled in other people's quarrels and to preserve its freedom to choose one side or the other, or not to choose sides as it saw fit. Nonalignment served India's domestic stability as well. If India had chosen one side in the Cold War, this may have encouraged the other side to meddle in its domestic politics to punish it. Also, given the ideological divide between left and right within India, alignment with either superpower would have been disruptive.

Second, nonalignment helped to construct a Third World coalition. Nehru himself scorned the "trade unionism" of the Third World, but Nehruvians generally saw nonalignment as a form of collective resistance against the imperial powers. Over the years, in classical balance of power fashion, the nonaligned countries adopted a perceptible tilt towards the weaker superpower, the Soviet Union, in order to gain leverage with the more dominant superpower.

Third, in the Nehruvian view, nonalignment is more than a rejection of alliance politics and resistance to the great powers. It is an insistence that the smaller powers can help to mediate the differences between the great powers. It is also an insistence that international institutions, organizations and law matter, and are particularly important for the protection of weaker powers. For Nehruvians, this is a vital and ultimately the most positive aspect of nonalignment. Nonaligned states, free from the constraints of alliance responsibilities, enjoy a vantage point from which they can not only judge the actions of the great powers but also from which they can help bridge differences. New Delhi might be in a position to offer in formation, i deas, and interpretations of events that would bring the two sides closer together. The mediatory function of non-alignment, Nehruvians argue, is vital for international peace and stability, especially for the security of the smaller countries because in any global confrontation their survival, independence, and development will be at risk.<sup>71</sup>

Finally, Nehruvians argue that international institutions can play a role in checking the great powers. International organizations, international law, and international norms and conventions are ways of tethering the great powers. By promoting procedures, rules, and debate in international relations, the smaller powers might be able to slow down the great powers or, better still, get them to reconsider their goals and policies. The great powers may manipulate international procedures, rules, and debate to their advantage, but this is not certain. In any case, an international system with procedures, rules, and forums for debate must be better than one without.

Nehruvians argue that nonalignment in this larger sense is relevant in the post Cold War world. With the United States rampant, preserving India's autonomy is an even more challenging task. Nonalignment and the Non-Aligned Movement (NAM) continue to be a refuge for countries that do not want to bandwagon with Washington.<sup>72</sup> So also is balancing against U.S. power a vital interest. Strictly speaking, balancing against the U.S. is impossible. However, a coalition of Southern states could resist U.S. pressures on selected issues. The possibility of Indian leadership of a Southern coalition could well enlarge India's bargaining power with Washington.

Nehruvians in the post-Cold War period also regard an India-China-Russia partnership as a response to U.S. hegemony. In the longer term, a concert of Asian powers could hold the United States at bay.<sup>73</sup> Since Nehruvians worry about the polarizing effects of balance-of-power politics, they also support the view that India should continue to act as a mediator with the United States. Thus, some Nehruvians propose that India can represent Southern interests to the United States and act as a moderate go-between.<sup>74</sup> Finally, in the post-Cold War period, a nonaligned posture that attempts to rally Southern countries around international

institutions, rules, and norms can in some measure hope to subvert the U.S. hold on power. Since the United States is using international institutions, laws, and conventions for its own purposes, Indian diplomacy must be geared both to sustaining international organizations and to preventing their manipulation by the United States and its allies.

It is on the issue of how India deals with the great powers that neoliberalism most clearly defines its differences with both the Nehruvians and hyperrealists. For the neoliberals, relations with the great powers represent opportunities as much as threats. India will become a full-fledged great power, in the neoliberal view. This is more or less inevitable. While Nehruvians do not disagree with the neoliberals on India's destiny as a great power, for them India's great power aspirations must be built on autarky, that is, on self-reliance. Neoliberals argue by contrast that in the contemporary world this is not possible. India can only become a great power by raising its economic growth rates, and this is feasible if India works with rather than against the great powers as a way of increasing trade, technology transfers, and investment.<sup>75</sup>

Nonalignment and everything it represents therefore seems dreadfully old-fashioned to neoliberals. In the neoliberal view, the great powers are no longer in fundamental conflict.<sup>76</sup> With the end of the Cold War, there is no Manichean conflict animating international relations. One side won the Cold War, namely, the United States and the Western nations, and the other side lost. The victors are not in conflict: the United States and its Western partners and Japan remain allies. Those who lost the Cold War, moreover, have accepted the fundamental tenets of the victors. There are, therefore, no rival alliance blocs vying for India's or anyone else's membership. Choosing between two great blocs and two ideological systems is no longer a factor.<sup>77</sup> Given that there are no great powers locked in conflict, the mediatory role of nonaligned states is also no longer a factor of any significance.

Most importantly for neoliberals, the idea of resisting the great powers is anachronistic. For one thing, there is only one truly great power, the United States, and its power is so overwhelming that to conceive of resistance in any real sense is impractical. Since the United States leads a coalition of great powers, its preponderance is only magnified. Besides, resistance to the great powers implies that these powers are attempting to force countries to do something that they do not wish to do. Neoliberals argue that this is not the case. A liberal global economic order and even global nonproliferation, the two areas where the great powers do twist arms, are in the interest of most states. Even India, with some qualifications, gains from both. It is in India's interest to promote an open trading and financial system worldwide. It is also in India's interest to curb the spread of weapons of mass destruction (WMDs). Neoliberals want India to be a nuclear weapons power, albeit a restrained one, but they also want India to join the nonproliferation order as a way of curbing the spread of WMDs.<sup>78</sup>

Neoliberals argue that after the Cold War, the United States, by and large, is no longer interested in the vast majority of smaller powers. The problem for most of the smaller powers is not pressures applied against them by the big powers, but rather their own economic backwardness, malgovernance, regional hostilities, and vulnerability to fundamentalism and various other nontraditional security threats (small arms, drugs, criminal mafias, etc.). The United States in particular is a potential resource in dealing with these challenges. For countries like India, the real problem posed by Washington is therefore not so much its desire to dominate as its unwillingness to help the weaker states deal with these challenges. From this vantage point, resistance to the United States is tantamount to cutting off one's nose to spite one's face. The challenge before the weaker powers, including India, is not how to resist the United States but rather how to cut a deal with it pragmatically and with dignity.<sup>79</sup>

Whereas the Nehruvians want to stay aloof from great power entanglements, to mediate between the great powers, and to resist the domination of these powers, and the neoliberals want to cut a deal with the great powers, hyperrealists want India to break into the club of the great powers, to bust into the inner circle of the international order. Their view of India's relations with the great powers does not completely reject the Nehruvian and neoliberal approaches. It does not reject the Nehruvian nonaligned view of India's role vis-à-vis the great powers—aloofness, mediation, and resistance—nor does it turn its back on cutting deals with other great powers, as advocated by the neoliberals. These are acceptable lines of policy when India is weak but they should not become the ends of policy per se. The hyperrealist view is that India has all the appurtenances of a great power and can, through an act of will, transform its potential into actuality. Ultimately, India must sit at the high table of international affairs as a complete and assertive equal, whether the other great powers like it or not. Sitting at the table, India will help shape the world order commensurate with its preferences.

Hyperrealists regard the international system as an anarchical arena where power is the ultimate arbiter. In such a system, the only way of restraining the great powers is to make India strong enough to defend its interests. Hyperrealists argue that neither Nehruvians nor neoliberals understand the necessities of power. Nehruvians are idealistic in their view that nonalignment is a means of achieving autonomy. Nonalignment is the refuge of weak powers. It works as long as it suits the great powers. In the end, India itself was forced to play a balance of power game during the Cold War in order to safeguard its interests. As for the rest of the Nehruvian policy—of mediation and resistance to the great powers—this also holds little appeal. Mediation does nothing for India, and a policy of resistance built on a coalition of weak Southern powers is futile. Nor do hyperrealists set much store by international organizations, law and



regimes in restraining the great powers, arguing, like all realists, that these are creatures of states and exist at the pleasure of the greatest powers.<sup>80</sup> Thus, procedures, rules, and debates are likely to be used by the strong against the weak and not the other way round.

In the hyperrealist view, neoliberals are just as guilty of woolly-headed thinking. The neoliberal argument that economics is the key to power in the post-Cold War international system is, in the hyperrealist view, based on a very limited if not altogether false reading of international history. The post-Cold War period is not different from any other period of history: military power remains the *sine qua non* of international security and status just as it always has. Hyperrealists maintain that the neoliberal belief in “economics over politics” is profoundly mistaken: politics comes before economics. In international relations, this means that military power comes before economic power. States that are front-rank military powers become front-rank economic powers, not the other way round.<sup>81</sup> A state that resolves to make itself into a major military power will solve the economic and technological problems that confront it. A state that goes around the world trying to beg and borrow economically and technologically cannot gird itself up for the challenges of social transformation and is therefore doomed to remain a secondary power.

Relations with the United States must therefore be conducted in a quite different way. New Delhi must be assertive in its relations with Washington. This means, amongst other things, being clear and firm about vital Indian interests.<sup>82</sup> On these, India must refuse to compromise. Thus, the nuclear program is non-negotiable with the United States. American decisionmakers must be told that India is a great-power-in-the-making and that nuclear weapons are essential in solidifying India’s status and security. Thus also, U.S. intervention in regional affairs is tolerable as long as it is supportive of Indian goals, but on the whole Washington is not welcome in South Asia and particularly not as a mediator on Kashmir.<sup>83</sup> Beyond assertiveness,

India should signal its desire for a partnership with the United States. When the United States begins to withdraw from Asia, it will be in its interest to see India become a confident and versatile military power. An India-U.S. alliance is possible, particularly against the common enemy, China.<sup>84</sup> India and the United States also have a common interest in combating Islamic fundamentalism and terrorism.<sup>85</sup> In the long term, however, given the logic of international politics, the United States will resist India's rise to power as it will China's. Indians must be prepared to tough it out against U.S. intimidation. The only way of dealing with the United States is for India to build its military power. India must be in a position eventually to deter the United States from intervening militarily in and around India's sphere of influence in South Asia, the Indian Ocean, the Persian Gulf, and nearby Southeast Asia – and of course in Indian domestic politics. While India can take the fight to Pakistan and China, it is not in a position to do so against the United States in any foreseeable future. India must therefore rely primarily on dissuasive power vis-à-vis the United States.

To summarize: every country in the world has to worry about how to deal with the United States. Nehruvians, neoliberals and hyperrealists propose three quite different ways of dealing with the United States. Nehruvians see the United States as an imperial power that cannot countenance any rivals, and that wants to preserve its preeminence at the expense of powers like India. The only way to deal with the United States is to resist American policies and power by building a coalition of Third World states and others who worry about Washington's dominance. Out of resistance may come "conversion" of the United States to points of view that are more favorable to India and eventually to cooperation. Neoliberals take the opposite view. For them, the United States is the dominant power, one that can be supportive of Indian goals, and there is little option but to bandwagon with Washington. Hyperrealists differ from both Nehruvians and neoliberals in arguing that the only way of dealing with the United States is to build India into a military

power of the first rank.

### **Nuclear Weapons: Nuclear Policy and the Nature of the Deterrent.**

Nehruvians, neoliberals, and hyperrealists differ on the broad outlines of India's nuclear policy as well as the nature of the deterrent. They differ, first, on three basic issues: the utility of nuclear weapons; India's relationship to the nonproliferation regime; and the feasibility and desirability of disarmament. They also differ on the nature of the deterrent: Nehruvians and neoliberals are nuclear moderates, while hyperrealists are nuclear maximalists.

Nehruvians hold that nuclear weapons are necessary for India's security as long as they cannot be abolished. Nuclear weapons are an abomination, but if others have them, particularly India's rivals, then India must also have them for deterrence.<sup>86</sup> Nuclear weapons are also necessary in a diplomatic sense. In a world of great and growing inequalities, nuclear weapons are not just a military but also a political equalizer. India's capacity to resist great power pressures in particular will be enhanced by nuclear weapons.

With respect to the nonproliferation regime, and in particular the Comprehensive Test Ban Treaty (CTBT) and a putative fissile material cutoff treaty (FMCT), Nehruvians argue that India should not sign either accord, even if joining the nonproliferation regime does not adversely affect the Indian deterrent. For Nehruvians, the nonproliferation regime is a leading part of the "new world order" which is fundamentally unequal and hegemonistic and which must therefore be resisted.<sup>87</sup>

Finally, Nehruvians insist that nuclear disarmament is both desirable and feasible. It is desirable because nuclear weapons could someday be used, which would be catastrophic not just for the countries involved but also for the rest of the international community.<sup>88</sup> In addition, disarmament is desirable because nuclear

weapons are ethically repugnant, if they are not illegal under international law.<sup>89</sup> Finally, disarmament is desirable because nuclear weapons in the hands of a few is discriminatory, and discrimination fosters instability and violence.<sup>90</sup>

According to Nehruvians, a multilateral, verifiable abolition of nuclear weapons, as proposed by India, is not only desirable, it is also feasible. Thus, they argue that if the international community could abolish biological and chemical weapons, then there is no reason that it cannot get rid of nuclear weapons as well.<sup>91</sup> Abolition requires, in the first place, that the present nuclear weapons states commit themselves to its achievement in a time-bound and phased manner. Once they do so and take real steps to eliminate nuclear weapons, Nehruvians propose that India should join the process of abolition.

Neoliberals are pragmatists in nuclear affairs.<sup>92</sup> Like the Nehruvians, they also believe that nuclear weapons are vital for India's security in a world which shows no signs of moving towards abolition and which is inhabited by regional nuclear powers – China and Pakistan – that threaten India's security. Neoliberals, like Nehruvians and hyperrealists, note that the nuclear weapons states (NWSs) continue to reaffirm the fundamental importance of nuclear weapons in their security postures.<sup>93</sup>

Where neoliberals part company with Nehruvians and hyperrealists is in respect to the nonproliferation regime. According to neoliberals, New Delhi should pragmatically reconsider its opposition to key elements of that regime in the wake of the May 1998 tests. India's scientists have certified the tests as being sufficient for the construction of a credible deterrent and a test ban could be in India's interest.<sup>94</sup> Neoliberals would cut a deal with the international community. The deal would have India join the CTBT, a possible FMCT, and the other nonproliferation regimes (such as the Missile Technology Control Regime or MTCR, the Nuclear Suppliers Group,

etc.). In return, it would get de facto if not de jure recognition of its new nuclear status, and most importantly, the ban on dual-use and advanced conventional weapons technologies would be lifted.<sup>95</sup>

While neoliberals urge India to strike a nuclear deal with the nuclear powers, they exclude from this compact the traditional Indian idea of phased disarmament. They insist that India should be “realistic” rather than “normative” and “moralistic” about nuclear weapons. Thus, C. Raja Mohan argues that India should set aside its traditional posture of “disarmament” and focus instead on “arms control.”<sup>96</sup> He even argues that India should positively oppose abolition on two grounds. First, the incipient “revolution in military affairs” (RMA) will give the United States and its Western allies an insurmountable lead in conventional weaponry which can only be “balanced” by nuclear weapons.<sup>97</sup> Second, the terms of global power more broadly are shifting against India, and only nuclear weapons will serve to keep India in the great game of global politics. Thus, even if the United States and other nuclear weapons states agree to abolish nuclear weapons, India should keep them, at least until it can catch up in the conventional military and global power race.<sup>98</sup>

It is worth noting that not all neoliberals are so skeptical about disarmament. Some strongly support the traditional Indian agenda on disarmament and are closer to the Nehruvians in this regard.<sup>99</sup> This softer, pro-disarmament variant of nuclear pragmatism has substantial following and should not be discounted. Indian elite opinion has traditionally supported both nuclearization and an active stance on disarmament.<sup>100</sup> Having said that, it is not clear whether support for a disarmament agenda is a “tactical” one intended to counter international criticism of India’s nuclearization, whether it is an article of faith which Indians find difficult to discard, or whether it is seen as a genuine, realizable, and practical policy option. On the whole, it is much more an article of faith for Nehruvians and much more tactical for neoliberals.

For hyperrealists, nuclear weapons are principally for deterrence. Some hyperrealists also believe that India must be prepared to fight and not just deter nuclear war.<sup>101</sup> Nuclear weapons have a political role as well. Where Nehruvians see nuclearization as a part of a strategy of resistance to a hegemonic world order and where neoliberals see it as a way of striking a bargain with the great powers, hyperrealists perceive the acquisition of nuclear weapons as fundamental to India's status as a great power. Without nuclear weapons, India cannot be counted as a separate pole in the international system around which other states could cluster for protection and leadership.

Hyperrealists, like Nehruvians, urge that India should refuse to join the nonproliferation regime, so that the CTBT and a future FMCT do not constrain the achievement of a credible nuclear force.<sup>102</sup> India needs to continue testing in order to produce the full array of nuclear weapons, increase the reliability of warhead design, and miniaturize the device. It also needs to produce more fissile material in order to test and to build a sufficiently large arsenal.<sup>103</sup>

Finally, for hyperrealists, nuclear disarmament is both undesirable and infeasible, on strategic and technical grounds, respectively.<sup>104</sup> The abolition of nuclear weapons would create the conditions for great power conflict once again and could lead to world war. In addition, hyperrealists argues that nuclear disarmament is unattainable: "There is no empirical record that suggests that disarmament ever succeeded any time in history. . . . There is no record. It hasn't succeeded. . . . [ Therefore] what is the historical empirical basis on which disarmament is still conceived of as a foreign policy goal for India?"<sup>105</sup> States are loath to give up any weapon system until a more fearsome instrument comes along. They must also worry that others will cheat and that those who disarm could become vulnerable to a "break out."

On the nature of the deterrent, Nehruvians and neoliberals stand

for a moderate posture whereas hyperrealists are maximalists. Nuclear moderates and maximalists differ on six issues: the nature of the nuclear threat; force size and force structure; negative security assurances; nuclear readiness; command and control; and the logic of deterrence. These are summarized in the following table.

	Nuclear Moderates (Nehruvians and neoliberals)	Nuclear Maximalists (hyperrealists)
Nature of Nuclear Threat	Pakistan, China, or both	Pakistan, China, and the U.S.: "tous azimuth"
Force Size and Force Structure	<ul style="list-style-type: none"> <li>• 60-140 "Hiroshima type</li> <li>• No tactical weapons</li> <li>• Triad</li> </ul>	<ul style="list-style-type: none"> <li>• 300 warheads minimum including thermonuclear</li> <li>• Tactical weapons</li> <li>• Triad</li> </ul>
Negative Security Assurances	<ul style="list-style-type: none"> <li>• "No first use" is credible and operationally viable</li> <li>• Categorical nonuse against non-nuclear</li> </ul>	<ul style="list-style-type: none"> <li>• "No first use" is not credible and viable</li> <li>• Nonuse against non-nuclear states is not sacrosanct</li> </ul>
Nuclear Readiness	<ul style="list-style-type: none"> <li>• De-mated, de-alerted nuclear posture is stable</li> <li>• Retaliation can be delayed</li> </ul>	<ul style="list-style-type: none"> <li>• Full deployment of nuclear weapons; de-mated/de-alert is vulnerable</li> <li>• Retaliation should be prompt</li> </ul>
Command and Control	Small, modest C3I--consistent with a small, restrained nuclear program	Extensive, "classical" C3I--even small, restrained programs need complex command and control
Logic of Deterrence	Uncertainty of retaliation deters	Certainty of retaliation deters

Nuclear moderates see Pakistan and/or China as nuclear threats: some moderates rank Pakistan as the more serious nuclear threat, others rank China ahead, and some regard them as more or less coeval threats. Deterring either or both Pakistan and China is in their view achievable with no more than 60-140 simple, low-yield nuclear

weapons. Tactical nuclear weapons, in the sense of battlefield devices, are unnecessary when a purely defensive deterrence is the objective. To enhance the survivability of India's nuclear force, a triad of ground, air, and sea launched nuclear capabilities is vital. Negative security assurances are both credible and viable if India maintains a de-mated/de-alerted nuclear posture, that is, if the warheads and delivery vehicles are kept separate and under different jurisdictions (e.g. between scientists and armed forces) and retaliation is assured but at a time of India's choosing rather than instantaneous. With a small arsenal and a de-mated/de-alerted posture, command and control can be a relatively simple, modest, and affordable undertaking. Nuclear moderation is possible, finally, because what suffices for deterrence is not the certainty of retaliation but rather the mere possibility of a second strike.<sup>106</sup>

Maximalists estimate the nuclear threats to India to be more challenging, arguing that even the United States constitutes a concern and that India must therefore, over the long term, constitute a *tous azimuth* (all horizons) capability. Deterrence in such an environment requires a much larger arsenal—at least as large as that of the second-tier nuclear states, especially China—and a more sophisticated array of devices including thermonuclear and tactical, with a triad to increase survivability. Negative security assurances, according to maximalists, are neither viable nor credible. No operational deployment of nuclear weapons can guarantee that a state will not use nuclear weapons first. De-mating and de-alerting and a slow-to-respond posture is inconsistent with deterrence stability, which requires the opponent to be sure that retaliation will be swift and deadly. Command and control must be extensive and sophisticated so as to ensure the safety and reliability of the arsenal, whether from unauthorized or accidental use, or during a nuclear war that may involve a “salvo” of exchanges. Underlying the contentions of the maximalists is their view that what deters is not the mere possibility of retaliation, but rather as close to the absolute certainty of retaliation as it is possible to engineer.<sup>107</sup>



In sum, Nehruvians, neoliberals, and hyperrealists agree that India needs nuclear weapons for deterrence but they disagree on the nonproliferation regime and on disarmament: only the neoliberals would sign the CTBT and an eventual FMCT; and only Nehruvians regard the elimination of nuclear weapons as both desirable and feasible. In addition, Nehruvians and neoliberals favor a moderate nuclear posture whereas hyperrealists argue for a more maximalist position.

### **Strategic Culture and Security Policy.**

Indian strategic thought for the most part is described by Nehruvianism, neoliberalism, and hyperrealism. How close are these streams of thought to the conduct of Indian security policy over the past decade? We must necessarily be schematic here, but our review of India's internal ethnic management policies, its policies towards Pakistan and China, and its behavior towards the United States will show that actual policy is closest to the preferences of the neoliberals, notwithstanding the fact that since 1990 India has had three different kinds of governments in power in New Delhi—a Congress government under Narasimha Rao (1991-96), a left-of-center coalition government under Deve Gowda and Inder Gujral (1996-98), and a right-of-center coalition led by Atal Behari Vajpayee (since 1998).

Internally, official policy is consonant with the Nehruvian and neoliberal consensus on constitutionalism, devolution of power, group rights, and the calibrated use of force against ethnic rebels. No changes have been made in government policies. The Bharatiya Janata Party (BJP), which leads the present National Democratic Alliance (NDA) coalition, has challenged parts of this consensus. For instance, it has suggested that the present constitution requires modification, and it has appointed a commission to recommend changes. There is concern that the party wants to bring in rather

fundamental changes to the present order. The BJP has insisted that it will repeal Article 370 of the Constitution which gives Kashmir a special deal within the Union. It has also suggested that it will seek to produce a uniform civil code for India. While a common civil code for all religions is enshrined in the Constitution as a goal of policy, the position of successive governments has been to leave the matter alone until the minority communities are ready to engage the issue. From time to time, BJP's spokesmen or ministers have argued that India should be more "proactive" rather than "reactive" in situations such as Kashmir. Some have interpreted this to signal greater interest in the use of force. Having said that, the BJP has thus far not overturned the consensus in any of these areas.

India's Pakistan policy over the past decade has varied somewhat. However, the core of that policy is once again close to the Nehruvian/neoliberal view. The basics of the Nehruvian approach, which sees the need for a multifaceted engagement with Pakistan that tries to change Pakistani attitudes, is clearly visible: official policy continues to be that existing treaties and agreements must be honored and that trade, travel, people-to-people and cultural exchanges should be encouraged as a way of achieving peace and security. However, the neoliberal view that India needs to remain alert to new possibilities and that existing treaties and agreements are dispensable if a deal can be struck is gaining ground. For instance, since 1995, every Indian government has indicated that it will discuss Kashmir, among other issues.<sup>108</sup> The summit between India and Pakistan at Agra in July 2001 showed that the Indian government is willing to break with the past if necessary. The Vajpayee government indicated that it would open the Kashmir issue for discussion, as no government has done in the previous 30 years. During the summit and after, references to earlier agreements—including the Vajpayee government's own Lahore agreement—were noticeably few and far between.

Official policy toward China also is closer to the preferences of

the Nehruvians and neoliberals. New Delhi continues to stress adequacy in defense along the border. It is careful not to be provocative militarily. The only exception to India's general policy of restraint occurred after the nuclear tests of May 1998, when New Delhi sought to justify the tests in terms of the Chinese threat. While this caused a public diplomatic spat between the two countries, relations were carefully mended thereafter. Since 1988, Indian policy has been to widen the scope of relations with China and not to make everything hostage to a settlement of the border dispute. This is a hearkening back to the original Nehruvian policy prior to the 1962 war. It is also consonant with neoliberal preferences.

It is in respect to relations with the United States that Indian official policy is most neoliberal. Under three governments, New Delhi has drifted closer to the United States than at any time since 1947. Nehruvian pronouncements about the need for nonalignment and a Third World coalition against the United States are gone from the official vocabulary. India's involvement in the Non-Aligned Movement is a mere shadow of its earlier level of engagement. While Indian diplomats still tend to be the most opposed to U.S. policies in multilateral forums, actual Indian choices, particularly in the security realm, are far more pragmatic. Defense cooperation with the United States, support for American missile defense plans, unprecedented intelligence sharing between the two countries in the wake of 9/11, India's prompt offer of cooperation in the fight against terrorism, and high-level political interactions with Washington (the two summits of 2000, the summit of 2001, the spate of Cabinet-level visits before the 1998 tests, the Strobe Talbott-Jaswant Singh dialogue, and the high-visibility diplomatic contacts after 9/11)—all these are signs of the Indian interest in a closer and more pragmatic relationship with the United States. That the Indian Prime Minister can publicly call the United States "a natural ally" is revealing. Flourishes such as these are of course not unknown in international politics, but for the leader of India to say this and to do so on several occasions is fairly momentous.

Nuclear policy, too, is suggestive of neoliberal preferences. The Talbott-Singh dialogue was indicative of the Indian government's pragmatism even on this most contentious India-U.S. issue. Its public pronouncements since May 1998 also are suggestive of a neoliberal course. The government has emphasized that it wants a minimum credible deterrent, that it does not seek an arms race, and that it is not interested in matching the Chinese arsenal. Since May 1998, it has announced a moratorium on testing and, apart from two missile tests, it has apparently not moved forward on weaponization or deployment. On the CTBT, it has committed itself to developing a consensus on signing the Treaty. That this is no longer particularly relevant, given the U.S. rejection of the test ban, is another matter. New Delhi has also indicated that it would participate fully and seriously in the fissile material ban talks in Geneva. More importantly, it has engaged the United States and others on reviewing and tightening (where necessary) India's nuclear export controls. Finally, it has shed the old Nehruvian preoccupation with disarmament as opposed to arms control. While the draft Indian nuclear doctrine does refer to the goal of nuclear disarmament, it is clear enough that New Delhi sees this as a utopian goal. Much more attractive to India are limits and controls on nuclear weapons and on military activities more generally: in sum, arms control and confidence building rather than abolition.

### **Conclusion.**

Have the events of September 11, 2001, the war in Afghanistan, and the attack on the Indian Parliament on December 13, 2001, affected any of the assumptions and prescriptions of the Indian strategic community? Basic strategic assumptions about war, the adversary, and force change slowly. We will see fundamental changes at this level only over time, but there may well be the beginnings of change even here. At the level of grand strategic prescriptions, we should expect to see changes more quickly and

perceptibly. Whether or not these changes will be lasting is unclear.

Indian thinking has evolved in a more hyperrealist direction since September 11 and particularly after December 13. The biggest changes are in respect to the utility of force and relations with Pakistan and the United States. The strikes on the United States might have led Indians to conclude that the use of force was ultimately rather futile. If the most powerful country on earth, with its reputation for using force when necessary and its ability to defend and deter, can be struck such a terrible blow, then one might conclude that force is of limited value in protecting a society. This is at best a minority position in the strategic community. The U.S. response in Afghanistan and the unexpected speed with which the United States and the Northern Alliance dispatched the Taliban has suggested instead that overwhelming force can be efficacious. Many Indians are drawing parallels between the U.S. use of force in Afghanistan and the Israeli attacks on the Palestinians, and are asking why India cannot do the same against Pakistan. That Pakistan has nuclear weapons and that therefore there is a difference with the U.S. and Israeli situations is acknowledged to some extent, but it is being argued that there is still room for the coercive use of force by India. Limited war under nuclear conditions, in this view, is not an impossibility. Even if India does not eventually use force against Pakistan for its support of cross-border terrorism, the threat of force and of military escalation, so the argument goes, should be used to exert diplomatic pressures against Islamabad.

Indian views of relations with Pakistan are also hardening, especially after the attack on Parliament on December 13. There is considerable support for the government's decision to take a series of diplomatic steps to indicate its anger with Pakistan, and its demand for action by Pakistan against terrorist groups across the border. The government has already withdrawn its High Commissioner from Islamabad, stopped bus and rail traffic between the two countries, ordered Pakistan to cut its embassy staff by 50

percent, and banned overflights by Pakistani airlines. In the next phase, if Indian demands are not met, the government is threatening to go further, up to and including abrogating the Indus Rivers Treaty and revoking most favored nation (MFN) trade status for Pakistani goods. It has not ruled out the use of force, although it has repeated that it does not want to go to war. As of spring 2002, Indian troops have been mobilized and moved up to the front, the air force has been readied, and the navy has been put on high alert. The government insists that these are defensive measures but all these preparations are commensurate with gearing up for a military strike as well. Many argue that Pakistan is unregenerate and cannot be coaxed into better behavior either by summitry and agreements or by playing the economic card. Only diplomatic pressures, the threat of war or intermittent military strikes against militant camps and Pakistani facilities, and promoting internal subversion in Pakistan can exact the kinds of costs that will make Islamabad change its behavior. If it does not change its behavior, then India will have to work for the destruction of the Pakistani state. A growing view is that military escalation will be controllable and that, at the limit, an eyeball-to-eyeball nuclear confrontation may be avoidable. Two assumptions govern this view. The first is that that India's escalation dominance at both the conventional and nuclear levels will hold Pakistan in check. The second is that in such a confrontation, the nuclear weapons states and particularly the United States will not allow Pakistan or India to unleash nuclear weapons.

India's relationship with the United States is a third area of grand strategy that has been affected by 9/11 and subsequent events. In the immediate aftermath of the strikes on New York and Washington, Indians were angry and alarmed over the recovery of Pakistan as a strategic partner for the United States. India's offer of help seemingly was of little moment, whereas Pakistan overnight had regained all the ground it had lost over the past 5 years. The government's grand strategic plan of allying with the United States was in danger of collapse. India has recovered from that initial scare

and has come around to seeing the U.S. fight in Afghanistan as more important for its own fight against terrorism than the new U.S.-Pakistan relationship. The flurry of visits to and from India by high-level U.S. and Indian decisionmakers has helped sustain the government's policy of linking up with the United States strategically. The strategic community also has come to see the United States more positively than at any time since 1947. There is awareness that there is no alternative to cooperating with the United States and allowing it to play an unprecedented role in South Asia. The next few weeks (spring 2002) will be pivotal, however. Secretary of State Colin Powell's December 2001 statements on President Pervez Musharraf, relations with Pakistan, and the need for restraint in South Asia did not please India.<sup>109</sup> While the relationship with the United States is at an all-time high, Indians are watching the United States carefully for signs of a tilt toward Pakistan in the ongoing crisis. The United States is still thought to be somewhat hypocritical and equivocal on terrorism, seemingly more concerned with "its" terrorist struggle and less concerned about the terrorist challenges facing other countries. In short, India-U.S. relations have deepened since September 11. Whether that will be enough in the days and weeks to come is the question.

In the end it may be worth essaying a thought on nuclear policy. If the crisis with Pakistan ends in a way that is judged to have been inconclusive for India or if it appears that the United States and the international community did not help India sufficiently, then we may well see a change from a moderate to a more maximalist nuclear position. India may well conclude that there can be no strategic autonomy and, ultimately, security in a post-9/11 world without formidable military power, a willingness to stare down one's opponent, and the ability to go to war. A big, versatile nuclear force will be necessary, in this view, to back up usable conventional power and to hold at bay any great powers that may seek to intervene. Should such a view gain ground, it would probably mean the resumption of nuclear testing, the quicker development of long-

range missiles and nuclear weapons-capable submarines, and the full deployment of nuclear weapons—all the things that the hyperrealists have been urging on India.

## ENDNOTES

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3. Johnston, *Cultural Realism*, p. 37.

4. Johnston, *Cultural Realism*, p. 112.

5. For relevant discussions, see Johnston, *Cultural Realism*, pp. 32-39, 52-60, 109-110.

6. Gopal Krishna, "India and International Order: Retreat from Idealism," in Hedley Bull and Adam Watson, eds., *The Expansion of International Society*, Oxford: Clarendon Press, 1984, pp. 270-71.

7. Many of these themes are evident in Nehru's speeches. See, for instance, Nehru's thoughts on the importance of the Commonwealth and the United Nations in Jawaharlal Nehru, *India's Foreign Policy: Selected Speeches, September 1946-April 1961*, New Delhi: The Publications Division, Ministry of Information and Broadcasting, Government of India, 1961, pp. 132-181.

8. On the fragility of the balance of power approach, see Jawaharlal Nehru, *The Discovery of India*, New Delhi: The Jawaharlal Nehru Memorial Fund and Oxford University Press, 1946, 1981, pp. 536-548.

9. See C. Raja Mohan, "Trade as Strategy: Chinese Lessons," *The Hindu*, August 16, 2001, on how China, in contrast to India, has used trade and economic relations more generally to "leverage" relations with the United States. Also see Sanjaya Baru, "Economic Diplomacy," *Seminar*, No. 461, January 1998, pp. 66-67, on the influence of economics in statecraft.

10. Sanjaya Baru, *National Security in an Open Economy*, A report of the Indian Council for Research on International Economic Relations (ICRIER), downloaded



from website <http://www.icrier.com>, pp. 4-5.

11. On the importance of the economics and the market in strategy, see Shekhar Gupta, "The Real Battle Will be for the Market," *Indian Express*, January 13, 2001, available at <http://www.expressIndia.com/ie/daily/20010003/shekhar.htm>; Editorial, "Business, Not Politics," *Indian Express*, January 11, 2001, at <http://www.expressIndia.com/ie/daily/20000915/shekhar2.htm>; Raja Mohan, "Trade as Strategy," and Jairam Ramesh, "'Yankee Go Home, But Take Me With You': Yet Another Perspective on Indo-American Relations," *Economic and Political Weekly*, Vol. 34, No. 50, December 11, 1999, pp. 3532-3534.

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14. Brahma Chellaney, "Preface," in *idem*, ed., *Securing India's Future in the New Millennium*, New Delhi: Orient Longman and the Centre for Policy Research, 1999, p. xviii.

15. Brahma Chellaney, "Challenges to India's National Security," in *idem*, ed., *Securing India's Future in the New Millennium*, p. 528.

16. Chellaney, "Challenges to India's National Security," p. 531.

17. For this kind of view of military and economic power, see Karnad, "Introduction," p. 2; and Chellaney, "Challenges to India's National Security," pp. 529-34.

18. See Krishna, "India and International Order," pp. 270-271, on Nehru's use of the term anarchy in the context of international relations. On the pursuit of national interest and the necessity of defense, see Nehru, *India's Foreign Policy*, pp. 45-46.

19. Nehru, "Future Taking Shape," in Nehru, *India's Foreign Policy*, pp. 1-3. This was the historic March 6, 1946, radio broadcast by Nehru on the occasion of the institution of an Interim Government leading up to Indian independence.

20. See Muchkund Dubey, "India's Foreign Policy: Aims and Strategies," in Nancy Jetly, ed., *India's Foreign Policy: Challenges and Prospects*, New Delhi: Vikas,

1999, pp. 23-25, for this kind of view. Dubey notes that Indian attitudes and policies and Indian misperceptions in turn create the conditions for misunderstanding and fear amongst India's neighbors.

21. Nehru, *India's Foreign Policy*, p. 35 and pp. 45-46. 22. Baru, *National Security*, pp. 13-14.

23. Sanjaya Baru, "Economic Diplomacy," p. 67, and Sanjaya Baru, "The Economic Dimensions of India's Foreign Policy," *World Affairs*, Vol. 2, No. 2, April-June 1998, pp. 90-91.

24. For this general approach, see Baru, "Economic Diplomacy," pp. 66-70; Baru, "Economic Dimensions," pp. 88-103; and Baru, *National Security*, pp. 14-17. See also K. Subrahmanyam, "Asia's Security Concerns in the 21st Century," in Jasjit Singh, ed., *Asian Security Concerns in the 21st Century*, New Delhi: Knowledge World, 1999, p. 12, on globalization, interdependence and war avoidance.

25. C. Raja Mohan, "Trade as Strategy: Chinese Lessons," *The Hindu*, August 16, 2001, makes the point that integrating with the global economy not only brings prosperity but also status and influence, a point that India should learn from China.

26. Baru, "Economic Diplomacy," p. 67, which notes that "economic policy can itself be an instrument of foreign policy if it enables a country to win friends and influence people."

27. On the importance of national power or strength, see Brahma Chellaney, "Preface," in *idem*, ed., *Securing India's Future in the New Millennium*, p. xviii.

28. Chellaney, "Challenges to India's National Security," p. 558.

29. See Chellaney, "Challenges to India's National Security," p. 536 on why India needs to adopt a more "punitive," less "reactive" posture vis-à-vis Pakistan.

30. See Kanti Bajpai, "Diversity, Democracy, and Devolution in India," in Michael E. Brown and Sumit Ganguly, eds., *Government Policies and Ethnic Relations in Asia and the Pacific*, Cambridge: MIT Press, 1997, pp. 33-81.

31. At independence, India instituted a policy of "reservations"-in effect, a quota-for the Scheduled Castes and Tribes. In 1990, these reservations were extended to the so-called Other Backward Classes (OBCs), a series of castes above the Scheduled Castes but below the upper castes. The new reservation policy came

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32. On the limits of socialism, see Karnad, "Introduction," pp. 2-3.

33. K. P. S. Gill, "The Dangers Within: Internal Security Threats," in Karnad, ed., *Future Imperiled*, pp. 128-29.

34. M. S. Golwalker, *Bunch of Thoughts*, 3rd edn., Bangalore: Sahitya Sindhu Prakashana, 1996, pp. 106-107.

35. M. S. Golwalker, *We or Our Nationhood Defined*, Nagpur: Bharat Publications, 1939, pp. 2-3.

36. Rasheeduddin Khan, "Fundamentalism/Communalism in South Asia," *World Focus*, Vol. 14, Nos. 11-12, November-December 1993, p. 23; P. N. Dhar, "Let Us Not Bury the Future in Our Past," *The Telegraph*, July 13, 2001.

37. M. L. Kotru, "Indo-Pak Dialogue," *News Time*, June 23, 2001; and Brig. J. C. Nakra, "Indo-Pak Relations and the J-K Problem," *National Herald*, June 22, 2001.

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39. Dhar, "Let Us Not Bury the Future in Our Past."

40. Praful Bidwai, "Lessons from Pakistan," *Frontline*, November 19, 1999, pp. 110-111; J. N. Dixit, "No Euphoria Please," *The Hindustan Times*, July 11, 2001; and Malini Parthasarathy, "Agra, Just a Beginning," *The Hindu*, July 12, 2001.

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43. Ashok Dattar, "Will We Agree to Disagree One More Time?" *Indian Express*, July 13, 2001.

44. C. Raja Mohan, "Pakistan as a Bridge State?" *The Hindu*, June 21, 2001.

45. Amrita Abraham, "Mission Possible," *Indian Express*, June 28, 2001; and K. Subrahmanyam, "Invitation to Peace: Pakistan, Not Kashmir is the Issue," *Times of India*, June 18, 2001.

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49. Subrahmanyam, "Invitation to Peace."

50. C. Raja Mohan, "Nuclear Balance in Asia," *The Hindu*, June 11, 1998.

51. For a general argument on the need to build military strength, see Chellaney, "Challenges to India's Security in the New Millennium," pp. 527-595; and Karnad, "Introduction," pp. 1-15.

52. Chellaney, "Challenges to India's Security in the New Millennium," p. 541.

53. *Ibid.*

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78. C. Raja Mohan, "Nuclear Diplomacy: The Art of the Deal," *World Focus*, Vol. 20, Nos. 10-11-12, October-November-December 1999, pp. 38-39; and *idem*, "The Nuclear Commandments," *World Focus*, Vol. 19, Nos. 10-11-12, October-November-December 1998, p. 44.

79. C. Raja Mohan, "The US and the Kargil War," pp. 31, 37; and Malhotra, "Indo-US Relations," p. 13.

80. Chellaney, "Challenges to India's Security in the New Millennium," p. 558.

81. Chellaney, "Challenges to India's Security in the New Millennium," pp. 529-531; and Karnad, "Introduction," p. 3.

82. Bharat Karnad, "Policy on CTBT," *World Focus*, Vol. 20, Nos. 10-11-12, October-November-December 1999, p. 40.

83. Ramesh, "Yankee Go Home, But Take Me With You," p. 3538, urges the United States to encourage India and Pakistan to move forward in resuming a

dialogue, but even as pragmatic a neoliberal as Ramesh does not welcome the possibility of U.S. mediation on Kashmir.

84. Brahma Chellaney, "Beating About the Bush," *The Hindu*, March 8, 2001.

85. Bharat Karnad, "India's Weak Geopolitics and What To Do About It," in Karnad, ed., *Future Imperiled*, pp. 56-58.

86. Arundhati Ghose, "Post-Pokhran II: Arms Control and Disarmament Aspects," in *Post-Pokhran II: The National Way Ahead*, New Delhi: India Habitat Centre, 1999, p. 94.

87. Ghose, "Post Pokhran II: Arms Control and Disarmament Aspects," p. 86. For a similar point, see Muchkund Dubey, "The World Nuclear Order and India," *The Hindu*, May 27, 2002.

88. See Amitabh Mattoo, "Post-Pokhran II: Arms Control and Disarmament Issues," in *Post-Pokhran II*, p. 109. Like the neoliberals, Mattoo supports the signing of the CTBT and FMCT. But unlike the neoliberals, he does not reject the possibility of disarmament.

89. Mattoo, "Post-Pokhran II: Arms Control and Disarmament Issues," p. 110, notes approvingly the International Court of Justice (ICJ) advisory opinion "that the threat or use of nuclear weapons would generally be contrary to the rules of international law applicable in armed conflict, and particularly the principles and rules of humanitarian law." He refers to the ICJ judgment in making his case for disarmament.

90. For this argument, see Ghose, "Post-Pokhran II: Arms Control and Disarmament Aspects," p. 93.

91. This was argued by Arundhati Ghose during the discussions at the seminar organized by the India Habitat Centre, September 19, 1999. See *Post-Pokhran II: The National Way Ahead*, p. 120.

92. See C. Raja Mohan, "Post-Pokhran II: Nuclear Defiance and Reconciliation," in *Post-Pokhran II: The National Way A head*, pp. 20, 23; and K. Subrahmanyam, "Nature of CTBT in Pragmatist's View," *Economic Times*, July 20, 1998.

93. K. Subrahmanyam, "Nuclear India in Global Politics," *Strategic Digest*, Vol. 28, No. 12, December 1998, p. 2007. See also Raja Mohan, "Post-Pokhran II:

Nuclear Defiance and Reconciliation," pp. 21-22.

94. K. Subrahmanyam, "Nuclear Tests: What Next?" *IIC Quarterly*, Summer/Monsoon 1998, p. 58.

95. C. Raja Mohan, "Post-Pokhran II: Nuclear Defiance and Reconciliation," pp. 6, 12-13.

96. C. Raja Mohan, "Post-Pokhran II: Nuclear Defiance and Reconciliation," pp. 23. His remarks in the discussion that followed his paper presentation return to this theme. See "Discussion- I," in *Post-Pokhran II: The National Way Ahead*, pp. 78-79.

97. See C. Raja Mohan, "Post-Pokhran II: Nuclear Defiance and Reconciliation," p. 22.

98. *Ibid.*

99. K. Subrahmanyam, writing days after the 1998 tests, contended that "Today, we have the opportunity to take the initiative and campaign for a nuclear weapons convention. The rest of the world used to ask us what we had to offer on nuclear disarmament and we had nothing. Now we are in a position to say, we have something substantial to offer." See Subrahmanyam, "Nuclear Tests: What Next?" p. 59.

100. David Cortright and Amitabh Mattoo, eds., *India and the Bomb: Public Opinion and Nuclear Choices*, Notre Dame, IN: Notre Dame University Press, 1996, pp. 109-144.

101. Bharat Karnad does appear to support the development and deployment of battlefield nuclear weapons, consistent with a kind of warfighting posture. See his "A Thermonuclear Deterrent," in Amitabh Mattoo, ed., *India's Nuclear Deterrent After Pokhran II*, New Delhi: Har Anand, 1998, p. 140. Brig. Vijai K. Nair, "The Structure of an Indian Nuclear Deterrent," in Mattoo, ed., *India's Nuclear Deterrent After Pokhran II*, pp. 90-91, on the other hand opposes warfighting and tactical nuclear weapons.

102. Karnad, "A Thermonuclear Deterrent," p. 112; and for a more extended discussion on this point, see pp. 115-120.

103. Bharat Karnad, "A Sucker's Payoff," *Seminar*, No. 485, January 2000, p. 45.



104. Karnad, "A Thermonuclear Deterrent," p. 114.

105. Karnad made these remarks at the seminar held at the India Habitat Centre, New Delhi, September 19, 1999. See "Discussion-Session I" in *Post-Pokhran II: The National Way Ahead*, p. 118.

106. This characterization of the moderate posture relies on Kanti Bajpai, "India's Nuclear Posture After Pokhran II," *International Studies*, New Delhi, Vol. 37, No. 4, 2000, pp. 284-299.

107. Bajpai, "India's Nuclear Posture After Pokhran II," pp. 284-299.

108. This is clear enough from reading the so-called non-papers exchanged with Pakistan in 1996, the six-plus-two framework that was subsequently evolved, and in the Lahore agreement of 1999.

109. On Powell's comments, see "Powell asks India to exercise restraint," *The Press trust of India*, December 16, 2001, accessed via Lexis-Nexis. For an example of Indian reactions, see "The Jury Is Out!" *The Statesman* (India), December 19, 2001, accessed via Lexis-Nexis.

## CHAPTER 12

### PAKISTAN'S STRATEGIC CULTURE

**Hasan-Askari Rizvi**

Strategic culture is a collectivity of the beliefs, norms, values, and historical experiences of the dominant elite in a polity that influences their understanding and interpretation of security issues and environment, and shapes their responses to these. It is a perceptual framework of orientations, values, and beliefs that serves as a screen through which the policymakers observe the dynamics of the external security environment, interpret the available information and decide about the policy options in a given situation.

Strategic culture establishes “pervasive and long-lasting strategic preferences by formulating concepts of the role and efficacy of military force in interstate political affairs, and by clothing these conceptions with such an aura of actuality that the strategic preferences seem uniquely realistic and efficacious.”<sup>1</sup> It comprises certain assumptions about the strategic environment, especially the nature of the adversary and the threat it poses. It also offers definite ideas about the ways to deal with an adversary or to cope with an adverse environment.<sup>2</sup>

The advocates of strategic culture argue that security management decisions are shaped by “different cultural influences on the decisionmakers and not by the rational pursuit of similar national security or functional organizational interests.”<sup>3</sup> The historical narratives created by the dominant elite, their notions of war and peace, the dynamics of power politics in a polity and the decisionmaking patterns have a profound impact on the defense and security-related disposition of a state. These norms, beliefs, and

perceptions of history are often self-justifying and do not easily change. The information relating to security issues and problems is interpreted against the backdrop of strategic culture, which in turn influences the selection of options to cope with a situation. In other words, as Jack Snyder puts it, strategic culture represents “the sum total of ideas, conditioned emotional responses, and patterns of habitual behavior that members of a national strategic community have acquired through instruction or imitation and share with each other.”<sup>4</sup> It offers a better understanding of a state’s military and security strategies. Another perspective finds an analogy between the concept of political culture and strategic culture. The former is a “short-hand expression of a mind-set which has the effect of limiting attention to less than the full range of alternative behaviors, problems and solutions which are logically possible.” The latter has the same characteristics but it applies to security and defense policymakers. It includes “the beliefs and assumptions that frame their choices about international military behavior, particularly those concerning decisions to go war, preference for offensive, expansionist or defensive modes of warfare, and the levels of wartime casualties that would be acceptable.”<sup>5</sup>

The underlying assumption is that the political-military policymakers do not always respond to reality. They do not make a dispassionate and realistic assessment of the options and are not invariably restrained by organizational dynamics. Their security disposition is shaped by “their image of the situation.” Their behavior is determined by what they “think the world is like, not what it is really like.”<sup>6</sup>

Historical narratives, perceptions of the adversary’s intentions and capabilities, and the beliefs, values, and norms of the policymakers are useful to understand the strategic disposition of a state and the choices the security managers make. However, it may be difficult to explain each and every decision only with reference to strategic culture. The role of careful analysis of the situation based

on realism and the impact of organizational imperatives cannot be totally excluded.

Historical experiences, perceptions of the adversary and a conception of self—the determinants of strategic culture—are relatively permanent, but each crisis situation may be totally or partly different; this calls for a thorough review of the “facts” of a situation. Such a review is no doubt done against the backdrop of the relatively permanent strategic culture, but the new or unique features of a situation may compel the policymakers to look elsewhere—to the dynamics of international politics, the role of technology, and the constraints of diplomacy. At times, the strategic cultural perspective and the dictates of realism may lead to the same or similar policy measures. Pakistan’s decision to seek U.S. military assistance in the mid-1950s and the early 1980s can be explained with reference to Pakistan’s strategic culture as well as realism (keeping in view the regional power imbalance to the advantage of India’s and Pakistan’s resource constraints).

A professional and disciplined military supported by sufficiently advanced technology and trained human power (e.g., the Indian and Pakistani militaries) can override the impact of strategic culture in favor of other considerations—technological, scientific and power political—in a given situation. There may be a debate among the policymakers as to the weight to be given to different factors impinging on a security issue. Furthermore, if a military maintains distance from the society, its top brass have a greater probability of acting professionally, that is, going for a comprehensive review of a situation. Who makes the major input to security policy is also important in determining the role of societal factors and the ability of the policymakers to balance the impact of strategic culture and other considerations. Civilian leaders who are always concerned about popular support in order to sustain themselves in power may be motivated more by considerations of political gains than by professional defense imperatives. If the top brass make the major input,

there is a greater probability of the professional and organizational considerations playing an important role in security-related decisions.

Notwithstanding these comments, strategic culture is an important concept to understand the disposition, responses, and decisions of the security policymakers. It offers a better understanding of how the leaders are likely to react to a security situation and what type of options they are likely to go for. Knowledge of strategic culture helps us to understand the sensitivities of a state and how to meaningfully engage in a dialogue with its leaders in a given situation. Many of the policy options or behavior patterns can be understood with reference to strategic culture. For example, the role of *mujahideen* or *jihadis* in Afghanistan, Kashmir or Palestine cannot be fully understood without reference to their historical narratives, orientations, beliefs, and values. Similarly, reaction to killings in a war, insurgency, or the capacity to face hardships for a cause may not be appreciated by a rational choice approach. Ideological factors, historical narratives, and perception of the self as well as identification with the cause have better explanatory potential.

The study of strategic culture focuses on the historical experiences and narratives of the policymakers, their perceptions of the adversary's intentions and capabilities, and the challenges they encounter in their interaction with the rest of the world, especially the immediate neighbors. It takes into account the beliefs, values, and orientations of the policymakers concerning these security issues.

### **The Prism of the Policymakers and Strategic Culture.**

The fact that Pakistan was a new state, carved out of India on the basis of Muslim separatism, has contributed to its insecurity. Most Indians, especially the policymakers, viewed the establishment of Pakistan as a negation of the principles they stood for during the

struggle for independence. Their disposition towards Pakistan ranged from reluctant acceptance to a hope that the new state might collapse, making it possible for the separated territories to return to India. Pakistani leaders overemphasized their “separateness” and “distinct identity,” reacting sharply to what they perceived as India’s attempts to strangle the new state in its infancy. Their greatest fear was the collapse of the state due to either internal disorder caused by the process of partition, killings, and mass migrations, or India’s noncooperative, if not hostile, attitude toward Pakistan in the early years of independence.

It is interesting to note that the top leaders of the Muslim League who played a decisive role in the movement for the establishment of Pakistan expected cordial relations between independent India and independent Pakistan. As early as 1930, while proposing the idea of a Muslim state in India during his presidential address to the Muslim League session, Dr. Muhammad Iqbal said that the establishment of a “consolidated Muslim state” meant peace and security for India “resulting from an internal balance of power.”<sup>7</sup> In the early 1940s, Mohammed Ali Jinnah argued that a separate Muslim state would ensure security in the northwestern zone, and India would guard the southern and western India. He continued, “We join together as good friends and neighbors and say to the world, ‘Hands off India’.” In October 1944 and November 1946, Jinnah said that India and Pakistan would “proclaim a ‘Monroe Doctrine’ of their own for the defense of the subcontinent against all outsiders.”<sup>8</sup> The leaders of India and Pakistan toyed with the idea of common defense immediately before and after independence in August 1947.<sup>9</sup> However, the situation changed rapidly soon after independence, although the echo of joint defense or shared security was heard occasionally thereafter.

*In security and a Hostile India.* Three major developments changed the perspective of Pakistani leaders towards India and caused serious security problems for them. First, the communal riots that accompanied the partition of India and the massive influx of

refugees shocked them. Hardly any part of Pakistan escaped the adverse impact of the refugee problem or the killings. A large number of civil servants and military personnel found their family members trapped in communal riots and mass migrations. Second, the disputes over the distribution of assets of the government of British India (civil and military) also caused much bitterness. Pakistan was more in need of resources for establishing the administrative and military structures of the new state, but it did not receive its due share, especially of military stores, weapons, and equipment. Pakistan had to set up a new federal government in Karachi and a new provincial administration in Dhaka. Both cities, especially Dhaka, lacked physical resources and other requirements for creating the infrastructure of the administration, not to speak of the shortage of experienced civil servants and military officers. Third, the dispute on the accession of the princely states of Junagadh and especially Jammu and Kashmir caused much bitterness. On top of all this was the first Kashmir war, in 1947-48, that brought the two armies face to face with each other at a time when the Pakistani military, the smaller of the two armies, was in the process of reorganization. These three factors shaped Pakistan's perception of India as an adversary.

It was not difficult to evolve a historical narrative to justify what Pakistan's policymakers perceived as India's "hostile" attitude. They viewed the antagonism between India and Pakistan as an extension of the distrust and conflict of goals between the Congress Party and the Muslim League in the pre-independence period as the latter demanded the establishment of a separate state for the Muslims. Pakistan's official and unofficial circles argued that having failed to stop the creation of Pakistan, the Indian leaders (the Congress Party) were creating maximum problems for Pakistan. The major disputes that spoiled their relations in the early years of independence included, *inter alia*, the problems of religious minorities, the river water dispute, the evacuee property issue, the concentration of Indian troops on the Punjab border in 1950, and the unilateral

suspension of trade by India in 1950. It was generally believed in Pakistan that India did not want to solve these problems amicably in order to purposefully jeopardize the survival of the new state of Pakistan. The negative statements of Indian leaders strengthened these perceptions. Pakistan's policymakers were thus convinced that Pakistan was externally vulnerable and the search for security loomed large in their strategic considerations.

Afghanistan's irredentist claims on Pakistan's territory intensified the latter's insecurity. When the Afghan government came to know in 1947 that the British had finally decided to wind up their rule over India and that the state of Pakistan would come into existence, it laid claims on North Western Frontier Province and parts of Balochistan. The Afghan government adopted divergent positions on its irredentist claim ranging from independence for the claimed territory or maximum autonomy within Pakistan to their absorption into Afghanistan.<sup>10</sup> On the pretext of this territorial claim, Afghanistan opposed Pakistan's admission to the United Nations (UN) in September 1947. Intermittent border clashes between the two countries in the 1950s and the 1960s caused much concern to Pakistan, and their diplomatic relations were severed twice, in 1955 and 1962.<sup>11</sup> Afghanistan was a weaker military power, but what perturbed Pakistan most was India's support of Afghanistan's claims on Pakistani territory. In 1955, the Soviet Union endorsed Afghanistan's demands on Pakistan.<sup>12</sup> A large section of public opinion and the government in Pakistan feared a two-front war: armed clashes erupting simultaneously on the Pakistan-India and Pakistan-Afghanistan borders.

A host of security handicaps accentuated Pakistan's insecurity. Pakistan's territory lacks depth and the main railroad link from south to north (Karachi to Peshawar) runs parallel to the India-Pakistan border; at several points it is within 60 miles of the Indian border or the Line of Control in Kashmir. Three Pakistani cities (Lahore, Sialkot, Kasur) are situated very close to the border, and



there are hardly any natural barriers like rivers and mountains on the India-Pakistan border, especially in the Punjab area. No Pakistani military airfield with the exception of Quetta is more than 150 miles from the Indian border. Such a situation creates serious handicaps for the security managers because an adequate defense of these population centers and communication lines calls for confronting the troops of the adversary right on the border or in the adversary's territory. This requires a well-equipped, highly mobile and hard-hitting army. Pakistan lacked such a defensive capability in the early years of independence.

*Opposition to India's Regional Ambitions.* Pakistan's civilian and military leaders have often expressed strong reservations about India's efforts to assume a leadership and commanding role in South Asia because of its size, population, industrial and technological advancement, and military power. This is a long-cherished and often unstated goal whose roots go back to the days of Nehru. Indian leaders emphasized India's commanding role in a more forceful manner after Pakistan's military debacle in the 1971 Indo-Pakistani war.

India's leadership model asserts that a strong and powerful India capable of projecting its power in the region and outside is a guarantee of security and stability of the whole of South Asia.<sup>13</sup> India's policymakers argue that India's growing military power is no threat to any state in South Asia because it has nothing against them. They should coordinate their foreign and security policies with New Delhi so that India plays its role as the guarantor of regional security and stability in an effective manner. This strategy has two "core perceptions." First, the neighboring states must coordinate their foreign policy with the imperatives of India's centrality and security. Second, India does not favor any outside power supplying weaponry to or establishing a military presence in any neighboring state.<sup>14</sup> Regional states should establish ties with other states within the parameters acceptable to New Delhi. In case a South Asian state

is confronted with some internal problem, it must first approach India before seeking support from elsewhere. In addition to insulating the region from external penetration, India insists that the bilateral problems between it and any other South Asian state should be dealt with strictly at the bilateral level without involving any other state or international organization. India has always raised serious objections to the efforts of Pakistan, Bangladesh, and Nepal to raise their problems with India (i.e., Kashmir, river water, and trade and transit respectively) at the international level. Indian government circles and some scholars periodically argue that India reserves the right to intervene in the domestic problems of the bordering states if these have implications for India's security, including internal consolidation.<sup>15</sup> These policy orientations indicate that India's security boundaries extend beyond its territorial boundaries; these coincide with the outer territorial boundaries of the adjacent states of South Asia.<sup>16</sup>

### **Search for Security.**

The search for security emerged as the cardinal concern of Pakistan's policymakers that not only shaped their worldview and disposition towards regional and international politics but also served as an instrument of policy. It manifested itself in four major policy options: 1) opposition to India's regional dominance agenda, 2) augmentation of security by assigning the highest priority to defense needs, 3) weapons procurements from abroad, and 4) reliance on diplomacy, including military alignment, to overcome its military weakness vis-à-vis militarily powerful India.

Pakistan's policymakers and security managers strongly believe that a New Delhi-managed security model cannot serve as a basis for durable peace in South Asia. Such a power arrangement comes in conflict with the national aspirations of other states of South Asia. It also lacks flexibility to accommodate the divergent perceptions of peace and security held by the smaller states of the region. Pakistan

advocates a pluralist power model, which emphasizes the principle of sovereign equality of all states, respect for each other's national sensitivities and recognition of the right of each state to freely conduct its foreign and domestic affairs. Regional security parameters should evolve through dialogue and mutual accommodation rather than one state imposing its national priorities.<sup>17</sup>

Indian leaders dismiss the fears of the neighboring states as baseless. They argue that the major cause of the problems between India and its neighbors, especially Pakistan, is their unwillingness to acknowledge India's status. If they, especially Pakistan, abandon their efforts to mobilize support from the states situated outside of South Asia, the security situation in South Asia will improve. Pakistan's abhorrence to India's commanding role in view of its historical experiences and the distrust of the latter is deeply ingrained into Pakistan's strategic culture. Pakistan's determination to protect its national identity and policy autonomy did not decline after the 1971 military debacle at the hands of India. If anything, its disposition stiffened.

Defense requirements have enjoyed the top priority in Pakistan. No matter whether the government was being run by civilians or generals, defense was allocated the major share of the national budget. Pakistan's defense expenditure has ranged from about 73 percent in 1949-50 to 24-25 percent of the total federal expenditure in 2000-01. Its current ratio to Gross Domestic Product (GDP) ranges between 5 and 6 percent. This does not include covert expenditure on defense-related projects as well as weapons and equipment Pakistan obtained as grants from the United States in the mid-1950s. Pakistan can be described as a country where poverty of resources for human needs contrasts with the affluence under which military programs operate.

Pakistan began weapons procurement from abroad soon after independence because of the acute sense of insecurity and a lack of

indigenous defense industry. Pakistan purchased small weapons and equipment from Great Britain and other Commonwealth countries in the early years of independence. It was not until Pakistan joined U.S.- sponsored alliances in 1954-55 that Pakistan began to obtain weapons and military equipment for the three services in large quantity. Pakistan and the United States signed the Mutual Defense Assistance Treaty in May 1954, which facilitated U.S. arms transfers to Pakistan and military training of its personnel by U.S. experts. Pakistan was admitted to the Southeast Asia Treaty Organization (SEATO) in September 1954 and the Baghdad Pact (later renamed the Central Treaty Organization, CENTO) in September 1955. The fourth security-related arrangement with the United States was signed in March 1959; called the Bilateral Agreement of Cooperation, this was an executive arrangement not confirmed by the U.S. Senate. A separate agreement was signed in July 1959 allowing the United States to set up a communication facility, i.e., an air base, near Peshawar.<sup>18</sup>

Pakistan's policymakers decided to join the American alliance system to overcome its security problems. As early as 1951, Pakistan's military authorities realized that Pakistan lacked the resources to upgrade its defense and obtain modern weapons from abroad. Therefore they were convinced that Pakistan must have "a strong and reliable friend" who was willing to contribute to Pakistan's efforts to strengthen its defense.<sup>19</sup> By joining the alliance system they were able to get the weapons, military equipment, and training facilities which they could not obtain otherwise. As they perceived an acute security problem for Pakistan, realism dictated a policy of alignment to cope with the immediate security problems, disregarding the diplomatic cost of aligning with the United States. Pakistan's policymakers were clear in their mind that they were working towards strengthening their security vis-à-vis India and Afghanistan, rather than the Soviet Union, which was the American concern.

Pakistan again leaned towards the West, especially the United States, in the aftermath of the Soviet military intervention in Afghanistan in December 1979. The United States pledged to underwrite Pakistan's security vis-à-vis the Soviet Union, although no new defense treaty was signed. Despite the differences over Pakistan's nuclear program, the two countries developed a close security and diplomatic relationship with reference to the Afghan conflict. The first 6-year economic assistance and military sales package (1981-87) offered by the United States to Pakistan amounted to \$3.2 billion. It was equally divided between economic assistance and a military sales credit facility. About 55 percent of economic assistance was provided as grants while the rest was in the form of soft-term loans. Military assistance was in the form of a credit facility, repayable at a 10-14 percent rate of interest. Pakistan also obtained 40 F-16 aircraft during 1983-86 through cash payments outside of the credit facility. The second assistance package (1987-93) amounted to \$4.02 billion at concessional rates of interest. Out of this, \$2.28 billion was allocated for economic assistance and \$1.74 billion was in the form of military sale credits. (The United States terminated this assistance package in October 1990.)<sup>20</sup> The United States and Pakistan contributed significantly to building and strengthening resistance to the Soviet military presence in Afghanistan spearheaded by militant Islamic-Afghan groups. This relationship began to lose its momentum after Soviet withdrawal from Afghanistan in 1989 and came to an end in October 1990 when the Bush administration invoked the Pressler Amendment (1985) against Pakistan's nuclear weapons program and halted all military sales and economic assistance.

In the early 1970s, Pakistan adopted a different strategy to strengthen its security. It avoided alignment with the West and pursued nonalignment as a foreign policy strategy. The civilian leadership that assumed power after Pakistan lost the Bangladesh war to India (December 1971) had enough popular support to pursue a nonaligned foreign policy.

Pakistan always attached importance to diplomacy for building international support for its policies, especially the Kashmir issue and other problems with India. It has traditionally given much attention to cultivating active ties with the Muslim countries. This relationship, especially with the oil-rich Arab states like Saudi Arabia, Kuwait, the United Arab Emirates (UAE), Libya, and Iran, contributed significantly to rehabilitating Pakistan economically and diplomatically after the 1971 breakup of Pakistan.

### **Strategic Doctrine.**

While mobilizing internal resources, procuring weapons from abroad and relying on astute diplomacy in order to ensure security, Pakistan's policymakers never aimed at military parity with India, which was neither possible nor desirable. They wanted to develop enough military capability to let India know that Pakistan could not only withstand India's military pressures but also increase the cost of an armed conflict for that country.

A conventional war with India in Kashmir or on the international border was considered a strong possibility. The strategy was to confront the opposing troops right on the borders or to take the war into the adversary's territory because some of the Pakistani cities were situated close to the border. However, Pakistan could not carry on war for a long period of time due to the paucity of economic resources and a weak industrial base, especially the limited capacity of its weapons industry.

Pakistan's policymakers believe that Pakistan must have the capability to raise the cost of the war to unacceptable limits for the adversary so as to deter the latter from engaging in military adventurism. A prerequisite for such a strategy is the maintenance of a highly professional, trained, and well-equipped military with strong fire-power and mobility. An effective air cover is much

needed for such operations. Similarly, effective communication and transport systems are needed to quickly transfer troops from one sector to another sector. Pakistan's preferred option is to build pressure on India in Kashmir by engaging in limited military operations there or by extending clandestine military support to Kashmiri activists fighting against India. The latter strategy is less costly for Pakistan and ties a large number of Indian troops in Kashmir.

Pakistan cannot pursue its strategic doctrine without external cooperation as it lacks sufficient domestic resources to develop the required capability. Therefore, it is not surprising that the military planners attached such importance to Pakistan's security relations with the United States. Pakistan's relations with the People's Republic of China are no less significant because China is an important source for building Pakistan's defense capability. Pakistan began to obtain weapons and military equipment from China towards the end of 1965 (after the 1965 Indo-Pakistani war) or in early 1966. Since then this relationship has expanded. China has supplied weapons and equipment for the three services and contributes significantly to building Pakistan's defense industry. It has also extended technical support to Pakistan's nuclear and missile programs.

The deterrence approach developed for conventional defense applies equally to Pakistan's nuclear weapons program. Had India not gone for nuclear explosions in May 1998, Pakistan would have continued with the policy of "nuclear ambiguity," i.e., admitting to having a nuclear weapons capability but not going so far as to explode or make a bomb. Nuclear ambiguity served Pakistan's security goals as both India and Pakistan knew that each could make nuclear weapons and that if one country went ahead with weaponization, the other would do the same. This policy lost its operational relevance after India resorted to nuclear explosions in May 1998. Pakistan conducted nuclear explosions after 17 days to rectify the strategic imbalance in South Asia.<sup>21</sup> Pakistan's nuclear explosions

were neither meant to strengthen its claims for a global role nor to produce an “Islamic bomb.” These nuclear explosions were reactive and were meant to counter what the policymakers described as India’s nuclear blackmail and its potential to engage in military action across the Line of Control in Kashmir. As a matter of fact, Pakistan’s nuclear explosions have neutralized India’s superiority in conventional defense. Pakistan is not expected to accept any nuclear weapons restraint regime unless it takes into account its security concerns and offers a restraint framework that applies equally to conventional security arrangements. Pakistan does not accept India’s “no first use” offer. Such a restraint is a disadvantage to the weaker power, i.e., Pakistan in South Asia. Therefore, Pakistan will welcome a comprehensive restraint regime that applies to conventional and nonconventional armaments.

### **Islam and Strategic Culture.**

Islam is integral to Pakistan’s strategic culture because it contributes to shaping societal dispositions and the orientations of the policymakers. Islam is closely associated with the establishment of the state and the constitution designates the state as an “Islamic Republic,” with an emphasis on the Islamic character of Pakistani identity and a stipulation that no law can be enacted that violates the basic principles and teachings of Islam. Islam figures prominently in political and military discourse. All political parties with some popular standing recognize the centrality of Islam to the political process and highlight their commitment to Islam in their election manifestos and policy statements. Education at the primary, secondary, and college levels (the first 14 years of education) includes Islamic studies (principles and teachings of Islam) as a compulsory course of study at all levels for Muslim students. The historical narratives highlight the advent of Islam in India, glorify Muslim rule there, and define Pakistani identity with reference to Islam and the Muslim rule. These narratives also maintain that the Muslim interests and rights were threatened by an unsympathetic Hindu



majority during the British rule, forcing the Muslims to first seek constitutional safeguards and then a separate state. If Islamic orientations and values are so deeply rooted in the society and the state, these are bound to influence the strategic culture of Pakistan.

The Pakistani military emphasizes Islam in conjunction with professionalism, hierarchy, discipline, and service-pride as the cardinal principles of military organization. Islamic principles and teachings and Islamic history, especially Islamic battles and the Muslim generals, are included in the courses of study and training of military personnel. The Islamic notions *shaheed* (martyr), *ghazi* (victorious), and *Jihad-e-fi-sibilallah* (holy war in the name of God) are emphasized as the major sources of inspiration for the Pakistani military in war and peace. As Islam is closely associated with the establishment of Pakistan, its defense, especially vis-à-vis India, is projected by civilian and military leaders as the defense of Islam. These notions and Islamic symbols were repeatedly invoked during the wars in 1965 and 1971 to galvanize the military personnel and to mobilize popular support for the war efforts.

Islamic conservatism has increased in the military since the 1970s as the number of officers from the middle and lower-middle classes has risen. Invariably, they have come from conservative religious backgrounds. A number of other factors reinforced this trend in the 1980s.

First, the emphasis on Islam increased in the military during the period of General Zia-ul-Haq's rule (1977-88) . Facing a crisis of legitimacy, General Zia-ul-Haq's military regime invoked orthodox Islamic injunctions and mobilized orthodox Islamic groups in order to build support for his rule. This fit well with the changes in the orientation of the officers recruited in the 1970s and 1980s. The Zia regime encouraged the public display of religious orientation in the Army and allowed some of the orthodox religious groups to penetrate the Army.

Second, the experience of the Afghanistan conflict (1979-89) reinforced Islamic conservatism among Army personnel. A good number of them worked in collaboration with the Islamic parties and Afghan resistance groups that were fighting against Soviet troops in Afghanistan. Some of the Pakistani Army personnel, especially those serving with the Inter-Services Intelligence (ISI), were convinced that the Afghanistan experience could be replicated elsewhere, and that it offered an option to bring an end to non-Muslim domination of the Muslims.

However, the top commanders draw a line between religious conservatism and activism in the name of Islam. The latter is disallowed because the top brass think that it undermines professional excellence, discipline, and the service ethos. They emphasize the age-old tradition of keeping Islam and military professionalism together, treating the former as a component of the latter.

The Afghanistan experience created a nexus between Islamic militancy and Pakistan's foreign policy. An Islam-oriented Afghan resistance movement, often labeled as Afghan Mujahideen, cropped up as the Soviet troops marched into Afghanistan in December 1979, although its roots could be traced to an earlier period. They were ideologically inspired and viewed their resistance activities as a holy war against the occupying forces of a Godless Communist country (i.e., the Soviet Union). Pakistan's ISI and the U.S. Central Intelligence Agency (CIA) transferred weapons to Afghan resistance groups and advised them on strategy against Soviet troops in Afghanistan. The West, the conservative Arab rulers in the Middle East, and Pakistan glorified these Afghan "holy" warriors as the heroes of the cause of freedom. Two other developments strengthened their position. First, most Muslim states and movements supported their cause. Some oil-rich Arab states (e.g., Saudi Arabia, the UAE) as well as some wealthy Arab individuals extended

financial assistance to Afghan resistance groups. Egypt transferred an undisclosed quantity of Soviet weapons to these groups. Second, within a short span of time, the Afghan resistance movement turned transnational. A large number of Arabs and other Muslims joined them to fight the “holy war” in Afghanistan. Some of these Arabs engaged in welfare activities for Afghan refugees in Pakistan while others got military training from different Afghan groups and fought against Soviet troops in Afghanistan. By the time Soviet troops withdrew from Afghanistan in 1989, several thousand Muslim volunteers from Arab and non-Arab countries were attached to Afghan resistance groups.

The courage and valor shown by Islam-inspired volunteers (Afghans and others) in Afghanistan impressed Pakistan’s foreign policymakers. As already noted, some of the military and intelligence personnel associated with the Afghan resistance were so captivated by the Afghanistan experience that they felt this could be replicated elsewhere for advancing Muslims causes. The resistance groups were also elated by their success in Afghanistan and felt that they must carry forward the spirit of the Afghan *Jihad* (holy war) and help Muslims fight anti-Muslim forces anywhere in the world. They found a new cause in Indian-administered Kashmir where an insurgency had erupted in 1989. The initial links with the Kashmir insurgency were established in 1990 but their active involvement began after the collapse of the pro-Moscow Najib government in Kabul in April 1992. Their Pakistani counterparts joined them in this struggle.

These developments were in line with the Islamic content of Pakistan’s strategic culture and, therefore, Pakistan’s policymakers were happy to find ideologically motivated Muslim volunteers who were prepared to facilitate the achievement of Pakistan’s goals in Kashmir – the building of military pressure on India – without incurring heavy material and manpower losses for the military. Recognizing the instrumental relevance of militant Islamic groups, the

Pakistan military patronized them through its intelligence agency, the ISI. The ISI provided them funding and weapons and facilitated their induction into Indian-administered Kashmir. These militant groups engaged a large number of Indian military and paramilitary personnel as well as police and intelligence agencies. Pakistan's decision to support the operations of the Islamic militants in Indian-administered Kashmir reflects a combination of beliefs, values, and historical experience as well as expediency and a down-to-earth assessment of military disparity between India and Pakistan.

The stepped up activities of militant Islamic groups created a host of problems for Pakistan's management of foreign policy and domestic affairs. These activities caused strains in Pakistan's relations with the West, especially the United States, because these Islamic groups were extremely anti-West, and often demanded that Pakistan delink itself from the United States. Domestically, the rise of militant Islamic groups increased religious and cultural intolerance, resulting in religious-sectarian killings and law and order problems. These developments undermined Pakistan's image abroad, discouraged foreign investment, and marred the prospects for Pakistan's early economic recovery, raising doubts about the capacity of the Pakistani state to continue performing its basic duties towards the citizenry.

Pakistan found itself in an extremely difficult situation. It supported the militants' role in Indian-administered Kashmir but wanted to control the adverse effects of their activities on Pakistan's domestic political scene and on its interactions with the United States and other Western countries. This dilemma was accentuated after the terrorist attacks in New York City and Washington, DC, on September 11, 2001. U.S. President George W. Bush delivered a virtual ultimatum to Pakistan to join hands with the international community for containing the transnational terrorism spearheaded by Afghanistan-based al Qaeda. A realistic assessment of the situation led the government of Pakistan to cooperate with the United

States for military action against al Qaeda and the Taliban government in Afghanistan. Pakistan also took action against some of the Pakistan-based militant Islamic groups.

However, the military government allowed the militant Islamic groups active in Kashmir to carry on their activities in a low-keyed manner. These groups overplayed their hand by launching terrorist attacks on high-profile targets, such as the Indian parliament and an Indian military camp in Kashmir, placing Pakistan in an embarrassing situation in view of the assertion by its leaders that they had contained the activities of these groups.

Availing itself of the post-9/11 global consensus for controlling terrorism, India moved its troops to the Line of Control in Kashmir and to the Pakistan borders in order to put an end to “cross-border terrorism” from Pakistani territory. Pakistan responded by mobilizing its troops and threatened war if Indian troops entered Pakistan-administered Kashmir or Pakistani territory under the pretext of destroying the alleged terrorist camps. The United States and other Western countries advised restraint by both countries and applied strong diplomatic pressures on Pakistan to control the infiltration of Islamic groups into Indian-administered Kashmir. In another manifestation of realism, Pakistan agreed to take measures to cut off the infiltration, at least for the time being.

### **Concluding Observations.**

Strategic culture is a useful concept for explaining the profile and behavior of the security policymakers of a state. It conditions their worldview, interpretation of political and military developments, perception of the adversary, and selection of policy options. The disposition of Pakistan’s security managers is influenced by historical experiences, especially in the early years of independence, their perception of the regional security environment and Pakistan’s security handicaps, and their threat perceptions. The major features

of Pakistan's strategic culture can be summed up as follows: (a) An acute insecurity developed in the early years of independence due to troubled relations with India and problems with Afghanistan. (b) A strong distrust of India and a history of acrimonious Indo-Pakistani relations reinforced by the historical narratives of the pre-independence period and the troubled bilateral interaction in the post-independence period. (c) Aversion to an India-dominated regional power arrangement for South Asia. (d) An active search for security to maintain its independence in deciding about foreign policy options and domestic policies. (e) A close nexus between Islam and strategic thinking, leading to connections between Islamic militancy and foreign policy.

These attributes of Pakistan's strategic culture shaped Pakistan's security and foreign policy options. These included an advocacy of a pluralist power arrangement for South Asia, greater attention to external security, acquisition of military capacity to raise the cost of war for the adversary, liberal allocation of resources to defense, weapons procurement from abroad, and the use of diplomacy and alliance-building with other states, especially with the United States, for strengthening its position in the region. Other important strategies were the acquisition of an overt nuclear status in response to India's nuclear explosions and the use of Islamic militancy to pursue foreign policy goals.

However, the emphasis on strategic culture does not totally exclude the role of other considerations, such as realism, professionalism, and organizational imperatives. Many of Pakistan's security-related decisions involve the elements of more than one approach. As a professional and disciplined institution, the Pakistani military cannot be oblivious to realities on the ground. Realism and organizational imperatives have influenced their outlook and decisions on many occasions. At times, the dictates of different approaches conflict with each other and the policymakers may be unwilling or unable to make a clear-cut choice. This is the case with the approach

of Pakistan's security managers towards the militant Islamic groups in the post-9/11 period.

The strategic culture approach helps us understand the historical and psychological dynamics of decisionmaking. It highlights the impact of ideological and other societal variables on policymaking and offers a better understanding of the socio-cultural and political context within which the policymakers function. Any study of a state's strategic profile and the possible reaction to security pressures requires, *inter alia*, a good appreciation of the strategic culture of the country concerned. This facilitates communication between the security policymakers and the outside actors, i.e., individuals, states, and organizations, on security-related issues and helps to identify ways and means to change their policy outputs. This is quite important for promoting arms control in conventional and nonconventional fields.

## ENDNOTES

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17. Hasan-Askari Rizvi, *Pakistan and the Geostrategic Environment: A Study of Foreign Policy*, New York: St. Martins, 1993, p. 21; see also *idem*, "Pakistan's Threat Perception and Weapons Procurement," in W. Thomas Wander, Eric H. Arnett, and Paul J. Bracken, eds., *The Diffusion of Advanced Weaponry: Technologies, Regional Implications, and Responses*, Washington, DC: American Association for Advancement of Science, 1994, p. 197.

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## CHAPTER 13

### **“CULT OF DEFENSE” AND “GREAT POWER DREAMS”: THE INFLUENCE OF STRATEGIC CULTURE ON CHINA’S RELATIONSHIP WITH INDIA**

**Andrew Scobell**

#### **INTRODUCTION**

Strategic culture should be considered a significant dimension in analyses of China’s security policy for two reasons. First, the subject of national cultures has become widely recognized as a key dimension in strategy, including in the impact of culture on a country’s tendency to use force.<sup>1</sup> Indeed, the impact of culture is vital to understanding China’s military and security affairs. Particularly prevalent is the contention that contemporary Chinese international relations have been heavily influenced by an ancient and enduring civilization.<sup>2</sup>

Second, scholars, analysts, and policymakers in the People’s Republic of China (PRC) frequently assert that past and present policy and behavior is conditioned by a unique traditional Chinese philosophy of international relations. One influential military thinker, Lieutenant General Li Jijun, former vice president of the Academy of Military Sciences, reasons that:

Culture is the root and foundation of strategy.

Strategic thinking, in the process of its evolutionary history, flows into the mainstream of a country or a nation’s culture. Each country or nation’s strategic culture cannot but bear the imprint of cultural traditions, which in a subconscious and complex way, prescribes and defines strategy making.<sup>3</sup>

Indeed, the author of the above words and many others in the same Chinese elite community also perceive culture to exert a substantial impact on the strategic behavior of other countries.<sup>4</sup> Furthermore, contemporary Chinese perceptions of other states are strongly colored by China's interpretations of their assumed cultural proclivities. These cultural images of other countries, particularly the images of the strategic cultures of other countries, influence China's assessment of threats and potential threats in the international environment.

This chapter is divided into three sections. The first explains the two main interpretations of Chinese strategic culture and the nature and impact of strategic culture on China's use of force. The second analyzes the Chinese image of Indian strategic culture. The third analyzes the implications of Chinese strategic culture and the Chinese image of India's strategic culture.

### **Definitions and Parameters.**

I define strategic culture as the fundamental and enduring assumptions about the role of war (both interstate and intrastate) in human affairs and the efficacy of applying force held by political and military elites in a country.<sup>5</sup> These assumptions will vary from country to country.

Also important are the perceptions prevalent among the elite within one country regarding the nature of another country's strategic culture. The sum total of these assumptions tends to result, for example, in a composite image held by China of India. Borrowing from Allen Whiting, I define the strategic cultural image to be "the preconceived stereotype of the strategic disposition of another nation, state, or people that is derived from a selective interpretation of history, traditions, and self-image."<sup>6</sup>

Chinese elites are not of one mind on either the nature of their own strategic culture or on the images of these cultures in other countries. China's self-image of its own strategic culture is essentially a Confucian one comprising a widely held and hegemonic set of assumptions—although certainly not universal.

However, China's actual strategic culture is the result of interplay between Confucian and realpolitik strands. The outcome is what I call a "Cult of Defense," where by Chinese elites believe strongly that their country's strategic tradition is pacifist, non-expansionist, and purely defensive but at the same time able to justify virtually any use of force—including offensive and preemptive strikes—as defensive in nature.<sup>7</sup>

Chinese perceptions of the strategic cultures of other states tend to be formed by military strategists and thus are skewed towards a negative image—as in the case of India.

### **Contrasting Depictions of China's Use of Force.**

Culture has long been considered a critical dimension in China's approach to strategy and warfare. While the term "strategic culture" was not used until 1988,<sup>8</sup> conventional thinking was that China's Confucian tradition was a key determining factor in Chinese strategic thinking. Because of Confucianism, in this interpretation, China tends to favor harmony over conflict, and defense over offense.<sup>9</sup> Other analysts, usually focusing on Sun Zi's *Art of War*, have stressed a Chinese predisposition for stratagem over combat and psychological and symbolic warfare over head-to-head combat on the battlefield.<sup>10</sup> At the very least these interpretations of Confucius and Sun Zi created the image of a China whose use of force is cautious and restrained.<sup>11</sup> More recently, analysts have argued that China's leaders are actually influenced by a realpolitik (or parabellum) strand of strategic culture.<sup>12</sup> According this interpretation, the elite has and continues to be quite willing to use

force.

Both of the two major interpretations of China's strategic tradition (Confucius/Sun Zi and *realpolitik*) tend to assume its strategic culture is monistic and make no attempt to link it to domestic policy. It is a mistake to assume that a country's strategic culture can be subsumed within a single tradition and to focus exclusively on interstate violence. Indeed, it is likely that there are multiple strands of strategic culture. And ignoring trends in intrastate and societal violence risks overlooking diverse and important values and beliefs about the use of force and violence.<sup>13</sup>

#### **A CHINESE CULT OF DEFENSE**

Two dominant strands of Chinese strategic culture—a Confucius/Sun Zi one and a *realpolitik* one—exist side by side. Both of these are operative and the interaction between the two strands produces a distinctive strategic culture: what I have dubbed the “Chinese Cult of Defense.”<sup>14</sup> Most Chinese strategic thinkers believe that Chinese strategic culture is pacifistic, defensive-minded, and non-expansionist. However, at least in the contemporary era, these sincerely held beliefs are essentially negated, or twisted, by its assumptions that any war China fights is just and any military action is defensive, even when it is offensive in nature. Two further assumptions reinforce this: that threats to China's national security are very real and domestic threats are as dangerous as foreign threats, and that national unification is a traditional Chinese core strategic cultural value. The combined effect of these beliefs and assumptions is paradoxical: while most of China's leaders, analysts, and researchers believe profoundly that the legacy of Chinese civilization is fundamentally pacifist, they are nevertheless predisposed to deploy force when confronting crises.

## The “Confucian” Elements.

The Chinese are particularly smitten with what they view as China’s special gifts to the theory and practice of statecraft and international relations.<sup>15</sup> While the leaders of most countries tend to believe they use military power in a strictly defensive manner,<sup>16</sup> this cluster of beliefs seems to be particularly inviolable among the Chinese.<sup>17</sup> Such beliefs are so prevalent among Chinese elites that it is rare to find civilian and military leaders who do not hold some or all of them.<sup>18</sup> Each of the three “Confucian” elements of Chinese strategic culture can be highlighted with reference to a phrase or saying.

*“Peace is Precious.”* A deeply held belief in elite circles is that China possesses a pacifist strategic culture. Certainly majorities of people in most countries, including the United States, say they love peace—indeed it seems a near universal human desire. What is striking in the case of China, however, is the extreme degree to which this is stressed—to the extent that Chinese civilization is viewed as being uniquely pacifist, totally distinct from other strategic traditions in the world. One of the most recent official articulations of this appears in China’s 1998 Defense White Paper:

The defensive nature of China’s national defense policy . . . springs from the country’s historical and cultural traditions. China is a country with 5,000 years of civilization, and a peace-loving tradition. Ancient Chinese thinkers advocated “associating with benevolent gentlemen and befriending good neighbors,” which shows that throughout history the Chinese people have longed for peace in the world and for relations of friendship with the people of other countries.<sup>19</sup>

Numerous Chinese leaders and researchers in the People’s Republic of China contend that the Chinese people value peace. In 1995, Admiral Liu Huaqing, then a Vice Chair of the Central Military Commission, told a pro-Communist Hong Kong news paper:

China has consistently pursued a foreign policy of peace and insists that

various countries should, in line with the charter of the United Nations and the Five Principles of Peaceful Coexistence . . . maintain a peaceful international environment and that disputes between countries should be settled through negotiations.<sup>20</sup>

Military researchers trace this preference for peace and harmony back in history. According to the General Xing Shizhong, Commandant of the National Defense University:

The Chinese people have always dearly loved peace. . . . This historical tradition and national psychology have a profound influence on national defense objectives and strategic policies of the new socialist China.<sup>21</sup>

According to Lt. Gen. Li Jijun, Deputy Director of the Academy of Military Sciences:

China's ancient strategic culture is rooted in the philosophical idea of "unity between man and nature" (*tian ren he yi*), which pursues overall harmony between man and nature and harmony among men.<sup>22</sup>

Researchers also frequently mention the Confucian saying "peace is precious" (*he wei gui*).<sup>23</sup>

Leaders and researchers stress that China pursues peaceful solutions rather than violent ones. Chinese civilian and military leaders repeatedly stress China's adherence to the "Five Principles of Peaceful Coexistence" as Liu Huaqing does in the above quote.<sup>24</sup> According to one civilian scholar, the ancient principle of "trying peaceful means before resorting to force" (*xianli houbing*) has been a major influence on post-1949 China. Thus, while the "leaders of Mao's generation were willing to use force to serve China's security, and more broadly, foreign policy goals whenever necessary . . . in most cases China sent strong warnings or protests or engaged in negotiations" prior to employing armed force.<sup>25</sup> In a discussion of the military thought of Deng Xiaoping, two scholars observed:

For many years we employed the thinking that, in whatever method we

adopt to solve a problem, we should not use the means of war [ but rather] peaceful means.<sup>26</sup>

And Deng felt it important to stress that one of China's three main missions for the 1980s was supporting world peace.<sup>27</sup> Regularly cited to bolster this assertion is Beijing's policy on reunification with Taiwan. China's preferred means of unifying China since 1979 is by non-military means.<sup>28</sup> It is true that under Deng, China's policy altered dramatically from liberation by force to peaceful unification. But it is also important to note that the change is more tactical than strategic. Indeed, Beijing has refused to renounce the use of force.<sup>29</sup>

*"Never Seek Hegemony."* A second deeply held belief is that China has never been an aggressive or expansionist state. According to many leaders and researchers, China has never fought an aggressive war throughout its long history. And China has not threatened other countries. In post-1949 China this has taken the form of constant pronouncements of the fact that "China will never seek hegemony."<sup>30</sup> Senior soldier Liu Huaqing told a Hong Kong interviewer in 1995:

China is opposed to the use of force and to threatening with force.  
. . . China is against hegemonism and power politics in any form . .  
. China does not seek hegemony now, nor will it ever do so in the  
future.<sup>31</sup>

And Deng Xiaoping asserted in 1980 that one of the main tasks for the decade of supporting peace was intimately linked to "opposing hegemony" (*fanduibaquanzhuyi*).<sup>32</sup> Of course, at the time hegemony was code word for the Soviet Union. Since the end of the Cold War, it has come to mean U.S. domination. But the term hegemony (*ba*) has a deeper meaning in Chinese political thought. *Badao* or "rule by force" has extremely negative connotations in contrast to *wangdao* or "kingly way" or "benevolent rule."<sup>33</sup>

According to many Chinese analysts, when China goes to war, it



does so only in “self-defense.” These analysts assert that virtually all of the wars China has fought have been waged to protect itself from external threats or to unify the country. One prominent Chinese military scholar insists that virtually all of the approximately 3,700 to 4,000 wars China has fought in more than 4,000 years of dynasties (ending with the collapse of the Qing in 1911) have been civil wars or wars to unify the country. And all of the eight “military actions” since 1949, the scholar asserts, have been waged in “self-defense.”<sup>34</sup> When Chinese forces have ventured abroad, they have done so for a limited time and for non-expansionist purposes. According to one analyst:

the facts are: There are no records showing China’s invasion of other countries or that China stations any soldiers abroad.<sup>35</sup>

Researchers regularly cite Mao’s statement: “We [China] do not desire one inch of foreign soil.”<sup>36</sup>

Examples often cited to support this interpretation include the famous voyages of Ming dynasty admiral Zheng He. Chinese researchers emphasize these expeditions were non-military in nature, and no attempt was made by the Chinese armada to conquer or colonize the lands it visited. The imperial eunuch’s travels to East Africa and South Asia seem to have been purely voyages of exploration. According to several scholars, unlike Western adventurers such as Christopher Columbus and Vasco Da Gama, Zheng did not attempt to establish colonies or use force against peoples with whom he came in contact.<sup>37</sup>

*“If Someone Doesn’t Attack Us, We Won’t Attack Them.”* The third central tenet of this cult is that China possesses a purely defensive strategic culture. According to Lt. Gen. Li Jijun: “The Chinese are a defensive-minded people.”<sup>38</sup> The classic illustration of this tendency regularly cited by Chinese scholars is, not surprisingly, the Great Wall. As noted by Li, “China’s Great Wall has always been a symbol of a defense, not the symbol of a national boundary.”<sup>39</sup> In the 1990s

some Chinese researchers have sought to validate this point by citing Western scholarship, notably the work of John Fairbank and Mark Mancall.<sup>40</sup> They also seek to make their case by drawing a direct comparison between Western and Chinese strategic traditions. According to Major General Yao Youzhi, Director of the Department of Strategic Studies at the Academy of Military Sciences, China's military tradition places "complete stress on a defensive stance" whereas, in contrast, Western military tradition "emphasizes offense."<sup>41</sup>

Another example of the defensive nature of China's strategic posture is the "no first use" pledge regarding nuclear weapons.<sup>42</sup> Chinese officials also point to the military reforms China has undertaken over the past two decades as proof of China's purely defensive stance. Liu Huaqing said in 1995:

As is known to all, China possesses a strategy of active defense, and cut its troops by 1 million several years ago, something no other country has thus far achieved. Our present military strength is of a defensive nature and the Chinese Government strictly limits defensive expenditure to the minimum level necessary to ensure national security.<sup>43</sup>

Perhaps the most commonly touted evidence is Mao's admonition: "If someone doesn't attack us, we won't attack them; however, if someone does attack us, we will definitely [counter] attack" (*Ren bu fan wo, wo bu fan ren; ren fan wo, wo bi fan ren*).<sup>44</sup> This quote appears in China's 1998 Defense White Paper. The late Marshal Xu Xiangqian also mentioned it in practically the same breath as he discussed Vietnam's invasion and occupation of Cambodia during a 1980 interview.<sup>45</sup> Significantly, China's largest military conflict in the post-Mao era—the attack against Vietnam in February 1979—was triggered by Vietnam's invasion of Cambodia. Although it was China that invaded Vietnam, Beijing officially labeled this war a "self-defensive counterattack" (*ziwei huanji*). According to two military thinkers: ". . . [A] strategic counterattack implies a strategic offensive." The strategists continued:

. . . [In] the February 1979 self-defense counterattack against Vietnam, from the military operational standpoint, offensive actions were employed. Nevertheless, the essence of this kind of offense was a self-defense counterattack.<sup>46</sup>

The same logic applied to China's brief but bloody border wars with India in 1962 and with the Soviet Union in 1969. Both conflicts are labeled "self-defense counterattacks" (*ziwei fanji*).<sup>47</sup>

### **Guiding Principles for External Security.**

Counteracting these three core elements are four key strategic constants that justify the external use of military force. The concepts of just war, the value placed on national unification, the principle of active defense, and high threat sensitivity in practice negate the pacifying effects of the above core elements.

*Contemporary Chinese Just War Theory.* There is considerable attention by Chinese strategic analysts to the concept of just war. Authors tend to stress that Chinese thinking about just or righteous war (*yizhan*) dates back thousands of years.<sup>48</sup> The principle of just war seems to be a crucial element of China's traditional approach to war in the view of many contemporary military researchers.<sup>49</sup> Indeed it is ancient: Confucius adopted the concept and Mao later absorbed it.<sup>50</sup>

The distinction is simple: just wars are good wars and unjust wars are bad ones. Just wars are those fought by oppressed groups against oppressors; unjust wars are ones waged by oppressors against the oppressed. In contemporary Chinese thinking, China has long been a weak, oppressed country fighting against powerful imperialist oppressors. Thus for many Chinese any war fought by their country is by definition a just conflict—even a war in which China strikes first.<sup>51</sup> This might include any war fought to "restore or protect national territory or to maintain national prestige."<sup>52</sup> The

1979 border war China fought with Vietnam is viewed as a just conflict.<sup>53</sup> Needless to say, virtually any war fought by a hegemonic power such as India is an unjust war.

*National Unification.* National unification is a core value in China's national security calculus on which no compromise is possible. It is an immutable principle in part because of China's history of division and inability to stop exploitation and oppression by foreign powers. But it is also an emotional and unwavering public stand precisely because the leadership of the PRC seems to lack any other inviolable principles.<sup>54</sup> According to Lt. Gen. Li Jijun,

The most important strategic legacy of the Chinese nation is the awareness of identification and the concept of unification, and this is where lies the secret for the immortality of . . . Chinese civilization . . . [ seeking unification ... [ is] the soul of ... Chinese military strategy endowed by . . . Chinese civilization.<sup>55</sup>

According to another analyst, "hoping for unification, defending unification is a dimension of the Chinese people's . . . thought culture and is a special feature of its strategic thought."<sup>56</sup>

*Threat Perceptions.* China's political and military leaders see threats everywhere. the full extent of the siege mentality of China's leaders is not always appreciated. This paranoia results in elites viewing the foreign as well as domestic environments as treacherous landscapes filled with threats and conspiracies.<sup>57</sup> The current campaign against corruption in China and the crackdown on the Falungong Sect suggest the depth of the regime's fear of domestic threats.<sup>58</sup>

This mindset may explain the need of the Chinese authorities during the Maoist era to come up with the seemingly innocuous phrase "China has friends all over the world."<sup>59</sup> By the same token, one would expect that China also had at least some enemies in the world. Indeed one is tempted to conclude that the slogan itself was

prompted by Chinese insecurities. If a country indeed has many friendly states around the world, why is it necessary to recite this ad nauseum? And the reality was that in the late Maoist era China actually had few staunch friends: the handful that come to mind are Albania, North Korea, and (most significant for this chapter) Pakistan. The fact of the matter is that Maoist China believed itself surrounded by enemies. This was true of Deng's China, and also holds true for Jiang Zemin's China.

*Active Defense.* The strategic principle of active defense is key to Chinese strategic thinkers. Most thinkers believe this is of central importance to Chinese strategy. According to the People's Liberation Army's (PLA) officer handbook, "All military experts, ancient and contemporary, Chinese and foreign, recognize the importance of active defense."<sup>60</sup> The tendency is for researchers and policymakers to broadly define defense as virtually anything, including a preemptive strike. Successive conflicts, including the 1962 border war with India, are labeled "self-defense wars" or "self-defense counter-attacks" (*ziwei zhanzheng*, *ziwei fanjizhan* or *ziwei huanjizhan*).<sup>61</sup>

The idea of "active defense" (*jijifangyu*) is a relatively recent concept in Chinese strategic thought. It is an idea that crops up frequently in spoken and written material by Chinese strategic thinkers—it is mentioned in the 1995 interview with Liu Huaqing quoted above, for example. While at least one scholar dismisses active defense as mere propaganda,<sup>62</sup> the strategy appears to have real significance. Indeed it has been a key guiding principle in Mao's day, in Deng's time, and remains important at the dawn of the 21st century. Indeed, it figures prominently in China's 1998 Defense White Paper. According to Deng Xiaoping:

. . . [A]ctive defense is not merely defense per se, but includes defensive offensives. Active defense includes our going out, so that if we are attacked we will certainly counter attack.<sup>63</sup>

Senior Colonel Wang Naiming explains:

[Active defense] . . . emphasizes that the nature of our military strategy is defensive, but also active in requirements. It requires the organic integration of offense and defense, and achieving the strategic goal of defense by active offense; when the conditions are ripe, the strategic defense should be led[ sic] to counterattack and offense.<sup>64</sup>

The “organic integration” between offense and defense is very much a part of the concept of “absolute flexibility” (*quanbian*) highlighted by Iain Johnston.<sup>65</sup> In a real sense then, the line between offense and defense is blurred. In the final analysis, “*Active defense strategy does not acknowledge the difference . . . between defense and offense.*”<sup>66</sup> In fact, according to a researcher at the Academy of Military Sciences, active defense does not rule out a first strike:

Our strategic principle of “striking only after the enemy has struck” certainly does not exclude sudden “first strikes” in campaign battles or counterattacks in self-defense into enemy territory.<sup>67</sup>

In sum, the impact of the Cult of Defense is a predisposition by Chinese elites to opt for force because they perceive its use by China as always defensive in nature.

But the impact of strategic culture does not end here. The impact on China’s elites in this particular case is two-fold. First, the strategic culture of their own country (articulated above) affects how they think and act. What is also influential is the way in which these same elites perceive the strategic culture of a major rival power—in this case India.

## **CHINA’S STRATEGIC CULTURE IMAGE OF INDIA**

India, in the view of many Chinese analysts, is one of the world’s four great civilizations.<sup>68</sup> Possessing one of the world’s largest conventional militaries, New Delhi also has a small but growing arsenal of nuclear weapons and ballistic missiles. Once a glorious

empire, India now seeks to reclaim its rightful place in Asia and the world after being exploited by imperialism for hundreds of years and then being held back by wrong-headed economic policies for decades. At the dawn of a new century the economy has been unleashed and its citizens are eager to achieve their country's full potential. India also represents a looming strategic threat to China, albeit not one that provokes the high level of concern that the United States or Japan does. India is, in the words of John Garver, a "mid-level [ priority] ranking" for China.<sup>69</sup> China sees itself as the rightful preeminent power in Asia and India as its major medium- to long-term competitor for this position. India's long-term goal, according to a strategist at the National Defense University in Beijing interviewed in a November 2000 *Guangming Ribao* article, is to become a world power. According to this analyst, the goal may constitute an overreaching of India's ambitions but it still remains cause for Chinese concern.<sup>70</sup>

An article in the influential Chinese news paper *Zhongguo Qingnian Bao* quoted Indian Home Affairs Minister L. K. Advani as telling a domestic audience: "The 20th Century belonged to the west, China wants to become the world leader in the 21st Century, but the years at the end of the century will belong to our India."<sup>71</sup> Furthermore, in the view of many Chinese strategists, India possesses an ambitious, belligerent, and expansionist strategic culture. Of course there are less extreme views of India, but few if any of China's strategic thinkers seem to hold warm or positive views of India for China's future. Moreover, Chinese analysts tend to hold realpolitik views of the world and view China's neighbors with wariness if not outright suspicion as the above articulation of China's own strategic culture indicates.

### **"Big Country Dreams."**

First of all, in Beijing's eyes New Delhi is extremely ambitious. India, Chinese analysts frequently insist, has "*daguomeng*."<sup>72</sup> Literally

this means “big country dreams” or in the lexicon of international relations “great power aspirations.” According to one article appearing in a prominent official weekly primarily for foreign consumption, India had taken advantage of the “power vacuum” in South Asia since the end of the Cold War, and New Delhi’s dream “which had been held in check for many years, began to manifest itself .”<sup>73</sup> China believes India wants to be the hegemon of South Asia and eventually a world power. Toward this end India aspires to become a permanent member of the United Nations (UN) Security Council, and to further develop its “comprehensive national power.” China is distinctly unenthusiastic about India raising its stature in the UN.<sup>74</sup>

For India, this entails a more technologically sophisticated military with even greater power projection capability. According to one writer, India’s army is “extremely strong,” its navy ranks 10th in the world, its air force ranks 12th, and its defense budget continues to grow.<sup>75</sup> Chinese analysts note that India is buying hundreds of tanks from Russia, preparing to jointly produce Sukhoi fighters, indigenously build submarines capable of launching missiles, and build ballistic missiles capable of reaching “most targets in China.”<sup>76</sup> India also is expanding its nuclear arsenal. According to one estimate, between 1986 and 2000 India was the world’s largest importer of weaponry, taking in an estimated US\$18 billion.<sup>77</sup> All of this leads a writer in the *Beijing Review* to ask: “Why is India expanding its military strength in such an urgent way?”<sup>78</sup>

In addition to significant military power, India also is an economic power with tremendous growth potential. Although publicly Chinese analyses tend to stress the weaknesses of India, notably the abject poverty and significant ethnic and religious cleavages, they also recognize India’s considerable strengths.<sup>79</sup> It possesses a large population, and a bright, well-educated, cosmopolitan elite. Moreover, its sizeable and growing high-technology sector is China’s envy.<sup>80</sup> The concluding sentence of the



entry on “Indian Military Thought” in the 1997 military encyclopedia compiled by the Chinese Academy of Military Sciences states: “At the turn of the century, at the same time that India strives to attain its goal of becoming a major economic power, it is working all-out on military modernization in order to achieve its goal of becoming a powerful country. . . .”<sup>81</sup> All this, of course, leads Chinese analysts to the inevitable conclusion that India is China’s natural rival on the Asian mainland.

Naturally, remarks such as those by India’s Defense Minister George Fernandes in early May 1998 that China is India’s “potential threat number one” got considerable attention in Beijing. The phrase was translated by at least one PL A analyst as simply “number one enemy” (*touhao diren*).<sup>82</sup> Another version omits the prefix “potential” and quotes Jawaharlal Nehru as saying “The conflict between India and China is fundamental whether or not it is expressed in war.”<sup>83</sup> Furthermore, the U.S.-India rapprochement that occurred in the 1990s had a military component that reinforced China’s suspicions about New Delhi’s intentions vis-à-vis Beijing.<sup>84</sup> The visits to India of President Clinton in 2000 and Chairman of Joint Chiefs of Staff General Hugh Shelton in 2001 merely heightened the concern.<sup>85</sup>

### **The Bully of South Asia.**

Second, in the minds of many Chinese strategists, India possesses an extremely belligerent strategic culture. According to one PLA analyst: “India has resorted to arms against neighboring countries more than 10 times” since 1947.<sup>86</sup> The Chinese observe that India has fought three wars with Pakistan in 1947, 1965, and 1971. This is not to mention the border war India fought with China in 1962 in which New Delhi is seen as the aggressor. Moreover, India has used strong arm tactics to intimidate its Lilliputian neighbors into following India’s desires.<sup>87</sup> Beijing perceives a record of “war adventures” by New Delhi:<sup>88</sup> intervention in the 1971 Pakistani civil war, which led to the creation of the independent state of

Bangladesh (formerly East Pakistan) ; and military intervention during the 1980s in the Maldivian Islands as well as the extended military presence in Sri Lanka (although at the invitation of the Colombo government).<sup>89</sup> Perhaps the most recent manifestations of this belligerency, in China's eyes, were the nuclear tests of May 1998 and accompanying "China threat" rhetoric of Indian officials.<sup>90</sup>

### **Expansionist India.**

Third, India's strategic culture is seen as expansionist—dating from Jawaharlal Nehru's desire to create a "Greater Indian empire" according to several analyses. Not only has a recent *Beijing Review* story noted this desire,<sup>91</sup> but the *Jiefangjun Bao* has similarly claimed that, "since independence, India has pursued a military expansionist line."<sup>92</sup> The term "hegemonism" has also been used by China to label India's efforts in South Asia. Widely used in the 1960s and 1970s, the word reappeared briefly in 1998 in the wake of the May nuclear tests.<sup>93</sup> For example, a commentary in the May 19, 1998, *Jiefangjun Bao* was titled: "The Ambition of Seeking Hegemony is Completely Exposed."<sup>94</sup>

China seems to have concluded that the Bharatiya Janata Party (BJP) government desires all of Kashmir and has made this a priority.<sup>95</sup> Some analysts believe the BJP dreams of absorbing Bangladesh and Pakistan into a "greater India."<sup>96</sup> In addition, India gobbled up the former Portuguese colony of Goa and annexed the independent kingdom of Sikkim in the mid-1970s. One analysis by two PLA Air Force colonels likened India's 1975 absorption of the Himalayan kingdom to Iraq's 1990 invasion of Kuwait.<sup>97</sup> Of course territorial disputes along the Sino-Indian border underscore New Delhi's expansionist ambitions in Beijing's eyes. According to one strategist, from the date of India's official recognition of the People's Republic of China (December 30, 1949), it "began to quietly nibble away at the Chinese territory along the Sino-Indian border."<sup>98</sup> During the 1980s and 1990s, according to the Chinese military

encyclopedia, Indian strategic thought became more ambitious and shifted from a continental focus toward the Indian Ocean.<sup>99</sup> China has also noted India's increasing strategic interest in Southeast Asia, especially in the South China Sea.<sup>100</sup>

But China's primary alarm concerns New Delhi's perceived designs on Tibet. A 1998 article quotes a Lieutenant General Singh, identified as a former deputy Chief of Staff of the Indian Army, as saying: "The Indian Army cannot fundamentally guarantee India's security unless it has the capacity to march into Tibet when required."<sup>101</sup> Many Chinese strategists seem to fear that India covets Tibet or at least covertly supports Tibetan splittists.<sup>102</sup> New Delhi, in Beijing's view, supported the Tibetan insurrectionists in 1959.<sup>103</sup> The official history of the 1962 Sino-Indian War published by the PLA's Academy of Military Sciences and another authoritative account both identify Indian designs on Tibet as the prime cause of the conflict.<sup>104</sup> Chinese suspicions are raised by the continuing presence of the Tibetan government-in-exile in Dharamsala. In addition to playing host to the Dalai Lama, an estimated 110,000 Tibetan exiles call India their home away from home. And the Indian army also maintains a military force of mountain troops that is composed almost exclusively of ethnic Tibetans.<sup>105</sup> What is the purpose of this military formation? Chinese analysts wonder.

Mao reportedly told a visiting Nepalese delegation in 1964: "In the opinion of the Indian government, Tibet is theirs."<sup>106</sup> At the very least, according to one Chinese strategist writing in the late 1990s, India's strategic objective is to "split Tibet from China" and create a buffer between the two powers.<sup>107</sup> China's extreme sensitivity regarding Tibet is suggested by the concern expressed over the possibility of an "Asian Kosovo" emerging (i.e., an ethnic separatist region receiving external military protection). Even prior to Kosovo, some Chinese analysts voiced concern that an outside power could impose a "no fly zone" over Tibet in the event of widespread ethnic unrest there.<sup>108</sup>

## ANALYSIS

Given the negative image of India held by many strategic thinkers in China, the warming in relations between Beijing and New Delhi that has occurred since May 1998 may strike the reader as remarkable. Indeed, the improvement in ties is quite surprising.<sup>109</sup> But beneath the diplomatic niceties and apparent desire for cordial interaction lurks the strong negative images Chinese hold of India (and vice versa).<sup>110</sup>

Perhaps the issue where the two strategic cultures collide head-on in China's view is Tibet. From China's perspective, the region is an inalienable part of the Chinese motherland. The deeply held Chinese belief in the importance of national unity comes to a head with the view of Chinese strategists that India covets Tibet, or at the very least seeks to turn the roof of the world into a buffer between the two Asian giants. In the rivalry or competition between China and India, John Garver concludes that Beijing has the stronger position, but, significantly, he notes that China is most vulnerable on the question of Tibet.<sup>111</sup>

Geography tends to be conducive to peace since the terrain is so inhospitable and the border regions so remote that it is very difficult for opposing forces to find each other, let alone engage. From China's perspective, "The mountains are high and India is far away." Yet, as Paul Bracken notes, the facts of geography have been altered considerably by "disruptive technologies" of weapons of mass destruction and their delivery systems, most notably ballistic missiles.<sup>112</sup> As a result, it is far easier for countries like China and India to wage war than it was in 1962. The ease with which such a war can be fought is only likely to increase over time.

## CONCLUSION

Perhaps the wariness with which many Chinese view India can be summed up in two poignant quotes. Decades ago, the Chinese writer and philosopher Hu Shi reportedly made the tongue-in-cheek observation that “India conquered and dominated China culturally for 20 centuries [via Buddhism] without ever having to send a single soldier across her border.”<sup>113</sup> More recently, Australian sinologist Gary Klintworth opined: “China perceives India to be an ambitious, overconfident yet militarily powerful neighbor with whom it may eventually have to have a day of reckoning.”<sup>114</sup>

To conclude, if one combines China’s strongly negative image of India’s strategic culture with China’s own “Cult of Defense,” there is good reason to be concerned about the future of relations between New Delhi and Beijing. While open conflict between Asia’s two largest states is not preordained and indeed it is in their mutual interest to avoid a military contest, the analysis here is a sobering reminder of the simmering tensions present in their relations.

## ENDNOTES

1. For discussion of strategic culture in general, see Alastair I. Johnston, “Thinking About Strategic Culture,” *International Security*, Vol. 19, No. 4, Spring 1995, pp. 32-64; Peter J. Katzenstein, ed., *The Culture of National Security*, New York: Columbia University Press, 1996; and Ken Booth and Russell Trood, eds., *Strategic Cultures in the Asia-Pacific Region*, Houndsmills, Basingstoke: Macmillan Press, 1999. For a recent critique of the approach, see Michael C. Desch, “Cultural Clash: Assessing the Importance of Ideas in Security Studies,” *International Security*, Vol. 23, Summer 1999, pp. 141-170. For discussion of the utility of strategic culture in security studies of China, see Robert S. Ross and Paul H.B. Godwin, “New Directions in Chinese Security Studies,” in David Shambaugh, ed., *American Studies of Contemporary China*, Armonk, NY: M. E. Sharpe, Inc., 1993, p. 144; and Samuel S. Kim, “China and the World in Theory and Practice,” in Samuel S. Kim, ed., *China and the World*, 3rd ed., Boulder: Westview Press, 1998, pp. 14-15.

2. On the impact of culture on China’s international relations, see the writings of John K. Fairbank and Mark Mancall; on China’s military and security affairs, see

Fairbank, "Introduction," in Frank A. Kierman, Jr., and John K. Fairbank, eds., *Chinese Ways in Warfare*, Cambridge: Harvard University Press, 1974.

3. Li Jijun, "Lun zhanlue wenhua" (On strategic culture), *Zhongguo junshi kexue* (China military science—hereafter *ZGJSKX*), No. 1, 1997, p. 8. See also Li Jijun, *Traditional Military Thinking and the Defense Strategy of China*, An Address to the United States War College [sic], Letort Paper No. 1, Carlisle Barracks, PA: Strategic Studies Institute, August 29, 1997. For the Chinese language version, see Li Jijun, "Zhongguo junshi sixiang chuantong yu fangyu zhanlue," *ZGJSKX*, No. 4, Winter 1997, pp. 62-64.

4. For example, see Ni Lexiong, *Zhanzheng yu wenhua chuantong: dulishide ling yizhong guancha* (War and cultural tradition: another perspective on history), Shanghai: Shanghai Shudian Chubanshe, March 2000.

5. Jack Snyder formulated the term strategic culture in an effort to understand the nuclear strategy of the Soviet Union. Jack Snyder, *The Soviet Strategic Culture: Implications for Limited Nuclear Operations*, Santa Monica: RAND Corporation, September 1977. The term of ten goes undefined. See, for example, two studies by Shu Guang Zhang: *Deterrence and Strategic Culture: Chinese-American Confrontations, 1949-1958*, Ithaca, NY: Cornell University Press, 1992; and *idem*, "China: Traditional and Revolutionary Heritage" in Booth and Trood, eds., *Strategic Cultures in the Asia-Pacific Region*, pp. 29-50. For broad definitions, see Ross and Godwin, "New Directions in Chinese Security Studies," p. 144. Rosita Dellios states: "Strategic culture pertains to a people's distinctive style of dealing with and thinking about the problems of national security." Rosita Dellios, "'How May the World Be at Peace?': Idealism as Realism in China's Strategic Culture," in Valerie M. Hudson, ed., *Culture and Foreign Policy*, Boulder: Lynne Rienner, 1997, p. 203. For a focused and rigorous definition, see Alastair Iain Johnston, *Cultural Realism: Strategic Culture and Grand Strategy in China History*, Princeton: Princeton University Press, 1995. These examples are taken from the China literature, although their uses of strategic culture are not unique to China studies.

6. Allen S. Whiting, *China Eyes Japan*, Berkeley and Los Angeles: University of California Press, 1989.

7. Andrew Scobell, *China's Use of Military Force: Beyond the Great Wall and the Long March*, New York: Cambridge University Press, forthcoming, 2003, chap. 2; Andrew Scobell, "The Chinese Cult of Defense," *Issues and Studies*, Vol. 37, No. 5, September/October 2001, pp. 100-127.

8. Chong-Pin Lin, *China's Nuclear Strategy: Evolution Within Tradition*,

Lexington, MA: D. C. Heath, 1988.

9. Fairbank, "Introduction," in Kierman and Fairbank, eds., *Chinese Way sin Warfare*, pp. 1-26. For a similar type of argument which stresses the influence of Daoism, see Rosita Dellios, "How May the World Be at Peace?"

10. Jonathan R. Adelman and Chih-yu Shih, *Symbolic War: The Chinese Use of Force, 1840-1980*, Taipei: Institute for International Relations, 1993; Howard L. Boorman and Scott A. Boorman, "Strategy and National Psychology in China," *The Annals of the Academy of Political and Social Sciences*, No. 370, March 1967, pp. 143-155. Edward S. Boylan, "The Chinese Cultural Style of Warfare," *Comparative Strategy*, Vol. 3, No. 4, 1982, pp. 341-366.

11. See, for example, Davis B. Bobrow, "Peking's Military Calculus," *World Politics*, Vol. 16, No. 2, 1964, pp. 287-301; Steve Chan, "Chinese Conflict Calculus and Behavior: Assessment from the Perspective of Conflict Management," *World Politics*, Vol. 30, No. 3, 1978, pp. 391-410; Allen S. Whiting, *The Chinese Calculus of Deterrence*, Ann Arbor: University of Michigan Press, 1975; Melvin Gurtov and Byung-Moo Hwang, *China Under Threat*, Baltimore: Johns Hopkins University Press, 1982.

12. Alastair Iain Johnston, *Cultural Realism: Grand Strategy in Ancient China*, Princeton: Princeton University Press, 1995; Alastair I. Johnson, "Cultural Realism and Grand Strategy in Maoist China," in Katzenstein, ed., *The Culture of National Security*. While the fullest articulation of the realpolitik approach by Iain Johnston discerns the presence of two strands of strategic culture (Confucian-Mencian and parabellum), he asserts that only the parabellum strand is operative. See also Thomas J. Christensen, "Chinese Realpolitik" *Foreign Affairs*, Vol. 75, No. 4, September/October 1997, pp. 37-53; Mark Burles and Abraham N. Shulsky, *Patterns in China's Use of Force: Evidence from History and Doctrinal Writings*, Santa Monica: RAND Corporation, 2000. See in particular the appendix in this RAND monograph.

13. Scobell, *China's Use of Military Force*, chap. 2.

14. This entire section on China's strategic culture draws heavily on a larger study of China's use of force funded by the Smith Richardson Foundation. See Scobell, "The Chinese Cult of Defense," and Scobell, *China's Use of Military Force*, chap. 2. The cult of defense is a refinement of the "Cult of the Offensive" concept. See Jack Snyder, "Civil-Military Relations and the Cult of the Offensive, 1914 and 1984," *International Security*, Vol. 9, No. 1, Summer 1984, pp. 108-146; and Stephen Van Evera, "The Cult of the Offensive and the Origins of the First World War,"

*International Security*, Vol. 9, No. 1, Summer 1984, pp. 58-107. Unlike the conception of Snyder and Van Evera, which has bureaucratic/organizational origins, the Chinese Cult of Defense is grounded in a psycho-cultural mindset. The concept of a "Cult of Defense" owes intellectual debts to the work of Stephen Van Evera, Jack Snyder, and Shu Guang Zhang. See Shu Guang Zhang, *Mao's Military Romanticism: China and the Korean War, 1950-1953*, Lawrence, KS: University Press of Kansas, 1995.

15. Scobell, *China's Use of Military Force*, chap. 2.

16. Lawrence Freedman cited in Carl H. Builder, *The Masks of War: American Military Styles in Strategy and Analysis*, Baltimore: Johns Hopkins University Press, 1989, p. 6.

17. The extent to which these ideas are prevalent throughout Chinese society, while important to ascertain, is not central to my analysis. Here I concentrate on China's civilian and military elites. Nevertheless, such beliefs seem widespread within China. "The self-perception of China as a pacific, non-threatening country that wishes nothing more than to live in peace with its neighbors is extremely common in China, both among the elite and ordinary people." John Garver quoted in Nayan Chanda, "Fear of the Dragon," *Far Eastern Economic Review*, April 13, 1995, p. 24.

18. The cluster of beliefs outlined below appears to be held by a significant number of leaders in China. The cult of defense articulated here is derived from writings published primarily in the 1980s and 1990s and from interviews conducted in 1998 and 2000.

19. "White Paper on China's National Defense," Beijing Xinhua Domestic Service, July 27, 1998, in Foreign Broadcast Information Service Daily Reports: China Daily Report (hereafter FBIS-CHI), July 29, 1998.

20. "Liu Huaqing On the Stand of the Military Towards Taiwan," *Ta Kung Pao* (Hong Kong), September 4, 1995, in FBIS-CHI, September, 7 1995.

21. Xing Shizhong, "China Threat Theory May Be Forgotten," *Qiushi* (Seeking Truth), No. 3, February 1996, in FBIS-CHI, February 1, 1996. See also Gao Jiquan, "China Holds High Banner of Peace," *Jiefangjun Bao* (Liberation Army Daily), June 27, 1996, in FBIS-CHI-96-133, July 12, 1996.

22. Li Jijun, "Lun zhanlue wenhua," p. 9.



23. *Ibid.*; Chen Zhou, "Zhongguo xiandai jubu zhanzheng lilun yu Mei guo youxian zhanzheng lilun zhi butong" (Differences between China's theory of modern local war and America's theory of limited war), *ZGJSKX*, No. 4, 1995, p. 46; Interviews with civilian and military researchers in Beijing and Shanghai, May-June 1998 (hereafter "Interviews, 1998").

24. The five principles, first outlined by Zhou Enlai in the 1950s, are mutual respect for sovereignty and territorial integrity, non-aggression, noninterference in internal affairs, equality and mutual benefit, and peaceful coexistence.

25. Wu Xinbo, "China: Security practice of a Modernizing and Ascending Power," in Muthiah Alagappa, ed., *Asian Security practice: Material and Ideational Influences*, Stanford: Stanford University Press, 1998, pp. 121-122.

26. Wang Zhongyan and Cui Haiming, "Deng Xiaoping de junshi sixiang chutan" (Preliminary exploration of Deng Xiaoping's military thought), in Pan Shiyong, chief editor, *Dangdai zhongguo junshi sixiang jingyao* (The Essence of Contemporary Chinese Military Thinking), Beijing: Jiefangjun Chubanshe, 1992, p. 121. See also Peng Dehuai, "Junshi jianshe gaikuang" (General situation of military construction), July 16, 1957, in *Peng Dehuai junshi wenxuan* (Collected Military Works of Peng Dehuai), Beijing: Zhongyang Wenxian Chubanshe, 1988, p. 588.

27. Deng Xiaoping, "Muqian de xingshi he renwu" (Present situation and tasks) (January 16, 1980), in *Deng Xiaoping wenxuan, 1975-1982* (Selected Works of Deng Xiaoping, 1975-1982), Beijing: Renmin Chubanshe, 1984, pp. 203-204.

28. Wang and Cui, "Deng Xiaoping de junshi," p. 121; interviews, 1998.

29. Another example offered is the way ethnic Chinese cooperated with the Manchu rulers of the Qing dynasty. The Chinese, for instance, according to one military scholar, did not object to shaving their heads and wearing queues! Interviews, 1998.

30. See the succinct discussion in Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security*, New York: W. W. Norton, 1997, p. 5.

31. "Liu Huaqing Refutes Argument," p. 31. See also Xing Shizhong, "China Threat Theory May be Forgotten."

32. Deng Xiaoping, "Muqian de xingshi he renwu," pp. 203-204.

33. The importance of these concepts was stressed by Chinese researchers during interviews I conducted in May and June 1998.
34. Li Jijun, "Lun junshi zhanlue siwei" (On military strategic thinking), *ZGJSKX*, No. 2, 1996, p. 78.
35. Gao Jiquan, "China Holds High Banner of Peace."
36. Li Jijun, "Lun zhanlue wenhua," p. 10; interviews, 1998.
37. Li Jijun, "Lun junshi zhanlue siwei," p. 78; Li Jijun, "Zhongguo junshi sixiang chuantong," p. 62; interviews, 1998.
38. Li Jijun, "Zhongguo junshi sixiang chuantong," p. 63.
39. Li Jijun, "Lun zhanlue wenhua," p. 9. See also Li Jijun, "Zhongguo junshi sixiang chuantong," p. 63.
40. Li Jijun, "Lun zhanlue wenhua," p. 9; interviews, 1998.
41. Yao Youzhi, "Gudai Zhong-Xi junshi chuantong zhi bijiao" (A comparison of Chinese and Western ancient military traditions), *ZGJSKX*, No. 3, 1995, pp. 93-94.
42. Author's interviews with civilian and military researchers in Beijing and Shanghai, September 2000 (hereafter "Interviews 2000").
43. "Liu Huaqing on Stand of Military Towards Taiwan."
44. Li Jijun, "Lun zhanlue wenhua," p. 10; Chen Zhou, "Zhongguo xiandai jubu zhanzheng," p. 45; Xing Shizhong, "China Threat Theory May Be Forgotten;" Gao Jiquan, "China Holds High Banner of Peace"; Xiong Guangkai, "Zhongguo de guofang zhengce" (China's national defense policy), *Guojizhanlue yanjiu* (International Strategic Studies), No. 55, January 2000, p. 4; interviews 1998.
45. "Huijian Yidali jizhe . . . de tanhua jiyao" (17 August 1980) (Summary of a talk in an interview with Italian journalist...) in *Xu Xiangqian Junshi Wenxuan* (Selected Military Works of Xu Xiangqian), Beijing: Jiefangjun Chubanshe, 1993, p. 305.
46. Zhang Jing and Yao Yanjin, *Jiji fangyu zhanlue qianshuo* (Introduction to Active Defense Strategy), Beijing: Jiefangjun Chubanshe, 1985, p. 137.

47. See, for example, Junshi Kexueyuan Junshi Lishi Yanjiubu, ed., *Zhongguo Renmin Jiefangjun de qishinian* (Seventy years of the Chinese People's Liberation Army), Beijing: Junshi Kexue Chubanshe, 1997, pp. 541-547, 580-582. Moreover, China's intervention in Korea in October 1950 was also a counterattack since in Beijing's view the United States had made the first aggressive moves against China on the Korean Peninsula and in the Taiwan Strait. Song Shilun, *Mao Zedong junshi sixiang de xingcheng jiqi fazhan* (Formation and Development of Mao Zedong's Military Thought), Beijing: Junshi Kexue Chubanshe, 1984, p. 222.

48. For a discussion of just war in the Confucian tradition, see Huang Pumin, "Rujia junshi sixiang yu Zhongguo gudai junshi wenhua chuantong" (Confucian military thinking and the military cultural tradition of ancient China), *ZGJSKX*, No. 4, Winter 1997, pp. 73-74.

49. Wang Zhiping and Li Dezhou, "Zhong-Xi gudai junshililun de zhexue jichu" (Philosophical foundation of Chinese and Western military theories in ancient times), *ZGJSKX*, No. 4, 1995, pp. 30-31, 34-35; Yao Youzhi, "Gudai Zhong-Xi junshi chuantong," pp. 95-96.

50. Johnston, "Cultural Realism and Strategy," pp. 231-232. The theme of just or righteous war was a significant one in many popular histories and novels that Mao—and other leaders—read. See *Ibid.*, p. 247.

51. A first strike is only just if China can claim that the attack was launched to preempt an attack being prepared by an opponent.

52. Ted K. Gong, *China: Tradition, Nationalism and Just War*, Strategic Research Project, Carlisle Barracks, PA: U.S. Army War College, January 17, 1999, p. 23.

53. *Zhongguo Renmin Jiefangjun junguan shouce (lujun fence)* (Chinese People's Liberation Army officer handbook [landpower edition]), Qingdao: Qingdao Chubanshe, 1991, p. 221.

54. See Bruce Cummings, *Parallax Visions: Making Sense of American-East Asian Relations at the End of the Century*, Durham: Duke University Press, 1999, p. 166.

55. Li Jijun, "International Military Strategy and China's Security at the Turn of the Century," *Zhongguo Pinglun* (Hong Kong), August 5, 1998, in FBIS-CHI, August 13, 1998.

56. Fan Yihua, "Shi lun Zhongguo xiandai sixiang wenhua de xing chao jizhanlue qu" (On the form and strategic trend of modern thought culture in China), *ZGJSKX*, No. 1, 1997, p. 26.

57. See, for example, Li Zhisui, *The Private Life of Chairman Mao*, New York: Random House, 1994; Liz Sly, "A State of Paranoia," *Bulletin of the Atomic Scientists*, September/October 1999, pp. 38-43; Michael Pillsbury, *China Debates the Future Security Environment*, Washington, DC: National Defense University Press, 2000.

58. On the corruption campaign, see John Schauble, "China's Communists Fear the Enemy from Within," *Sydney Morning Herald*, September 27, 2000, p. 8. See also more generally, Sly, "A State of Paranoia."

59. For a recent use of this slogan, see Gao Jiquan, "China Holds High Banner of Peace," *Jiefangjun Bao*, June 27, 1996, in FBIS-CHI, July 12, 1996.

60. *Zhongguo Renmin Jiefangjun junguan shouce (lujun fence)*, p. 199.

61. The 1969 clash with the Soviet Union and the 1979 Vietnam conflict are similarly labeled. *Zhongguo Renmin Jiefangjun junguan shouce (lujun fence)*, pp. 514-515.

62. Iain Johnston contends that the term "defense" is employed for propaganda purposes so that every military action can be labeled as defensive and hence more justified than anything called "offensive." See Johnston, "Cultural Realism and Strategy," pp. 249-50, especially footnote 63.

63. Chen Zhou, "Zhongguo xiandai jubu zhanzheng," p. 46. See also MiZhenyu, "Zhongguo jijifangyu zhanlue fangzhen" (China's strategic plan of active defense), in Shi Boke, ed., *Zhongguo Daqushi* (Megatrends China), Beijing: Hualing Chubanshe, 1996, p. 53.

64. Senior Colonel Wang Naiming, "Adhere to Active Defense and Modern People's War," in Michael Pillsbury, ed., *Chinese Views of Future Warfare*, Washington, DC: National Defense University Press, 1997, p. 37.

65. Johnston, *Cultural Realism*, p. 102ff. 66. Jianxiang Bi, "The PRC's Active Defense Strategy: New Wars, Old Concepts," *Issues and Studies*, Vol. 31, No. 11, November 1995, p. 94 (emphasis added).

67. Chen Zhou, "Zhongguo xiandai jubu zhanzheng," p. 46. See also Nan Li,

"The PLA's Evolving Warfighting Doctrine, Strategy, and Tactics, 1985-95: A Chinese Perspective," *The China Quarterly*, No. 146, June 1996, pp. 443-463.

68. See, for example, "Yindu wenhua te zheng" (Characteristics of Indian civilization), in *Ji Xianlin Lun Yindu wenhua* (Ji Xianlin on Indian culture), Beijing: Zhongguo Huaqiao Chubanshe, October 1994, pp. 274-281.

69. John W. Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century*, Seattle: University of Washington Press, 2001, p. 381.

70. See Shao Zhiyong and Xu Xiangjun, "Interview with Professor Hu Siyuan of NDU," *Guangming Ribao*, November 15, 2000, in FBIS-CHI, November 20, 2000; Wu Hua, She Weili, Zheng Hong, *Nanya zhi shi: Yindu* (India: the lion of South Asia), Beijing: Shishi Chubanshe, 1997.

71. Chen Tiejuan, "People Are Concerned over India's 'Dream of Becoming a Great Power'," *Zhongguo Qingnian Bao* (internet version), May 8, 2001, in FBIS-CHI, May 8, 2001.

72. Wu Hua, *et al.*, *Nanya zhi shi: Yindu*, chap. 9.

73. See Shao Zhiyong, "India's Big Power Dream," *Beijing Review*, April 12, 2001, p. 10.

74. On Chinese views of India's aspirations to joining the UN Security Council as a permanent member, see Garver, *Protracted Contest*, pp. 134-137; and "Zhang Qiyue Talks About Sino-Indian Relations," *Zhongguo Xinwenshe*, May 30, 2000, in FBIS-CHI, May 30, 2000. On what Chinese analysts mean by comprehensive national power, see Pillsbury, *China Debates the Future Security Environment*.

75. Chen Tiejuan, "People Are Concerned over India's 'Dream of Becoming a Great Power'".

76. Wu Junshao, "Where are India's Missiles Menacingly Targeted At [sic]?" *Zhongguo Qingnian Bao*, June 8, 2001, in FBIS-CHI, June 13, 2001. See also Wu Hua *et al.*, *Nanya zhi shi: Yi ndu*.

77. Shao Zhiyong and Xu Xiangjun "Interview with Professor Hu Siyuan."

78. Shao Zhiyong, "India's Big Power Dream," p. 9.

79. For one analysis that stresses India's weaknesses, see Shao Zhiyong,

"India's Big Power Dream." For one that stresses India's strengths, see Wu Hua *et al.*, *Nanya zhi shi: Yindu*.

80. Wu Hua *et al.*, *Nanya zhi shi: Yindu*, pp. 303-306; Saritha Rai, "Chinese Race to Supplant India in Software," *New York Times*, January 5, 2001.

81. "Junshi sixiang" (Military thought), *Zhongguo junshi baike quanshu* (Chinese military encyclopedia), Vol. 1, Beijing: Junshi Kexue Chubanshe, July 1997, p. 324.

82. Wu Fuzuo, *Zhanzheng li women you duo yuan?* (How far is war from us?), Beijing: Guofang Daxue Chubanshe, 1999, pp. 54-55.

83. Yang Xiaojie, "India's Armed Forces and China's Security," *Guangzhou Jinri Junshi* (internet version), June 1, 1998, in FBIS-CHI, June 6, 1998.

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85. "United States Intends to Befriend India to Contain China Militarily," *Guangzhou Ribao*, (internet version), May 27, 2001, in FBIS-CHI, May 30, 2001.

86. Wu Fuzuo, *Zhanzheng li women you duo yuan?* p. 48.

87. *Zhongguo junshibaik quanshu*, p. 324.

88. Dr. Liu Xuecheng, "If India, Pakistan Went to War, Which Side Would Emerge Victorious?" *Zhongguo Pinglun*, July 5, 1999, in FBIS-CHI, August 14, 1999.

89. Yang Xiaojie, "India's Armed Forces and China's Security"; Wu Hua *et al.*, *Nanya zhi shi: Yindu*.

90. John W. Garver, "The Restoration of Sino-Indian Comity Following India's Nuclear Tests," *The China Quarterly*, No. 168, December 2001, pp. 866-870.

91. Shao Zhiyong, "India's Big Power Dream."

92. *Zhongguo Xinwenshe*, May 19, 1998, in FBIS-CHI, May 20, 1998, citing *Jiefangjun Bao*, May 19, 1998.

93. Garver, "The Restoration of Sino-Indian Comity," pp. 873-874.

94. Cited in Zhongguo Xinwenshe, May 19, 1998, in FBIS-CHI, May 20, 1998.
95. Dr. Liu Xuecheng, "If India, Pakistan Go to War, Which Side Would Emerge Victorious?"
96. Zhang Wenmu, "Issue of South Asia in Major Power Politics," *Ta Kung Pao*, September 23, 1998, in FBIS-CHI, October 20, 1998.
97. Qiao Liang and Wang Xiangsui, *Chao xian zhan* (Unrestricted warfare), Beijing: Jiefangjun Wenyi Chubanshe, 1999, p. 140.
98. Zhang Wenmu, "Issue of South Asia in Major Power Politics."
99. *Zhongguo junshibaikē quanshu*, p. 323. See also Wu Hua, *et al.*, *Nanya zhi shi: Yindu*, chap. 7.
100. Ma Jiali, "India's Strategic Position and Prospects for China-India Relations," *Zhongguo Pinglun*, January 5, 2001, in FBIS-CHI, January 3, 2001; Shao Zhiyong and Xu Xiangjun "Interview with Professor Hu Siyuan."
101. Yang Xiaojie, "India's Armed Forces and China's Security."
102. Ma Jiali, "India's Strategic Position and Prospects for China-India Relations." On the Tibet factor in bilateral relations, see Garver, *Protracted Contest*, chap. 2.
103. Wu Hua, *et al.*, *Nanya zhi shi: Yindu*, p. 108; Zhang Wenmu, "Issue of South Asia in Major Power Politics."
104. *Zhong-Yin bianjing saiwai fang zuozhan shi* (History of China's self-defensive counter-attack with India), Beijing: Junshi Kexueyuan Chubanshe, 1994, pp. 37-41; Xu Yan, *Zhong-Yin bianjie zhi zhan lishi zhenxiang* (The true history of the Sino-Indian border war), Hong Kong: Cosmos Books, 1993, pp. 27-28.
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106. Garver, *Protracted Contest*, p. 59.
107. Zhang Wenmu, "Issue of South Asia in Major Power Politics."

108. On the possibility of Tibet becoming an "Asian Kosovo," see Ai Yu, "Kosovo Crisis and Stability in China's Tibet and Xinjiang," *Ta Kung Pao* (Hong Kong), June 2, 1999, in FBIS-CHI, June 25, 1999. On the subject of a "no fly zone," see Zhang Wenmu, "21 shijiz hongguo guoji zhengzhi jiandian" (Central issues of international politics for China in the 21st century), in Shi Boke, ed., *Zhongguo daqushi*, p. 32.

109. Garver, "The Restoration of Sino-Indian Comity." See also Mark W. Frazier, "China-India Relations Since Pokhran II: Assessing Sources of Conflict and Cooperation," *AccessAsia Review*, Vol. 3, No. 2, July 2000, pp. 5-36.

110. This is one of the enduring themes of Garver, *Protracted Contest*.

111. John W. Garver, "The *Gestalt* of the Sino-Indian Relationship," in Carolyn Pumphrey, ed., *The Rise of China in Asia: Security Implications*, Carlisle Barracks, PA: Strategic Studies Institute, U.S. Army War College, January 2002, pp. 363-285.

112. Paul Bracken, *Fire in the East: The Rise of Asian Military Power and the Second Nuclear Age*, New York: HarperCollins, 1999.

113. Hu Shi's quote taken from <http://www.quotesandsaying.com>, accessed on September 10, 2001.

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**Part VI.**

**ALLIANCE POLITICS IN ASIA**

## CHAPTER 14

### INDIA'S ALLIANCES 2020

Sumit Ganguly

#### INTRODUCTION

India's foreign and security policies are in flux, their familiar moorings having been cast aside at Cold War's end.<sup>1</sup> For a significant portion of the Cold War the architects of India's foreign policy professed a belief in nonalignment, Third World solidarity, state-led economic growth, and secularism.<sup>2</sup> In practice, however, these professed commitments were only partially realized. The structural constraints of the international system, the exigencies of domestic politics, and the idiosyncratic roles of particular individuals made the pursuit, as well as the achievement, of these goals fitful at best. In terms of manifest behavior, most Indian foreign policy decision-makers sought authoritative global regimes, especially in such sensitive areas as trade, foreign multilateral assistance, and the use of the global commons.<sup>3</sup> In the realm of security policy, India pursued an ideational strategy for almost two decades. When this policy culminated in a significant military debacle at the hands of its principal adversary, China, however, India initially resorted to self-help and then sought American assistance, but without any strings attached. Subsequently, it forged a security alignment with the Soviet Union.<sup>4</sup> This security relationship provided India with important dividends. Among other matters the Soviets proved to be a reliable supplier of high-technology weaponry at highly concessional rates. They also acted as a counterweight to the People's Republic of China, a state with which India had an on-going border dispute. Finally, they also guaranteed India a veto on the United Nations Security Council on any adverse discussion of the Kashmir question.

The end of the Cold War shattered the many comforting elements that had constituted India's grand strategy. With the Soviet collapse, India's foreign-policy decisionmakers have had to reassess the precepts on which the country's policies had been based and recalculate their nation's goals, options, and strategies. The relationship with Russia, the principal successor state to the Soviet Union, was quickly transformed into little more than a weapons-supplier nexus. Indian foreign policy decisionmakers were also quick to realize that, unlike the Soviet Union during the Cold War years, an enfeebled and debilitated Russia in the post-Cold War era could not serve India's foreign and security policy interests. Most importantly, the Russians, unlike the Soviets, could not be relied upon to tie down China.<sup>5</sup> Nor could they be counted on to use their veto in the United Nations Security Council to protect India from censure on the sensitive Kashmir issue. Finally, the adoption of a rough-and-tumble free-market economy in Russia also meant that the lucrative trade and barter relationship that had thrived for many years was now at an end.

The Soviet collapse thus necessitated a fundamental shift in Indian grand strategy. All the central components of this strategy came under increasing attack from both external and internal sources. Nonalignment, as one astute Indian prime minister, I. K. Gujral, accurately stated, had ceased to have much meaning.<sup>6</sup> Notions of Third World solidarity also withered along with the death of the ideological consensus that underlay it. At a domestic level, the Indian preference for a state-dominated economy also took a major battering: the Soviet failure had destroyed any idea that state-led economic growth could be a viable strategy for promoting economic development.<sup>7</sup> The rise of chiliastic religious movements across the globe, and in India's immediate neighborhood, also found some resonance within the country as disenchantment with Indian secularism grew apace.<sup>8</sup>

Mostly freed from the straitjacket of these nostrums, governments of varying ideological persuasions started to craft a new set of Indian foreign and security policy alignments. Though much of the hoary rhetoric of the Cold War years continued to characterize Indian pronouncements, the Nehruvian idealism that had undergirded Indian foreign policy became an artifact of the past.<sup>9</sup> Indian foreign policy slowly, but most assuredly, embraced realist precepts. This became evident from India's pursuit of a limited but significant nuclear weapons program,<sup>10</sup> its increasing willingness to use substantial force along (and within) its borders,<sup>11</sup> and its commitment to devote substantial resources to national security.

## **HAZARDOUS PREDICTIONS**

What will India's alliances look like in 2020? The predictive power of social science leaves much to be desired, so any attempts to generate robust propositions about India's likely alignments two decades from now are necessarily fraught with significant pitfalls. Nevertheless, it may be possible to make some informed conjectures. These conjectures, if they are to have any validity, must be based upon inferences drawn from past behavior, the existence of domestic ideational forces, and the structural constraints and opportunities that exist at regional and international levels.

### **Resorting to Self-Help.**

Despite the dramatic shifts in the configuration of global power since 1989 and India's fitful attempts to adjust to these new realities, one constant seems to undergird Indian foreign policy pronouncements and practices: the quest for decisionmaking autonomy in the sphere of foreign affairs. Often expressed in neuralgic terms during the Cold War, this desire for strategic autonomy is deeply embedded in nationalist assessments of India's colonial heritage.<sup>12</sup> Two generations of colonial and post-colonial nationalists in India have

construed India's history in a particular light. Both liberal and conservative analysts (in the pristine sense of both terms) have forcefully argued that India was repeatedly subjected to external domination. Liberals argue that such domination was possible because of India's internal disunity. More conservative commentators contend that such domestic disarray, combined with a lack of military preparedness, led to foreign domination.<sup>13</sup> As a consequence, both camps have insisted on preserving India's ability to chart an independent course in world affairs, free from external influences and pressures.

For much of the post-independence era the liberal camp was ascendent. Accordingly, in the realm of economic policymaking it adopted a singularly autarkic set of economic policies and cut India off from the global economy.<sup>14</sup> In the arena of foreign policy the fear of external pressures coupled with a recognition of India's material weaknesses led to the pursuit of nonalignment. And in the realm of defense policy, these imperatives manifested themselves in the often-quirkotic efforts to promote "self-reliance" in the development and production of military hardware.<sup>15</sup>

This drive to maintain autonomy will persist in Indian decisionmaking circles, despite the emergence of an increasingly "globalized" world where a variety of social, economic, and political forces are increasingly buffeting state authority. The attempt to preserve some freedom of maneuver in the conduct of foreign policy will necessarily militate against alignment with a major power. The latter-day adherents of some variant of nonalignment will express unease about any inordinate reliance on a powerful external actor to guarantee India's security.

Yet the power and influence of liberal policymakers could well wane with generational change. At least two post-colonial generations have sought to tutor and socialize an emergent generation of policymakers about the wisdom of this quest for

autonomy, but it is by no means clear that the emergent generation in India shares these received beliefs. They may well develop a markedly different “operational code” as they confront the future.<sup>16</sup>

### **Alliances.**

International forces may also reinforce these tendencies away from self-reliance. Russia has already made clear that it will not assist India as the Soviet Union did in the past. Consequently, India will need to court other major powers to ensure that its security interests are adequately safeguarded.

However, the contours of the regional and global environments that India is likely to face in the year 2020 remain uncertain. What will be the principal sources of threat to India’s security? Which other powers will be the likely partners to help India cope with those threats? While much has changed in the global and regional international environments over the last decade and even the last several months, not everything has changed. In all likelihood India’s principal threats will stem from the same sources as those of the Cold War period though in markedly different forms.

*An Indo-Russian Alliance?* The primary threat to India’s security will still emanate from the People’s Republic of China. Such a prediction is hardly unreasonable if one assumes that China will not implode as a consequence of the variety of social and economic pressures it faces nor will its internal political arrangements be fundamentally transformed in a democratic direction.<sup>17</sup> Consequently, India will seek the assistance of other major powers with global reach to counter the threat posed by Chinese power.

One possible alliance partner could be Russia. Apart from the Chinese threat, India could have other seemingly compelling reasons for aligning with Russia. India might align with Russia to oppose a number of U.S. initiatives and positions about which the two sides

have important reservations. After all, both India and Russia have drawn censure from the United States on charges of human rights violations in the conduct of their military operations in Kashmir and Chechnya, respectively, both remain somewhat at odds with U.S. attempts to quarantine Iraq, and both share misgivings about the recent U.S. propensity to intervene unilaterally in regional conflicts. Additionally, there has been significant Indo-Russian military cooperation, despite the end of the Cold War. Of course, in large part this cooperation amounts to making a virtue out of necessity: the cash-strapped Russians need hard currency for their military hardware, and India, despite its long quest for "self-reliance," remains acutely dependent on external suppliers for a plethora of weapons systems.<sup>18</sup>

Despite this apparent convergence of interests, it is unlikely that the two states can forge an effective alliance to balance American power. The post-Cold War Indo-Russian relationship lacks political and strategic symbiosis. Russia no longer needs India as a possible counterweight to China. India cannot count on Russian support on the vital Kashmir issue.

Moreover, and perhaps most important, a marked shift has taken place in the past several years in Indo-American relations. The most dramatic demonstration thereof came in May 2001, when New Delhi provided a cautious and carefully worded endorsement of the George W. Bush administration's plans for deploying a national missile defense (NMD) system, even though Russia had expressed grave reservations about its strategic implications.<sup>19</sup> In years past New Delhi, far from endorsing the decision, would have unequivocally condemned it. Additionally, even with India's fitful embrace of the market since 1991 and the emergence of a form of rough-and-tumble capitalism in Russia, the economic complementarities that had characterized the halcyon days of the Indo-Soviet relationship will not return. The Russians will no longer accept barter trade and have little or no interest in Indian consumer

durables. Nor do they possess the ability to provide India with long-term, highly concessional credits for purchasing petroleum products and weaponry.<sup>20</sup> The lack of convergence on vital issues of security and strategy and the declining complementarities of the two economies ensure that a realignment of Indo-Russian relations along the lines of the erstwhile Indo-Soviet relationship is most unlikely.

*A Sino-Indian-Russian Alliance?* Could a Sino-Indian-Russian alliance form against the United States?<sup>21</sup> In 1998, Russian Prime Minister Yevgeny Primakov suggested that the three countries might well form such a partnership. These three states appear to have a number of common grievances against the United States. All of them seem to resent overweening U.S. military power (and Washington's willingness to use it); the American propensity to compromise the sovereignty of weaker states, as evidenced in Iraq and the Balkans; America's selective application of human rights standards; and U.S. dominance of the emergent rules of the global trading order. Surely a broad convergence on such a range of issues could form the basis of an alliance designed to balance American power and prerogatives.

Despite the seeming symmetry of views on these subjects, other differences will preclude the formation of such an alliance. India, despite its closeness to the Soviet Union during a significant portion of the Cold War, consistently rebuffed the Soviet suggestion that a system of "collective security" be forged in Asia. The Indians correctly surmised that any such system would be directed against China and the United States. Despite differences with both states, Indian decisionmakers felt that participation in a Soviet-led "collective security" system would further exacerbate strained relations with both China and the United States. Today, when relations with the United States are steadily improving despite differences on the nonproliferation front, India cannot afford to forge an anti-American coalition with China and Russia. More to the point, despite the apparent commonalities at the global level, India has profound differences with China. Briefly stated, they include the long-standing



border dispute, China's propensity to encourage India's smaller neighbors to adopt foreign policy positions inimical or at least at odds with India's interests, and its support for Pakistan's nuclear and ballistic missile programs.

China, in turn, may loudly proclaim its hostility to "American hegemony" in Asia and elsewhere but would not seek an alliance with two neighbors of varying strengths and disparate interests. Furthermore, despite their publicly professed sentiments about Third World solidarity, China's decisionmakers are unwilling to accord India the status of a great power.<sup>22</sup> Any alliance with India directed against the United States would, in the Chinese world-view, enhance India's status.

*An Indo-American Alliance?* India-U.S. relations, on the other hand, may change dramatically in the years and decades ahead. Such improvements, of course, would have to be predicated on a decline of India's historical avoidance of close alliances. This intransigence has already begun to disappear in the wake of the September 11 terrorist attacks on the United States, and in the years to come growing economic complementarities and strategic necessities may well drive India closer to the United States.

In the aftermath of the September 11 attacks the United States dramatically altered its policy toward Pakistan. Prior to these attacks Pakistan had all but been consigned to the status of a rogue state. The exigencies of prosecuting a war against Osama bin Laden's al Qaeda and their hosts, the Taliban regime in Afghanistan, led American policymakers to reestablish a more cordial and robust diplomatic and strategic relationship with Pakistan. U.S. policymakers, however, appeared cognizant that forging these new bonds with Pakistan could easily rent asunder their recent and tenuous efforts to build firmer ties to India.

Toward this end the Bush administration appeared at pains to

emphasize the common interest of India and Pakistan to combat terrorism. Accordingly, when on December 26 Secretary of State Colin Powell placed the Lashkar-e-Taiba and the Jaish-e-Mohammed on the list of foreign terrorist organizations, he was at pains to emphasize that these two entities were threatening the peace between India and Pakistan. Such a formulation, of course, stemmed from the exigencies of maintaining a working relationship with Pakistan. Even as Powell carefully sought to distance America's ally of convenience from these two noxious groups, reliable reports in the American media showed that they were still operating with impunity from within Pakistan.<sup>23</sup> In large measure, the future of the American strategic relationship will be shaped by the U.S. ability to address Pakistan's obsession with Kashmir while simultaneously tackling India's misgivings about Pakistan's ties to the most vicious insurgents operating within Indian-controlled Kashmir.

The economic complementarities between India and the U.S. are obvious. India's ability to promote economic development depends critically on its ability to attract foreign direct investment, not only in consumer durables and manufacturing but also in critical infrastructural sectors such as energy, transportation, and telecommunications. American firms can play a vital role in all three sectors, the still-unfolding energy-development debacle involving Houston-based Enron notwithstanding.<sup>24</sup> Even at its present rate of economic growth, which is hovering around 6 percent per annum, India's energy needs are burgeoning. If the paucity of energy is not to remain a bottleneck for growth, India will have to seek investment in a range of new energy-efficient technologies, reform existing distribution mechanisms, and develop new sources of power.<sup>25</sup>

The United States is already the principal source of foreign investment in India. Additionally, a number of prominent American manufacturing and service companies, ranging from General Electric to American Express, have a significant presence in India. Between April 1991 and May 2000, India approved a total sum of \$60.3 billion

in foreign direct investment, out of which \$22 billion was of American origin.<sup>26</sup> Despite this seemingly positive outlook, from the American standpoint, the India-U.S. economic relationship has yet to realize much of its potential. American investment in India as a percentage of global U.S. investment remains miniscule.

Of course, if India can continue on the path to economic liberalization that it undertook in 1991, its potential can be realized in large measure. Such a prospect is hardly chimerical, but it will entail the reinvigoration of India's mostly stalled economic reform program with a focus on labor laws, regulatory practices, and investment in the social sectors.<sup>27</sup> Here, India must capitalize on its comparative advantages. Unlike China, India has three distinct advantages that can be effectively tapped if the present and future regimes can formulate and implement a more coherent economic policy environment. First, despite the legacies of the Nehruvian variant of Fabian socialism, popularly referred to as the "license, permit, quota raj," capitalist enterprise is hardly alien to India. Second, India does not lack in managerial and entrepreneurial talent. And finally, despite its glacial pace and corruption at lower levels, India does have a working judiciary; the rule of law in India, while imperfect, is a far cry from what prevails in China.<sup>28</sup>

The other area in which U.S. and Indian interests converge relates to the future role of China in Asia.<sup>29</sup> Contrary to a popular belief held in certain American academic and policymaking circles, China, not Pakistan, remains the principal *bête noire* of Indian security. India's stated anxieties about China do not constitute mere boilerplate; any dispassionate assessment of the evidence inexorably leads to the conclusion that India harbors legitimate security concerns from a resurgent China. To begin with, the memories of the 1962 border war still haunt the psyche of Indian elites, nor has the blatant Chinese support for the Naga and Mizo insurgents throughout the 1970s and early 1980s been forgotten. More recently, India's leaders remain understandably concerned about China's

willingness to provide nuclear weapons and ballistic missile technologies to Pakistan.<sup>30</sup> Finally, they also remain unsettled not simply by China's refusal to settle the Himalayan border dispute but by China's expanding claims in the eastern sector of the disputed border.<sup>31</sup>

For a stretch of the Cold War both the United States and India saw China as a potential adversary. Their views diverged significantly after the U.S. decision to normalize relations with China in the 1970s, when Washington made common cause with China to contain the Soviet Union. India, fearing a continued Chinese threat, aligned with the Soviets. The two sides found themselves particularly at odds during the Afghan war years, when both the United States and China, to varying degrees, assisted the Afghan *mujahideen* while India resorted to considerable semantic contortions to avoid a public condemnation of the Soviet invasion and occupation of Afghanistan.<sup>32</sup>

U.S. relations with China, despite differences on a number of political and strategic issues including nonproliferation, global environmental change, trade, and human rights, remain mostly robust.<sup>33</sup> On the other hand, despite two carefully calibrated agreements between India and China to maintain "peace and tranquility" along their disputed border, the Sino-Indian relationship remains fundamentally adversarial. The divergence in India's and the United States' respective relationships with China, however, may change in the future.

Perceived strategic vulnerabilities and opportunities may also drive India and the United States closer despite the ideological baggage of the past. A debate is currently raging within the United States about how best to deal with a rising China. One school of thought suggests that conflict between China and the United States is all but inevitable.<sup>34</sup> Another group suggests that planning for conflict with China may create a security dilemma for China and

result in a self-fulfilling prophecy. This second group suggests that to avoid a clash with China it is necessary to enmesh it in a thick web of multilateral agreements, treaties, and normative frameworks.<sup>35</sup> The current administration in Washington appears to have adherents of both camps in its midst.

Those policymakers who fear a revanchist China would like to use India as a possible counterweight in Asia, even though they are extremely careful in stating as much for fear of arousing Indian anxieties.<sup>36</sup> Apart from this concern about keeping watch on expanding Chinese power and the surrounding uncertainty about China's long-term strategic goals, India and the United States share other strategic and material interests, including combating terrorism, reducing piracy on the high seas, and ensuring access to the sealanes to and from the vital oil resources of the Persian Gulf . Simultaneously, although India could benefit from U.S. assistance and cooperation in these areas, it could offer the U.S. military invaluable assistance derived from its extensive experience in global peacekeeping operations, jungle counterinsurgency, and high-altitude warfare.<sup>37</sup> Cognizant of these possible areas of cooperation, the Bush administration has taken some steps to court India and has chosen to overlook the vexed issue of India's pursuit of its nuclear and ballistic missile programs. This shift stands in marked contrast to the Clinton administration, for which the nonproliferation issue was virtually an *idée fixe*.<sup>38</sup>

Yet the United States must proceed with a degree of circumspection in its attempts to court India. Few, if any, Indian decisionmakers would wish to serve as a strategic surrogate for the United States in Asia and participate in an overt attempt to contain Chinese power. The atavistic desire for autonomy at all costs will ensure that such an alignment does not materialize. These misgivings should not preclude the United States from playing the role of a reliable, "off shore balancer," keeping Chinese threats at bay. Such a posture would be in keeping with the U.S. role as a

powerful hegemon determined to prevent a new rival from dominating a significant portion of the Asian landmass.<sup>39</sup>

This posture may well be acceptable to Indian elites. It is also consistent with the emerging military-to-military cooperation between India and the United States.<sup>40</sup> Among other matters, in July 2001, Chairman of the Joint Chiefs of Staff General Henry H. Shelton visited India to discuss the scope of increased military cooperation with India. He was the highest-ranking American defense official to visit India since the Pokhran nuclear tests of May 1998. During his visit, Shelton informed his Indian counterparts that the Bush administration was about to reinstate the Defense Policy Group (DPG), a forum for regular, senior military-to-military discussions that had been suspended after May 1998.

The events of September 11 and its aftermath held the potential for unraveling the incipient military relationship with India. However, the Bush administration appeared determined to broaden military-to-military contacts with India despite its new relationship with Pakistan. Accordingly, Secretary of Defense Donald Rumsfeld visited India on November 5 and met with his Indian counterpart, George Fernandes.<sup>41</sup> During this visit it is believed that Rumsfeld expressed a willingness to provide India with the long-embargoed GE-404 engines which India needs for its long-delayed Light Combat Aircraft project. On November 28, Admiral Dennis Blair, Commander-in-Chief of the U.S. Pacific Command, traveled to India. During his visit he discussed the conduct of joint military exercises, cooperation on combating terrorism and increasing military contacts. Subsequent to his visit the India-U.S. Defense Policy Group met for the first time in 3 years in New Delhi. The DPG discussed such matters as the transfer of American weapons technology to India, the initiation of joint military exercises and nuclear proliferation.<sup>42</sup>

Theoretical work in the field of international relations also provides modest support for an India-U.S. alignment in the future,

especially as India contemplates an increasingly hostile China on the horizon. For India, China poses the greatest long-term threat along a variety of dimensions. More to the point, China's increasing aggregate power, its geographic proximity, its growing offensive power, and its aggressive intentions all conspire to drive India toward aligning with the United States.<sup>43</sup> In terms of aggregate power, India is considerably weaker than China. In 1999, its gross domestic product (GDP) was \$440 billion and its per capita GDP in purchasing power parity terms was \$1,800. The comparable figures for China were \$732 billion and \$4,000, respectively.

In terms of military prowess, China also fares far better than India. The total manpower of the Indian army, for instance, is 1.1 million as of 2001, whereas China fields an army of 1.7 million.<sup>44</sup> Additionally, it should be underscored that the Indian army, unlike that of the Chinese, deploys a significant portion of its troops in counterinsurgency and border control operations in Kashmir (estimates run as high as 250,000), thereby degrading India's defensive capabilities vis-à-vis China. Other military indicators also favor China. India has no known deployed nuclear-missile delivery capabilities, although they are in the process of developing such capabilities.<sup>45</sup> China, on the other hand, has at least 20 operational intercontinental ballistic missiles, more than 100 intermediate-range ballistic missiles, and a growing number of submarine-launched ballistic missiles.<sup>46</sup> The program of military modernization that China has undertaken will steadily contribute to its offensive capabilities; this program may well be boosted in response to India's modest but expanding nuclear capabilities, especially in the aftermath of the Pokhran tests.<sup>47</sup>

It is not just China's potential that Indians fear. China's hostile actions and intractable negotiating posture send disturbing signals to its southern neighbor. In Indian calculations China stands in occupation of some 14,500 square miles of Indian territory that Chinese troops seized during the 1962 Sino-Indian border war.

Additionally, China still claims a stretch of territory along the Tawang Tract in the eastern sector. And China's aggressive intentions are hardly difficult to fathom from the Indian point of view. Given the tenacity with which China has pursued its other irredentist claims, ranging from Taiwan to the Spratly Islands, only the most sanguine Indian decisionmaker would be inclined to think that the day of reckoning on the disputed Himalayan territories can be indefinitely postponed. Indeed powerful fears of nuclear blackmail from China over the territorial disputes contributed to India's decision to cross the nuclear Rubicon in 1998.<sup>48</sup>

*Potential Pitfalls.* Apart from the residual misgivings of Indian elites, two other issues hang over a potentially closer Indo-American military-strategic relationship. The first, in a way the obverse of the Indian obsession with strategic and political autonomy, is somewhat amorphous but nevertheless significant. Key members of the U.S. strategic and diplomatic communities still deeply resent the Indian moral posturing and hypocrisy during the Cold War years. These individuals are still rankled by India's unwillingness to support the U.S. anti-communist crusade during the Cold War. Yet these residual and atavistic misgivings can be dissipated if India shows a continuing dexterity in side-stepping contentious new bilateral issues. The Indian willingness to avoid needless acrimony over Washington's planned national missile defense system suggests that Indian diplomacy, long ham-handed, may finally have come of age.

The other issue that still divides the two states is the question of nuclear nonproliferation. There is little question that the Bush administration has taken a markedly different view than its predecessor held of the nonproliferation issue in its quest to improve relations with India. In late August 2001 it signaled its willingness to lift a variety of sanctions that were imposed on India by the Clinton administration in the aftermath of the Pokhran tests.<sup>49</sup> Nevertheless, this issue cannot be dismissed; powerful bureaucratic and political constituencies on both sides hold markedly different views on this



subject and remain fairly intractable in their positions.

Again, adroit diplomacy on both sides can bridge the nonproliferation divide. This may be especially possible during the Bush administration, which has shown little regard for strict compliance with a variety of multilateral arms-control treaties. If India's pursuit of nuclear weapons and ballistic missiles does not fundamentally threaten American interests, it may not be necessary to compel India to join the Nuclear Nonproliferation Treaty, which has long been a bugaboo in U.S.-India relations. Indeed, India's long-decried policies now may even be seen as in concert with longer-term American interests.<sup>50</sup>

## CONCLUSION

Given the external threats that India is likely to face in 2020 an alignment with the United States may well be the most attractive option to balance against such threats.<sup>51</sup> Structural conditions, in all likelihood, will direct India toward an alignment with the United States. Nevertheless, other, domestic-level factors may vitiate the possibilities of the formation of such a relationship. From the standpoint of 2002 the positive trends in India-U.S. relations may appear obvious. Nevertheless, such trends may, for a variety of factors, not be sustained.

Neorealist premises suggest that in the absence of adequate domestic resources states frequently seek to address threats through the creation of alliances. Nevertheless, Indian elites may decide, given their predilection for decisionmaking autonomy, that they would rather rely on self-help than court American support. They may also find the United States to be overly hasty, demanding, and overbearing. The United States, with its proclivity for quick results and rapid movement, may also find Indian decisionmaking to be too hesitant, slothful, dilatory, and ultimately tiresome.<sup>52</sup>

Certain domestic groups within India, many of which are still moved by professions of Third World solidarity and remain slavishly pro-Chinese, may also seek to prevent a closer Indo-American relationship, especially in the military sphere.<sup>53</sup> Ironically, the ideological left wing in India may make common cause with Hindu zealots in opposing an alignment with the United States. The Hindu fanatics are hostile toward an Indo-American alliance on the grounds of cultural nationalism. An Indian embrace of America, in their view, would corrode the pristine quality of India's unique cultural ethos.<sup>54</sup> All these caveats notwithstanding, the two sides remain poised for a possible dramatic breakthrough in relations that could lead them to an out-and-out alliance by 2020.

## ENDNOTES

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2. Many of these themes are ably explored in Ramesh Thakur, *The Politics of India's Foreign and Economic Policies*, London: C. Hurst, 1994.

3. For an early discussion of the preference of authoritative regimes on the part of weaker states in the international system, see Stephen D. Krasner, *Structural Conflict: The Third World Against Global Liberalism*, Berkeley: University of California Press, 1985.

4. The security alignment with the Soviet Union was not without cost. Many Indian commentators underscored that the relationship compromised nonalignment. For one such critique, see Surinder Nihal Singh, *The Yogi and the Bear: Story of Indo-Soviet Relations*, New Delhi : Allied, 1986.

5. For the best discussion of Sino-Indian tensions and rivalry, see John W. Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century*, Seattle: University of Washington Press, 2001.

6. "It is a mantra that we will have to keep repeating, but frankly whom are you going to be non-aligned against?" Interview with I. K. Gujral, New York City,

1992.

7. On this subject, see Jagdish Bhagwati, *India in Transition* (Oxford: Clarendon Press, 1993).

8. See Rajeev Bhargava, ed., *Secularism and Its Critics*, New Delhi: Oxford University Press, 1998; also see Mark Juergensmeyer, *The New Cold War: Religious Fundamentalism Confronts the Secular State*, Berkeley: University of California Press, 1993.

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14. On this point, see Francine Frankel, *India's Political Economy: The Gradual Revolution, 1947-1977*, Princeton: Princeton University Press, 1979.

15. On the Indian quest for "self-reliance" in the realm of defense production, see Raju G. C. Thomas, *The Defence of India: A Budgetary Perspective of Strategy and Politics*, Columbia, MO: South Asia Books, 1978.

16. For the concept of the "operational code," see Alexander George, "The

Operational Code: A Neglected Approach to Decisionmaking," in Frederic Fleron, Jr., Erik P. Hoffman and Robbin F. Laird, eds., *Classic Issues in Soviet Foreign Policy*, New York: Aldine de Gruyter, 1991.

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18. Arun Mohanty, "India, Russia to step up defense cooperation," *India Abroad*, June 15, 2001, p. 4. India's dependence on the Russians is easily explainable. At the Cold War's end, close to 85 percent of India's naval assets were of Soviet origin. The two other branches of the Indian armed services were also dependent to varying degrees on continued supplies of Russian weaponry, again due primarily to the large existing inventories of Russian military equipment. See Jerome M. Conley, *Indo-Russian Military and Nuclear Cooperation: Lessons and Options for U.S. Policy in South Asia*, Lanham, MD: Lexington Books, 2001.

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24. Celia Dugger, "U.S. Envoy Extols India, Accepting Its Atom Status," *New York Times*, September 7, 2001, p. A7.

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26. Embassy of India, "India-U.S. Economic Relations," August 2000, available

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40. "Thaw in U.S.-Indian Military Ties," *Far Eastern Economic Review*, May 17, 2001, p. 10; and personal communication with Colonel Steven Sboto, American military student at the National War College, New Delhi, August 2001.

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44. Figures derived from International Institute of Strategic Studies [IISS], *The Military Balance 2000-2001*, London: IISS, 2001, pp. 168, 194.

45. On this point, see the discussion in Tellis, *India's Emerging Nuclear Posture*.

46. IISS, *The Military Balance 2000-2001*, p. 194.

47. For a discussion of Chinese politico-military reactions to the Indian tests, see Ming Zhang, *China's Changing Nuclear Posture: Reactions to the South Asian Nuclear Tests*, Washington, DC: Carnegie Endowment for International Peace, 1999.

48. For a nuanced discussion of the Indian fears of Chinese nuclear blackmail, see Tellis, *India's Emerging Nuclear Posture*, pp. 142-146.

49. Aziz Haniffa, "No time frame for withdrawal of US sanctions," *India Abroad*, August 24, 2001, p. 1.

50. It is unlikely that the Bush administration would expend significant, if any,

resources to urge India to join the Comprehensive Test Ban Treaty (CTBT), given its own misgivings about the CTBT regime.

51. On this point, see Mearsheimer, *The Tragedy of Great Power Politics*.

52. For a thoughtful discussion of potential pitfalls, see Scott Baldauf, "U.S. and China Dance with India," *Christian Science Monitor*, April 19, 2001, available at: <http://www.csps.com>.

53. A quick perusal of the pages of two influential Indian periodicals, *Frontline* and the *Economic and Political Weekly*, would reveal the degree of rabid anti-Americanism that exists among the political left in India.

54. A sampling of the sentiments of the Hindu cultural nationalists can be derived from *The Organizer*. See <http://www.organizer.com>.

## CHAPTER 15

### THE FUTURE OF THE SINO-PAKISTANI *ENTENTE CORDIALE*

John W. Garver

#### Introduction

The strategic partnership between the People's Republic of China (PRC) and Pakistan has been a remarkably enduring relationship. It was founded on an understanding reached by Chinese and Pakistani leaders at the Bandung conference of African and Asian nations in 1955—a time when Pakistan was closely allied with the United States and China with the Soviet Union. The partnership solidified in the early 1960s as China and India moved toward war. It was first “tested by adversity” during the India-Pakistan war of 1965. It was tested again, in a different fashion, during the 1971 partition of Pakistan by India during which China remained virtually inactive militarily. Nonetheless, the partnership not only survived, but was strengthened by large-scale Chinese assistance which helped Pakistan recover from the calamity of partition. The Sino-Pakistani *entente* emerged when China saw the U.S. as its major enemy, yet remained vital after the U.S. became China's quasi-ally and the USSR became China's global nemesis. Within Pakistan, both military juntas and elected civilian governments remained committed to the partnership with China and saw it as a key element of Pakistan's international policy. Within China, the partnership with Pakistan emerged during a period of ultra-radical Maoism, was carefully protected by Mao from the zeal of his Red Guard minions, and yet continued under the across-the-board retreat from revolutionary causes carried out under Deng Xiaoping. Pragmatic and development-oriented, Deng continued China's covert support for Pakistan's nuclear weapons development efforts begun by



revolutionary and upheaval-loving Mao Zedong.

The questions addressed by this chapter are these. How has the Sino-Pakistani partnership changed as Sino-Indian rapprochement gained steam after 1988? Has the improvement of Sino-Indian relations meant evisceration of the Sino-Pakistani strategic partnership, or is it likely to? Similarly, has the emergence of Islamic terrorism, both before and after the attacks of September 11, 2001, led to a weakening of the Sino-Pakistani partnership? Finally, this chapter will speculate about whether the Sino-Pakistani entente will persist into the second decade of the 21st century, i.e., to the period circa 2020.

To answer these questions, it is first necessary to specify exactly what is meant by the terms strategic partnership, *entente cordiale*, and *entente*—terms that are used synonymously and interchangeably in the following discussion. The phenomenon that these terms refer to is the Sino-Pakistani relationship that developed between about 1964 and at least 1988. There were three aspects of that relationship: 1) Chinese support for Pakistan in the latter's various conflicts with India; 2) Chinese support for Pakistani efforts to develop national strength—including economic and military components—adequate to resist Indian domination; and 3) frequent high-level consultations essential to reaching and maintaining understanding between leadership elites. Understood in this fashion, the Sino-Pakistani entente can be operationalized to include the following elements:

- Chinese political support for Pakistani initiatives directed against India, including those regarding Kashmir;
- frequent military-to-military exchanges between China and Pakistan;
- frequent high-level exchanges of civilian leaders;

- Chinese transfer of critical military technologies to Pakistan;
- Chinese support for development of Pakistan's military-industrial base;
- Chinese support for expansion of Pakistan's regional links;
- Chinese transfers of conventional arms to Pakistan;
- deterrent support for Pakistan during confrontations with India.

The question thus becomes: will relations between the People's Republic of China (PRC) and Pakistan in these areas continue over the next two decades? This chapter approaches the problem in three ways.

First, it will consider the impact of the U.S.-led war against terrorism on the Chinese-Pakistan relationship. Did the campaign against Islamic fundamentalist terrorism launched after the September 11, 2001, attacks on the United States foster trends that could either stabilize or destabilize the Sino-Pakistani entente? Assuming that trends set in motion by the events following September 11 will continue for some time, this chapter asks: will those trends work to undermine, or to reinforce, the Sino-Pakistani *entente*? For simplicity's sake, the complex of events beginning on September 11, 2001, will be referred to in this chapter simply as "9/11."

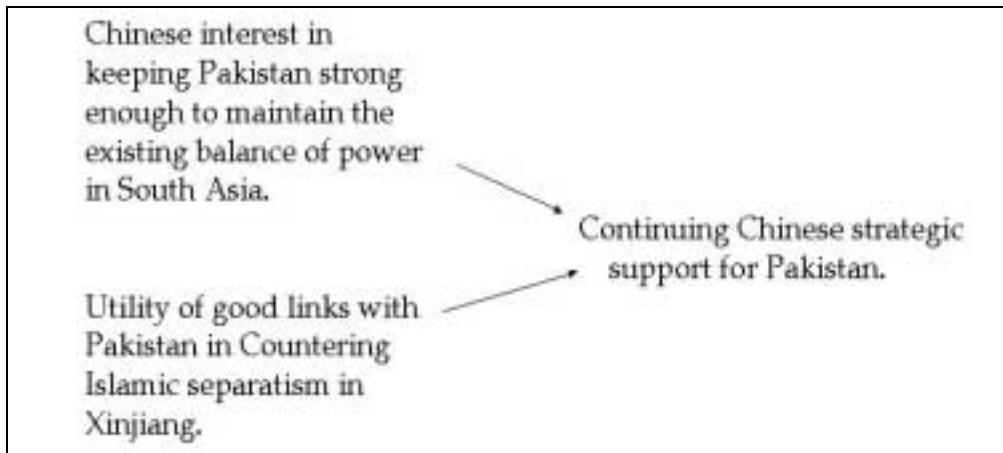
Second, this chapter will analyze whether changes in world politics that unfolded after the end of the Cold War circa 1989 have undermined or are likely to undermine the strategic partnership between China and Pakistan. The premise underlying this approach is that the key political trends that have influenced Sino-Pakistani ties since the end of the Cold War will continue to do so into the

period circa 2020. Two major post-Cold War trends are posited as relevant: 1) Sino-Indian *rapprochement* and, 2) increasing Islamic transnational militancy in Central Asia (a region defined here to include Afghanistan, the five post-Soviet republics of Central Asia, and China's Xinjiang). Under the impact of these two trends, are we now witnessing, or will we soon witness, the withering away of the Sino-Pakistani entente?

Third, this chapter will speculate about the Sino-Pakistani relationship circa 2020, and about how various factors might influence that relationship. The key assumption underlying this section is that it is *China's* interests, and not those of Pakistan, that will be decisive. As the weaker partner in the Sino-Pakistani *entente*, and one locked in confrontation with a far more powerful India, Pakistan's interest in securing the greatest possible level of Chinese support is assumed to remain constant. China's interests, however, will be assumed to be potentially far more variable.

Finally, let me preview for the reader the hypothesis structuring the following analysis. My argument is that, while the Sino-Pakistani *entente* has been modified in important ways by post-Cold War developments, it remains stable at its core. Conceivably the conclusions of analysis along the three approaches outlined above could point in different directions. Happily this is not the case. Analysis along the three different approaches all point toward the same conclusion: the continuing durability of the Sino-Pakistani *entente*. The broad structure of the argument developed in the following pages can be schematically outlined as shown in Figure 1. Arrows represent inferred causation.

This chapter argues *against* the proposition that the Sino-Pakistani *entente cordiale* has been fundamentally weakened by post-Cold War developments. It will argue that under a surface of ever-changing political events there still remains an ineluctable congruence of Chinese and Pakistani geostrategic interests vis-à-vis



**Figure 1.**

India, that leaders in both Beijing and Islamabad recognize this, and that there continues to be considerable stability in the Sino-Pakistani strategic partnership. Beijing's desire for *rapprochement* with New Delhi has indeed introduced new elements into the delicate relations of Beijing, New Delhi, and Islamabad. There have been some significant modifications in the Sino-Pakistani entente as Sino-Indian *rapprochement* has developed during the post-Cold War period. But the core of the old Sino-Pakistani partnership, convergent interests vis-à-vis India's position in South Asia, remains unchanged – and is likely to remain unchanged through 2020.

*The Sino-Pakistani Entente and the South Asian Balance of Power.* The foundation of the enduring Sino-Pakistani *entente* is China's interest in maintaining the existing balance of power in South Asia, that is, in maintaining a balance between Pakistan and India. Beijing's interests are best served by maintaining a fragmented structure of power in South Asia, by ensuring, in other words, that India remains confronted by an independent-minded Pakistan with aggregate national capabilities sufficient to defy India and pose significant security challenges to it. It is in China's interest to keep Pakistan strong enough to remain independent of Indian

domination, and independent-minded enough to challenge India's domination of South Asia. This fundamental geostrategic interest has not changed with the end of the Cold War. Nor is it likely to change for the foreseeable future.

Chinese analysts tend to frame this problem, and Chinese interests, in terms of India's desire for regional hegemony over South Asia. According to this world view, India desires to establish its hegemony across the South Asian region, and therefore insists that the various countries of South Asia respect what India defines as its security interests in that region. China's support for the anti-hegemony aspirations and struggles of Pakistan and other South Asian countries conforms to the highest principles of national sovereignty and independence, China's leaders believe. It also conforms to China's own national interests. Indian subordination of Pakistan would free Indian leaders from fears of, and the consequent need to plan for, a two-front war with China and Pakistan. Since 1962 Indian military planners have had to operate on the basis of an assumption that Pakistan might decide to enter a major India-China war, or that China might similarly decide to come to Pakistan's aid in the event of a major India-Pakistan war. Effective Indian subordination of Pakistan would end this two-front concern, allowing India to concentrate its forces and attentions against China. The difficulties confronted by the PLA with the prospect of fighting a war across the Tibetan plateau are already quite substantial. Eliminating strong Pakistani forces from the order of battle facing India would further increase the PLA's difficulties.

This proposition is not merely one inferred by this American analyst. It is one that appears repeatedly, in one fashion or another, in Chinese analyses. An article in the prominent Chinese neo-conservative journal *Zhanlue yu guanli* (Strategy and Management) in 2001, for example, argued that although India aspired to become a great, global power, its circumstances were such that it would probably not achieve that goal. Fundamental conditions accepted by

India's own leaders at the time of Indian independence worked against India's achievement of global stature. One of two fundamental mistakes made by India's leaders in 1947 was acceptance "of the division between India and Pakistan arranged by the English." This partition had "led to a state of long-term division and mutual exhaustion between India and Pakistan." This, along with India's other "mistake," acceptance of the British parliamentary style of democracy, constituted an "almost insurmountable obstacle" to realization of India's dream.<sup>1</sup>

Another article published in a PRC provincial paper at about the same time repeated the same idea. India viewed China as a latent strategic opponent and was locked into a stalemated territorial dispute with China, the paper argued. Yet it was unlikely that India would become aggressive toward China because, "To India's west is the hated enemy Pakistan and India's aggregate strength is not sufficient for a contest with China" (*songti guoli you wufa tong Zhongguo xiang kangheng*). This, combined with India's memory of its defeat in 1962, meant that India's "strategic policy" toward China would probably continue to be a defensive one of "protecting present interests." India wanted to delay the "final contest" with China until its western problem of Pakistan had been solved.<sup>2</sup> Addressing the issue of Chinese support for Pakistan's military development efforts, Beijing University South Asian specialist Han Hua commented that "China sees a weak Pakistan as destabilizing for the [South Asian] region."<sup>3</sup>

Pakistani President Pervez Musharraf the issue similarly during Premier Zhu Rongji's May 2001 visit to Pakistan. In an exclusive interview with Xinhua News Agency on the eve of Zhu's visit, Musharraf said that by sending "a strong signal of the continuing strength and durability" of Sino-Pakistan cooperation, the upcoming visit would have a positive impact on peace and stability in South Asia. Pakistan, and China worked together to contribute to regional peace and stability, Musharraf said.<sup>4</sup> At a joint press conference after

three hours discussion with Zhu, Musharraf said that despite whatever geostrategic and global political changes might occur, Sino-Pakistani friendship would remain strong and unbreakable. Responding to a question about *India's* increasing defenses pending, Zhu Rongji replied "very forcefully" that Sino-Pakistani cooperation in a number of fields, "including military," would continue.<sup>5</sup> Musharraf framed the issue a bit more directly in a seminar on Sino-Pakistani friendship in the 21st century organized by Pakistan's Institute of Strategic Studies during Zhu's visit. To that seminar, Musharraf argued that Pakistan's interest lay in maintaining regional balance, and that it desired China to play an active role in this regard. "Regional imbalance" could threaten peace by encouraging regional hegemonistic tendencies. China's ambassador to Pakistan, Lu Shulin, said that strengthening Pakistan was China's established policy, and that this would not change.<sup>6</sup>

### **Impact of the Post-9/11 War against Terrorism on the Sino-Pakistani Relationship.**

Post-9/11 events constituted a windfall for China's interests in South Asia. First and foremost, Pakistan was brought out of deepening international isolation and back under the wing of U.S. patronage. By 2000, Pakistan's links with and support from the United States and its key allies had collapsed under the cumulative weight of Islamabad's nuclear weapons programs, its links with the Taliban, and the 1999 military overthrow of Nawaz Sharif's elected civilian government. The end to U.S. support combined with deepening economic and social problems within Pakistan to create a dangerous situation for China. Pakistan's comprehensive national strength might decline so precipitously that it would succumb to Indian domination. Were Pakistan to collapse economically, fragment along ethnic and regional lines, disintegrate into pervasive crime and/or religious extremism, or become unable to sustain defenses pending adequate to keep up with India, Pakistan might become unable to resist Indian pressure. Pakistan might be

compelled to resign itself to living under India's sway. The existing balance of power in South Asia between India and Pakistan would thus be overturned.

Under pre-9/11 conditions, the burden of preventing this from happening by sustaining Pakistani capabilities to resist Indian domination fell largely on China. In the event of an India-Pakistan confrontation in which India seemed bent on a definitive subordination of Pakistan, Beijing would probably have given Pakistan all support short of belligerency—supply of munitions, support in the United Nations and other world political fora, threatening words combined with ominous actions along the border, and so on. Were such moves inadequate to sustain Pakistan, Beijing would have faced a major dilemma: war with India, or overthrow of the existing South Asian balance of power favorable to China. Either course would have been costly and risky for China. A revolution in the South Asian balance via Pakistan's acceptance of Indian preeminence would have seriously adverse consequences for China. It would enhance Indian military capabilities and Indian strategic confidence regarding Tibet. It would strengthen India's ability to compete with China on the global scene. And it would stunt the future development of Chinese ties with the other small countries of South Asia. The political lesson of Indian subordination of Pakistan would be: if even the most powerful South Asian nation other than India, Pakistan, could not resist New Delhi, what chance did smaller countries have? On the other hand, a war with India could easily become protracted, disrupt China's economic development drive, and rouse apprehensions about China among all its neighbors.

The renewal of U.S. patronage to Pakistan after September 11 ended the previous period of dangerous Pakistani exclusive dependence on China and consequent Chinese vulnerability. Once again Pakistan became an important ally of the United States: it began receiving U.S. economic support and could call on a degree of U.S. political support. China was no longer Pakistan's only



supporter among the major powers. This was an important if fortuitous gain for Beijing. It removed a lot of pressure which might otherwise have destabilized the Sino-Pakistani entente.

U.S. re-engagement with Pakistan after September 11 also served China's interest in keeping India away from alignment with the United States. By the end of 1999 Chinese analysts had perceived a major shift in U.S. South Asian policy, viewing the United States as tilting toward India as a way of containing China. President Bill Clinton's visit to India and Prime Minister Atal Behari Vajpayee's visit to the United States, in March and October 2000 respectively, were seen as reinforcing this development.<sup>7</sup> U.S. re-engagement with Pakistan after 9/11 countered this dangerous trend of U.S. alignment with India. Moreover, renewal of the U.S.-Pakistan alliance angered India and created new problems for India-U.S. relations by putting the United States in the middle of India-Pakistan relations. It also made it more difficult for the U.S. to deny Pakistan support in the face of Indian pressure. In addition, the renewal of U.S. support for Pakistan eased the onus Beijing bore in New Delhi because of China's support for Pakistan. China's support for Pakistan was no longer an anomaly, but, Beijing could argue, part of a broad trend in the international community. How could New Delhi object to strong Chinese support for Pakistan when even the United States provided such support? Indian anger and pressure would thus be less focused on China and seem less reasonable. India would also have less incentive to move toward the United States as a way of punishing China for its support to Pakistan. Indeed, it might work the other way. U.S. re-engagement with Pakistan could create incentives for India to tilt toward China in retaliation for U.S. support for Pakistan.

U.S. re-engagement with Pakistan also served China's interest in checking the growth of Islamic fundamentalism in that country. More radical Islamicist elements within the Pakistan Army and Inter-Services Intelligence were ousted after 9/11, and some radical Islamicist organizations were also limited. Secular forces within

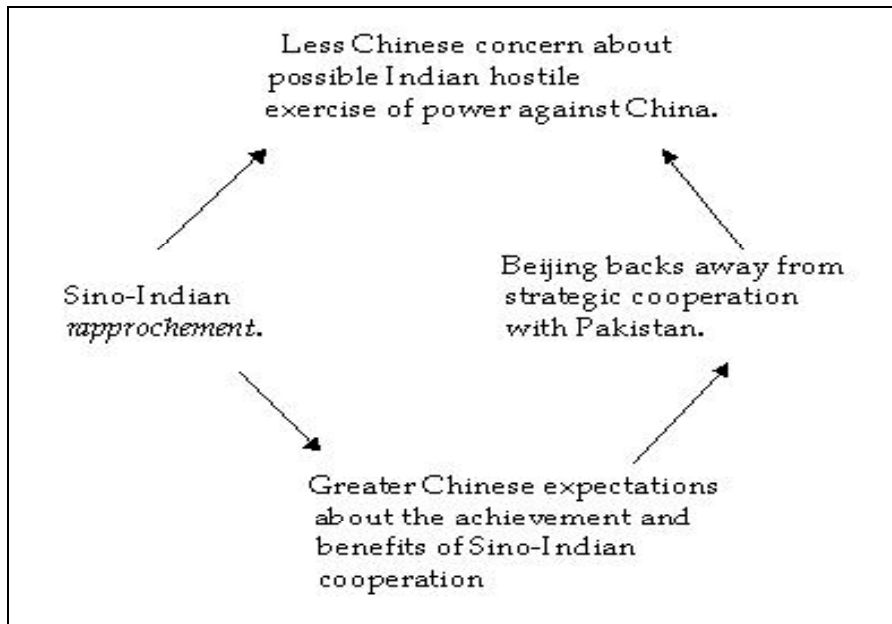
Pakistan's elite may also be encouraged to roll back the rising tide of Islamicism. Moreover, the United States will do the dirty work in this regard; it was the United States that pushed Pakistan in these directions and thus bore the onus for "interfering in the internal affairs of a developing country" by pushing Pakistan in a less Islamicist direction. This will further tarnish the image of the United States among the developing countries that China courts as a constituency able to constrain perceived hegemonist tendencies of the United States.

The consequences of September 11 for China were not all positive. Most of the negative consequences for China had to do with Central Asia. Chinese analysts and leaders were deeply apprehensive of a possible long-term U.S. military presence in Central Asia as a result of 9/11.<sup>8</sup> The new U.S. involvement in Central Asia also disrupted a carefully constructed structure of Sino-Russian cooperation with Tajikistan, Kazakhstan, and Kyrgyzstan. Instituted as the "Shanghai Five" in April 1996, this structure of Chinese, Russian, and Central Asian cooperation was premised on common opposition to Islamic fundamentalism and cross-border terrorism. In June 2001 it was transformed into the Shanghai Cooperative Organization when Uzbekistan joined.<sup>9</sup> After 9/11, however, the whole structure of the Shanghai Five-Shanghai Cooperative Organization seemed obsolete. The United States was now the major anti-terrorist partner of Russia, Uzbekistan, and perhaps even of China itself. The logical next step would be for the United States to join the "Shanghai" forum, making it the "Shanghai Seven." Beijing, of course, would see that as bringing another region of China's periphery dangerously within the U.S. global imperium, raising the specter of U.S. encirclement—particularly as Russia is again moving closer to the West after 9/11. This Chinese fear will reenter our discussion later when we consider India's tilt toward the United States as a way of pressuring Beijing over its close links to Pakistan.

## **Impact of Sino-Indian Rapprochement on the Sino-Pakistani Entente.**

The gist of the argument that the Sino-Indian *rapprochement* has undermined, or will undermine, the Sino-Pakistani entente is this: since the Sino-Pakistani *entente* was predicated on common hostility toward India, the improvement of Indian-Chinese relations during the 1990s along with the steady reduction of tension between India and China has made partnership with Pakistan far less important to Beijing. Moreover, since Beijing increasingly recognizes that close strategic cooperation with Pakistan is an obstacle to further improvements in China's relations with India, in order to further promote Sino-Indian amity and cooperation, Beijing will continue to gradually distance itself from Islamabad. The hypothesis that Sino-Indian *rapprochement* has led, is leading, or is likely to lead, to the atrophy of the Sino-Pakistani *entente cordiale* is schematically stated in Figure 2.

It is indisputable that there has been substantial improvement in Chinese-Indian relations since the confrontations of the 1960s and 1970s. As with most historical processes, one can trace the roots of Sino-Indian *rapprochement* back as far as one cares to go. Arguably the restoration of ambassadorial relations in 1976, or the visit by then-foreign minister Atal Behari Vajpayee to China in 1979 (the first visit in either direction by a high-level official since Zhou Enlai's 1960 visit to India), are appropriate starting points.<sup>10</sup> But probably the best starting point for the process of Sino-Indian *rapprochement* is Prime Minister Rajiv Gandhi's December 1988 visit to Beijing. In terms of its political-symbolic significance, Gandhi's 1988 visit was equivalent to Richard Nixon's 1972 visit or Mikhail Gorbachev's May 1989 visit to China. Gandhi's visit was the first by a top-level leader between China and India since Zhou Enlai's 1960 visit. Gandhi's visit was also based on an Indian decision to accept Beijing's longstanding proposition that the two sides should set aside the border dispute where the two sides continued to disagree, and



**Figure 2.**

move forward with relations in other areas where agreement was possible. In the decade after Gandhi's visit, exchanges between the two sides at all levels increased and became routine. Important agreements were signed in areas from economics, to cultural exchanges, to military-to-military relations, to cooperation on important international issues, to measures regulating the border dispute. In the years following Gandhi's visit, the symbolism of amity gradually replaced the symbolism of enmity in Sino-Indian relations. Taking, then, 1988 as the starting point for Sino-Indian rapprochement, our question thus becomes: has China in fact backed away from strategic partnership with Pakistan as Sino-Indian *rapprochement* gained steam after December 1988? If so, to what extent has this been the case?

A simple but effective way of gauging the impact of Sino-Indian *rapprochement* on the Sino-Pakistani *entente* is to select several different time points, one before the onset of Sino-Indian

*rapprochement* and two well into that process, and determine the degree of change in Sino-Pakistani strategic cooperation between those time points. While any change cannot necessarily be attributed to Sino-Indian *rapprochement* (since many other factors may be operating and have caused that change), *the absence of significant variation* between the two time points would at least *invalidate the hypothesis* that Sino-Indian *rapprochement* has produced a weakening of the Sino-Pakistani *entente cordiale*.

1982, 1994, and 2000 provide appropriate time points for comparison. 1982 was 6 years prior to the onset of Sino-Indian *rapprochement* with Rajiv Gandhi's 1988 visit, while 1994 was 6 years into the process of Sino-Indian *rapprochement*. For both years the annual indexes for the *Foreign Broadcast Information Service [FBIS], Daily Report China* published by NewsBank, Inc., up to mid-1996 provide a convenient database for comparison. The addition of 2000 lengthens the period of Sino-Indian *rapprochement*, thus addressing the possibility that 1994 was "too soon" to show any influence of Sino-Indian *rapprochement* on the Sino-Pakistani *entente*. Unfortunately, the shift of *FBIS* to an on-line-only format in mid-1996 led to the discontinuation of a printed index – or, indeed, of any index, for *FBIS*. Data for 2000 must therefore come from a search of *FBIS*'s on-line database via its various "search engines." On the other hand, there is no on-line database for 1982. Data for the three time-points is, thus, not strictly comparable, since different methods were used for 1982 and 1994 on the one hand and 2000 on the other. Nonetheless, the comparisons still all come from the same database, and are probably generally accurate. Comparisons of the operational dimensions listed at the outset of this chapter for these three time points are presented below.

### *1) Chinese support for Pakistani initiatives directed against India.*

Regarding Chinese support for Pakistan's anti-Indian initiatives, including Kashmir, Beijing *has* clearly *distanced itself* from Pakistan as

Sino-Indian *rapprochement* progressed. Beijing has attempted to disentangle itself from the India-Pakistan conflict. Beijing apparently concluded that close alignment with Pakistan against India would severely constrain the development of Chinese-Indian ties. Consequently, Beijing moved toward neutrality in important areas of the India-Pakistan conflict. Beijing's objective became development of cooperative, friendly ties with *both* India and Pakistan, and this precluded supporting one side against the other on several issues.

This shift was manifested first and foremost in a shift in Beijing's position on the litmus-test issue of Kashmir. During the 1990 crisis over Kashmir and "Kalistan"/Punjab, Beijing responded to strong Indian pressure by dropping its long-time endorsement of a plebiscite in the Kashmir region in accord with United Nations resolutions of 1948-1949. Demand for such a plebiscite had long been and continued to be Pakistan's position regarding Kashmir. Between 1964 and 1990 it was also China's position. In 1990, however, Beijing shifted course: it stopped referring to the United Nations and its resolutions in the context of Kashmir (except when Beijing wanted to needle New Delhi, as, for example, in the aftermath of India's "China threat" justification of its May 1998 nuclear tests). Beijing instead began extolling peaceful settlement of the issue via talks between India and Pakistan.<sup>11</sup>

With the onset of Sino-Indian *rapprochement*, Beijing also began expressing private disapproval and public non-endorsement of some of Islamabad's more assertive efforts to challenge India. During the 1990 crisis, militants in Pakistan attempted to force their way across the border into India, and Indian forces responded by firing on them. Tension spiraled rapidly. In this situation, China urged moderation and abstention from violence on all sides. Beijing also declined to support Pakistani efforts to bring the Kashmir issue before the United Nations. Nine years later, in 1999, during the crisis created by Pakistan's seizure of mountain peaks on the Indian side of the Kashmir Line of Control and overlooking vital Indian road links

with Leh in Ladakh, Beijing once again rejected Pakistan's efforts to bring the Kashmir issue before international fora. And again Beijing urged both Pakistan and India to abstain from using force, to de-escalate the confrontation, and to resolve their disputes peacefully via discussions.<sup>12</sup>

During roughly the same time—between 1997 and 2001—Beijing also refused to support Islamabad's effort to create "strategic depth" in Afghanistan by supporting Taliban rule over that country. Beijing refused endorsement of and maintained a discrete distance from Pakistani actions in Afghanistan. While Beijing discretely explored the possibility of relations with the Pakistan-supported Taliban regime in Afghanistan in 2000 and early 2001, it declined to move forward with those relations. When September 11 came, Beijing still hosted an embassy of the Islamic State of Afghanistan headed by Burhanuddin Rabbani of the Northern Alliance.

These post-Cold War shifts in Chinese policy came in the context of the *continuation of several* pre-existing Chinese steps toward disengagement from the Indo-Pakistani conflict. As Deng Xiaoping consolidated control over Chinese foreign policy in 1979, Beijing began urging improvement of India-Pakistan ties. Rather than taking Pakistan's side in that country's disputes with India, as Beijing had done under Mao Zedong, Beijing began urging moderation on both sides. The rationale for this shift in 1979 was fear of *Soviet* encirclement via closer Indian association with Moscow, plus Deng's desire to create a stable environment for economic development by reducing tensions with all of China's neighbors. But the policy of neutrality in Indo-Pakistani disputes continued with new meaning as Sino-Indian *rapprochement* gained steam after 1988. Yet another of Deng Xiaoping's post-1978 changes was to end the polemical war against India that Mao Zedong had ordered. Under Deng, Chinese references to Indian "regional hegemony" became far scarcer—although, again, Beijing still trundled out these rhetorical blasts when it was particularly unhappy with New Delhi.

In sum, in terms of Chinese support for Pakistani political efforts against India in the South Asian region—whether Kashmir, the achievement of “strategic depth” in Afghanistan, or the struggle against Indian “hegemonism”—China did, in fact, back away from Pakistan as Chinese-Indian *rapprochement* unfolded.

### *2) Frequency of high-level military-to-military exchanges.*

Exchanges among high- and mid-level leaders have been far less affected by Sino-Indian *rapprochement*. Such exchanges have remained relatively frequent as Sino-Indian *rapprochement* has advanced. In 1982 there were five high-level military exchanges between China and Pakistan. In 1994 there were three high-level military exchanges. In 2000 there were again three exchanges. These are listed in Table 1.

The diminution of high-level military interchanges from five in 1982 to three in 1994 and 2000 may have been partially a function of Soviet withdrawal from Afghanistan in early 1989. With Soviet withdrawal, China concluded that the fighting in Afghanistan had shifted from a war of national resistance against foreign occupation to an internal, civil war. Chinese support for the Afghan *mujahadeen* groups rapidly dried up. Consequently there was less need for Chinese and Pakistani militaries to coordinate activities in support of the Afghan *mujahadeen*. Nor was it any longer necessary in 1994 and 2000, as it had been necessary in 1982, for China to extend deterrence support to Pakistan to counter Soviet pressure on front-line state Pakistan.

### *3) Frequent high-level exchanges of civilian leaders.*

Offsetting the reduction of military exchanges between and 1994/2000 was a slight *increase* in visits by high-level civilian officials: two in 1982 compared to three in 1994. In 2000 there were



**1982**

Mar.: PRC Vice Premier Ji Pengfei with delegation including Deputy PLA Chief of Staff Zhang Zhen to Pakistan.

Apr.: Pakistan National Defense College delegation to PRC.

May: Pakistan deputy chief of army staff to PRC.

Sep.: Pakistan chairman of Joint Chiefs Staff Committee to PRC.

Dec.: PLA military colleges and schools delegation to Pakistan.

**1994**

Feb.: Pakistan chief of army staff to PRC.

Jul.: PRC minister of defense to Pakistan.

Nov.: PLA military college delegation to Pakistan.

**2000**

May: Pakistan National Defense College delegation to PRC.

May: Pakistan chief of naval staff to PRC.

Nov.: PLA delegation to Pakistan for International Defense Exhibition.

**Table 1. PRC-Pakistan Military Exchanges in 1982, 1994, and 2000.**

again two direct exchanges, plus a summit meeting in a third country. In 1982 Vice Premier Ji Pengfei and Vice Foreign Minister Han Nianlong visited Pakistan in March, while Pakistani President Zia ul Haq visited China in October. In 1994 Prime Minister Benazir Bhutto visited China in January, Vice Premier Qian Qichen visited Pakistan in February, and Pakistani President Farooq Ahmed Khan Leghari visited China in December. During these exchanges, Chinese leaders continued to state China's support for Pakistan's efforts to uphold its sovereignty, independence, and territorial unity, while Pakistani leaders expressed their gratitude for and continuing confidence in China's support. Both sides continued to affirm during the 1994 visits that the Sino-Pakistani relationship was an "all-weather one, tested by adversity." That partnership would continue, Chinese officials insisted, "regardless of changes in the international

situation.” In plain speech that meant regardless of Sino-Indian *rapprochement*. In 2000, President Pervez Musharraf visited Beijing in January, and Foreign Minister Tang Jiaxuan visited Pakistan in July. Presidents Jiang Zemin and Musharraf also held discussions in New York City in September during a United Nations session.

#### *4) Chinese transfer of critical military technologies to Pakistan.*

Chinese transfer of critical technologies to Pakistan also continued unimpaired by Sino-Indian *rapprochement*. Arguably, they have even increased. China’s support for Pakistan’s missile and nuclear energy program, and even for Pakistan’s nuclear weapons program, continued in spite of strong U.S. and Indian objections. In both areas these transfers were cloaked in secrecy. The persistence of Chinese assistance in spite of strong international pressure probably contributed to sentiments of trust and reliability between China and Pakistan.<sup>13</sup>

China gave very significant assistance to Pakistan’s nuclear weapons program circa 1982. Chinese personnel during that year reportedly helped Pakistan overcome technical difficulties at the uranium enrichment plant at Kahuta—Chinese moves that created difficulties in U.S.-China relations.<sup>14</sup> About the same time China reportedly gave Pakistan the design for a 25-kiloton nuclear weapon comparable to the successful design tried in China’s fourth nuclear test in October 1966.<sup>15</sup> Still other reports asserted that China sold Pakistan tritium via a private German company.<sup>16</sup> Tritium is an isotope of hydrogen used for enriching fission explosions to form a fusion reaction. The veracity of these reports was later broadly confirmed by U.S. officials testifying before the U.S. Congress. Deputy Assistant Secretary of State for Nonproliferation Robert Einhorn later told the U.S. Senate that there was “very strong evidence “that China had assisted Pakistan’s nuclear weapons program prior to China’s entry into the nonproliferation regime in 1992.<sup>17</sup>

Even after China's entry into the NPT regime in 1993, it continued to openly assist Pakistan's *civilian* nuclear energy program. Chinese construction work on a 300-megawatt nuclear power plant at Chasma in western Pakistan continued throughout the 1990s. Begun in 1992, the plant finally began operation in August 2000.<sup>18</sup> The plant will produce a large amount of radioactive waste which could potentially be processed into plutonium. The United States urged Beijing to suspend all nuclear cooperation with Pakistan on the grounds that diversion of assistance from the civilian to the military sector was likely. Beijing rejected U.S. urging in this regard—while accepting similar U.S. prompting regarding Iran. Regarding Pakistan, Beijing insisted that its assistance to that country's civilian nuclear energy program was purely non-military and in accord with China's obligations under the NPT. Direct Chinese assistance to Pakistan's nuclear weapons program apparently continued covertly for at least a year after 1993. In June 1994, a Chinese company sold to Pakistan 5,000 ring magnets used in the production of highly enriched uranium. Acquisition of these magnets reportedly allowed Pakistan to double its production of this uranium.<sup>19</sup> Ultimately, Beijing convinced the U.S. government that the Chinese government had not known about the sale.<sup>20</sup> This analyst suspects, however, that these transfers were in line with Chinese policy, if not directly approved by Chinese leaders. In any case, by the time Chinese assistance to Pakistan's nuclear weapons programs ceased around 1994, Pakistan already had a self-sufficient indigenous nuclear capability.

While direct Chinese assistance to Pakistan's nuclear weapons program apparently ceased circa 1994, Chinese assistance to Pakistan's missile development efforts continued unimpeded during the 1990s. In 1988 China reportedly agreed to help Pakistan develop an equivalent of China's M-11 missile—a solid-fueled rocket with a 185-mile range carrying a 1,100-pound warhead. (It is significant that this agreement came in the same year as Gandhi's visit and the onset

of Sino-Indian *rapprochement*.) Under the agreement China was to train Pakistani personnel, transfer essential technology, and provide parts and equipment to assist Pakistan's effort. Over the next several years and continuing in our target year of 1994, cooperation under this agreement progressed—all under highly secret conditions, of course.<sup>21</sup> In August 1994 Pakistan reportedly made a payment of \$15 million under the cooperation agreement to pay for missile components. China also reportedly agreed to send specialists to Pakistan to train personnel there in the operation of the new missile.<sup>22</sup> China's foreign ministry damned Western press reports about these activities as "fictitious and irresponsible"—although denials were carefully couched to specify that China's activities had not violated the letter of the Missile Technology Control Regime (MTCR). Later that same year, in November 1994, China promised the United States that it would abide by the major provisions of the MCTR—an agreement that the U.S. believed would end Chinese assistance to Pakistan's M-11 program. In fact such assistance continued.<sup>23</sup> During his visit to Beijing in December 1994, Pakistani President Farooq Ahmed Khan Leghari addressed the missile cooperation issue. The missiles and missile technology Pakistan had obtained from China, Leghari said, were within the MTCR. Pakistan had not acquired "M-11 missiles" from China, Leghari said.<sup>24</sup> It seems that both Beijing and Islamabad were using fine verbal distinctions and legalistic loopholes to continue their missile cooperation in spite of U.S., and probably Indian, objections.

The November 1994 U.S.-PRC agreement did not end China's assistance to Pakistan's missile development programs. In late 1995 U.S. intelligence satellites detected construction north of Rawalpindi of a new facility very similar in layout to an existing M-11 factory in Hubei province, China. Intercepts of telephone transmissions from the facility indicated to U.S. intelligence that approximately twelve Chinese engineers from the China Precision Machine Import-Export Corporation had visited the site. The U.S. intelligence community concluded that the plant was designed to manufacture M-11

missiles, that China was assisting in that effort, and that the plant would be operational by 1997.<sup>25</sup> Still later, according to U.S. intelligence reports to the White House and Congress, China increased shipments of specialty steel, guidance systems, and technical assistance used for missiles following India's nuclear tests in May 1998.<sup>26</sup> The next year the U.S. Central Intelligence Agency stated openly and unequivocally, for the first time, that China had transferred M-11 missiles to Pakistan. This determination triggered the application of sanctions mandated by U.S. laws and thus led to a crisis in U.S.-PRC relations.<sup>27</sup> Although the reported transfers had taken place several years earlier, the leaking of this information in 1999 was probably linked to on going Chinese transfers to Pakistan.

After a series of U.S. sanctions over cases of missile technology transfers to Pakistan by Chinese companies in 2000, in November of that year the United States and China reached a new agreement on the issue. According to that agreement, or at least the United States understanding of it (the text of the agreement has never been made public), China would cease export of all "equipment, material and technology that can be directly used in missiles, as well as missile-related dual use items."<sup>28</sup> Once again Chinese assistance to Pakistan's missile program continued in spite of whatever agreement was reached with the United States. Throughout the first half of 2001, U.S. spy satellites ascertained Chinese delivery of missile components to Pakistan by over-land truck and by ship. The Chinese materials were being used, again according to U.S. intelligence reports, for the production of a 465-mile range missile and development of a new missile with a 1,240-mile range. Both missiles could carry nuclear warheads.<sup>29</sup>

It is clear that China's transfer of critical missile technology to Pakistan continued into the early 2000s, unimpaired by the advance of Sino-Indian *rapprochement*.

*5) Chinese support for development of Pakistan's military-industrial base.*

Chinese support for the development of Pakistan's military industrial base increased substantially between 1982 and 1994, and again between 1994 and circa 2001. Activity in this regard in 1982 (as indicated by the NewsBank *FBIS* indexes) included the May opening of a representative office in Beijing by the National Bank of Pakistan. This was the first such Beijing office by a Third World country bank—a significant symbolic gesture. When the office was opened, the head of Pakistan's National Bank lauded the very close and cordial relations between his bank and the Bank of China, and expressed confidence that the new office would further promote friendship between China and Pakistan. Then in July 1982 an agreement on border trade provided for an increase of 5 percent over the previous year. (Such border trade had been under way since 1969.) In October the two countries signed an agreement establishing a joint committee to promote economic, trade, and science and technology cooperation. These were rather modest measures of Chinese support.

Chinese support in 1994 for Pakistan's efforts to develop its military-industrial base was far more extensive. China agreed to build and supply heavy equipment for two 25-megawatt turn-key electric generating plants at Haripur, 60 kilometers from Islamabad. A Chinese-built heavy electrical equipment complex was inaugurated at Hattar in November of that year. Chinese engineers were supervising the construction of a copper, silver, and gold mining complex at Saindak on Pakistan's border with Iran. The projected output was to be sold to China and other countries to generate foreign currency. The China National Nuclear Corporation (CNNC) was also building a 300,000-kilowatt nuclear power plant at Cashma near Islamabad. This was the first nuclear power plant exported by China. In 1994 a group of 60 future Pakistani operators of the Cashma facility arrived in Beijing for training at the postgraduate school of CNNC. A China-Pakistan science and

technology commission also held a 2-day session in January – under the protocol signed in 1982 – and concluded an agreement on increasing science and technology cooperation.

The increase in Chinese involvement in Pakistan's development efforts between 1982 and 1994 is best explained in terms of China's far greater economic capabilities and openness at the latter point. China was much richer in 1994 and its more-marketized economy created incentives for firms to seek out foreign opportunities for profit making. Be that as it may, it is clear that Chinese support for Pakistan's efforts to develop its industrial base increased rather than declined as Sino-Indian *rapprochement* advanced. Even more ambitious Chinese support for Pakistan's national development efforts in 2001 – centered around Gwadar in western Baluchistan – will be discussed separately below.

*6) Chinese support for expansion of Pakistan's regional links.*

Regarding Chinese support for expansion of Pakistan's regional links, during both 1982 and 1994 China worked to expand Pakistan's transport links with Central Asia. In August 1982 the Khunjerab pass in the Karakorum Mountains was officially opened. India protested, and both Pakistan and China rejected these protests. In 1994 China agreed to the initiation of weekly flights between Urumqi and Islamabad. It also agreed that Xinjiang could be used as a transit route for trade between Pakistan and Kyrgyzstan. This arrangement enabled Pakistani commerce and travelers to avoid unstable conditions in Afghanistan and Tajikistan and expand various sorts of contacts with post-Soviet Central Asia.<sup>30</sup> Once again, these were modest manifestations of Chinese support for Pakistan. Far more ambitious support would come in 2001 when Beijing signed on to support a large-scale and long-term Pakistani effort to expand its regional links via Gwadar. Again, the Gwadar project will be discussed below.

### *7) Chinese transfer of conventional weapons to Pakistan.*

China's transfer of conventional weapons to Pakistan has been a mainstay of the strategic partnership between those two countries. One study found that during the period from 1966 to 1979 Pakistan was by far the major recipient of Chinese arms, with transfers to Pakistan considerably exceeding those to even North Vietnam.<sup>31</sup> In order to capture a somewhat larger set of data, for this investigation I have expanded the time frame by 1 year on either side of our target years, thus encompassing the years 1981-1983, 1993-1995, 1998-2000—2000 being the most recent *SIPRI Yearbook* available at the time of writing. Reference to the listings of arms transfers published in the annual yearbooks of the Stockholm International Peace Research Institute indicates only slight variation between our three target periods. I have also both contracts signed and munitions delivered in those years. The results are presented in Table 2.

While the data presented in this table are not strictly comparable, they do seem to show that there *has not been* a major reduction of Chinese conventional weapons transfers to Pakistan after the onset of Sino-Indian *rapprochement*.<sup>32</sup> Changes in the composition Chinese weapons sales to Pakistan seem to have more to do with Pakistan's defense modernization needs than with placating India.

### *8) Chinese deterrent support for Pakistan.*

A final dimension of the Sino-Pakistani *entente* has been Chinese support for Pakistan in the face of a threatened Indian attack in order to prevent such an attack, i.e., Chinese "deterrent support" for Pakistan. Here I believe our time points must, once again, be a bit more flexible since international confrontations do not occur every year. Fortunately, or perhaps unfortunately, there are four confrontations we can use to gauge Chinese deterrent support: 1) a Soviet campaign of 1983 to pressure India to take action against Pakistan in order to compel Pakistan to desist from providing



<p><b>1981-1983</b></p> <p>150 T-59 main battle tanks  60 Q-5 FANTAN-A fighters, contracted  60 F-7 fighters, contracted  17 fast attack craft,contracted</p> <hr/> <p><b>1993-1995</b></p> <p>20 trainer versions of F-7M AIRGUARD fighters  1992-96: 202 T-85-IIAP main battle tanks**  1994-96: 30 K-8 <i>Karakorum</i>-8 jet trainer aircraft  1989-93: 450 portable <i>Anza</i> anti-aircraft missiles  1990-93: 200 Red Arrow-8 anti-tank missiles</p> <hr/> <p><b>1998-2000</b></p> <p>4 fire control radars for 37-mm guns on fast attack craft  34 C-Son/CSS-N-8 ship-to-ship missiles for fast attack craft  6 K-8 <i>Karakoram</i>-8 jet trainer aircraft  1994-2000: 550 portable surf ace-to-air QW-1 missiles  1990-2000: 7,600 Red Arrow-8 anti-tank missiles</p> <hr/> <p>* Unless indicated as contracted, all entries refer to deliveries.  ** The inclusive time period given for this and several other deliveries over-lap with the three periods of our investigation. Entries without years fall squarely within our 3-year time periods, according to the SIPRI registers.</p> <p>Source: Registers of tranfer and licensed production of major conventional weapons: from <i>SIPRI Yearbooks</i>, 1982-84, 1994-96, 1999-2001. The last 3-year sequence is shifted earlier because later <i>SIPRI Yearbooks</i> were not available at time of publication of this article.</p>
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**Table 2. PRC Transfer of Conventional Weapons to Pakistan before and after the Onset of Sino-Indian Rapprochement.**

sanctuary for the Afghan *mujahadeen*; 2) the Indo-Pakistani confrontation of 1990 over “Kalistan” and Kashmir; 3) the Indo-Pakistan confrontation of 1998 over mutual overt nuclearization; and 4) the Indo-Pakistani confrontation of 1999 over Kargil. For the sake of brevity and ease of comparison, I will present data from these four case studies in tabular form in Table 3.

Two points emerge from comparison of these four episodes. First, the precise verbiage used by Chinese representatives became more vague and less pointed during the 1990s, as compared with the 1983 episode. In 1983 Wu Xueqian spoke directly of “war” and possible “foreign armed attack” on Pakistan. China’s choice of words in 1990 and 1999 was far more elliptical, even though war was a very real possibility in both latter years. In 1990 Defense Minister Qin Qiwei spoke merely of continuing China’s traditional policy of “supporting the Pakistan . . . armed forces in safeguarding . . . state sovereignty and territorial integrity.” During the Kargil confrontation of 1999, PLA chief of general staff General Fu Quanyou merely stated that military cooperation between China and Pakistan was “vital” and would continue “no matter how the world . . . situation might change,” i.e., even if war broke out between India and Pakistan. In 1998 General Zhang Wannian’s words were even more vague, though we should also recognize that the situation in post-nuclear test Indo-Pakistani relations was considerably less tense than in either 1990 or in 1999 during the Kargil confrontation.

The change in verbiage between 1983 and 1990, 1998 and 1999 is significant. As Sino-Indian *rapprochement* advanced, Beijing began using less abrasive, more oblique words to express deterrent support for Pakistan. This analyst believes, however, that the words used in 1990 and 1999, after the onset of Sino-Indian *rapprochement*, still effectively conveyed the same point: if India attacked Pakistan, China would support Pakistan. This is not to say that Beijing was extending open-ended support or a blank check to Islamabad. It clearly was not. But just as clearly, Beijing intended by these carefully chosen words to extend some degree of Chinese support to Pakistan if that country was attacked by India. Beijing was saying it would “support” and “stand with” Pakistan. It left unspoken exactly how and to what extent it would provide such support. Most probably, such “support” would entail all means short of outright belligerency. Discussions by this author with Pakistani officials in Islamabad in 1990 conveyed the distinct impression that, at that

	Afghan crisis of 1983	Kashmir crisis of 1990	Nuclear tests of 1998	Kargil crisis of 1999
Date of Visit	July	February	August	May
Nature of PFC Action	PFC foreign minister Wu Xueqian visits Pakistan	PFC defense minister Qin Qiwel leads 10-man PLA delegation including deputy chief of staff and commander of Lanzhou MK (including borders with India and Pakistan) to Pakistan	Pakistan army chief of staff and chairman of joint staff committee General Jahangir Karamat makes 10-day visit to China at invitation of PLA chief of general staff General Fu Quanyou	Pakistan army chief of staff and chair of joint staff committee General Pervez Musharraf visits China
Chinese Deterrent Verbiage	"Pakistan is China's exceptionally friendly neighbor. If there is a war and Pakistan suffers foreign armed attack, the Chinese government and people will, of course, stand on the side of Pakistan."	"The Chinese government will never change its policy [of] supporting the Pakistan government, people, and armed forces in safeguarding their state sovereignty and territorial integrity, no matter how the international situation changes."	Sino-Pakistani ties "have stood the test of time" and are "based on the Five Principles of Peaceful Coexistence."	"No matter how the world or domestic situation might change, the military ties between China and Pakistan are a vital part of the bilateral relation between the two countries and an important part of the Sino-Pakistan comprehensive cooperative partnership."
Chinese Official Delivering Statement	Foreign Minister Wu Xueqian	Defense Minister Qin Qiwel	Vice Chair of PFC Central Military Commission Zhang Wannian	PLA Chief of Staff Fu Quanyou

**Table 3. Levels of Chinese Deterrent Support for Pakistan Before and After the Onset of Sino-Indian Rapprochement.**

juncture at least, those officials were quite understanding of Beijing's need to mince words for the sake of improved relations with New Delhi, while remaining confident that the underlying Sino-Pakistani strategic link remained strong.

It must, of course, be noted that in 1983 it was ultimately the USSR that was being deterred, while in 1990, 1998, and 1999, India alone was the object of Chinese persuasive efforts. Nonetheless, the point still stands: Chinese verbiage became more elliptical. The second point to be made, however, is that China continued to render deterrent support to Pakistan even during the period of Sino-Indian *rapprochement*. In all three Indo-Pakistani confrontations of the 1990s, Beijing's comments effectively made the point that, if worse came to worst, Pakistan would have China's support in the military security areas—at least materially and politically.

*The Balance of Change versus Continuity in the Sino-Pakistani Entente.*

What general conclusions are we then to draw from this survey of the several operational dimensions of the Sino-Pakistani *entente* listed at the beginning of this chapter? In terms of China's support for Pakistani initiatives against India, Chinese policy shifted fundamentally, and Beijing adopted a neutral position toward such efforts. Military-to-military exchanges were somewhat reduced after the onset of Sino-Indian *rapprochement*, but were still robust. High-level exchanges of civilian leaders continued unreduced. Transfers of critical, strategic technologies—nuclear and missile—continued unimpeded, and perhaps at an even higher level and with an even greater level of trust deriving from the increasingly long record of cooperation in covering up these covert transfers. Chinese support for Pakistan's efforts to develop its military industrial base did not diminish, but increased. Chinese support for Pakistani efforts to expand its regional links increased (as the thrice-promised discussion of Gwadar will soon show). Sales of conventional weapons continued—and probably increased as the United States

bowed out of arms sales to Pakistan after 1990. Chinese deterrent support for Pakistan against foreign threats became more subtle, but continued in essence. Only in the areas of Chinese support for Pakistan's position on Kashmir and support for other Pakistani political-diplomatic initiatives against India does there seem to have been fundamental change. The conclusions drawn from these facts by analysts may vary. The conclusion drawn by this analyst is that China attempted to adopt a more neutral position in Indo-Pakistani conflicts, but remained solid in its support of Pakistan's efforts to defend its national security and sovereignty. In other words, the evidence, on balance, leads to a rejection of the hypothesis that Sino-Indian *rapprochement* has led to a weakening of the Sino-Pakistani *entente*.

### **The Gwadar Project: Strong Chinese Support for Pakistan in the 21st Century.**

In 2001 China agreed to underwrite a massive development project in Pakistan's western Baluchistan province. China's support was announced during Zhu Rongji's May 2001 visit to Pakistan and ceremonially associated with the 50th anniversary of the establishment of Sino-Pakistani relations in May 1951. Chinese support for the first phase of the project was finalized in August 2001 (just before 9/11) at nearly \$400 million. Chinese leaders also promised similarly robust support for subsequent phases of the project. China's support for the Gwadar project was a powerful manifestation of the continuing vitality of the Sino-Pakistani *entente cordiale*.

Named after the small city on the Arabian Sea where the project was based, the Gwadar Development Project entails construction of a new, major deep-water port. The harbor is to be dredged, and eventually 23 deep-sea ship berths will be built, along with new wharves, warehouses, and other critical harbor facilities. The port will also have container and petroleum loading and unloading

facilities. A new rail line is to be built northward from Gwadar, connecting with the main east-west rail line to Iran at Dalbandin. A modern highway will also be built east from Gwadar along the Mekran coast to Liari in the east. Both the Mekran highway and the rail line to Dalbandin will tie the Gwadar harbor into the existing road and rail networks of Pakistan. A new high-voltage electrical transmission line will also be built from Turbat to Gwadar. Through these efforts, a small fishing village will be transformed into a modern harbor with the capacity eventually expected to equal Karachi, which in 2001 carried 90 percent of Pakistan's seaborne trade.<sup>33</sup> The contours of the Gwadar project are illustrated by Figure 3.

Gwadar had been the projected sea terminus of pipelines proposed by Pakistan during the mid- and late-1990s. During that period, Pakistani government agencies lobbied vigorously for new pipeline routes through Afghanistan and Pakistan to bring the vast but unexploited energy resources of the Caspian Sea region to world markets.<sup>34</sup>

The implications of the Gwadar project—should it be completed substantially as projected—are great. Establishment of Gwadar and Pakistan as key transit routes for Central Asian energy to reach world markets would have immense spillover effects for the fiscal resources of the Pakistani government and for Pakistani economic development. The resources available to Pakistan's government for its discretionary use would be far greater. Strengthening Pakistan's defense capabilities would certainly be one choice. Pakistan's involvement in the world economy, and consequent economic growth, would also be greatly facilitated by the doubling of Pakistan's harbor capacity.

From a military standpoint, the creation of a second major seaport 450 kilometers further from the border of India than Karachi would substantially enhance Pakistan's strategic depth in the event



**Figure 3. The Gwadar Development Project.**

of a war with India. This consideration seems to have been decisive in Pakistan's decision to move forward with the Gwadar project. During the end game of the Kargil incident of spring 1999, the Indian Navy had swiftly concentrated forces off the Karachi harbor. The swiftness of the Indian move had succeeded in trapping Pakistani naval forces inside the harbor, as well as threatening to close Pakistan's sole major seaport should the incident at Kargil continue unresolved. In the Indian view, the threatened blockade of Karachi played an important role in compelling the Pakistani military to call its infiltrators back behind the Line of Control at Kargil. Within two years of the Kargil mini-war, Pakistan's government decided to move forward with the Gwadar project in spite of objections from Pakistan's Planning Commission that the large cost of the project made it nonviable on economic grounds. Pakistan's government decided to move forward with the project on "strategic grounds."

The construction of new pipelines and rail links to a large harbor at Gwadar will also greatly boost Pakistan's influence throughout the Central Asian region. With Pakistan—and an Afghanistan friendly to Pakistan—serving as the conduit for the flow of Central Asian energy resources to the world as well as of the world's manufactured goods to Central Asia, Pakistan would become a pivotal link in the emerging world order. A probable follow-on to the projected Chardzhou, Uzbekistan-Gwadar pipeline would be a spur eastward to deliver a portion of that oil to energy-hungry India. This would mean that Pakistan would control the spigot for this potentially substantial portion of India's energy supply. It would also probably doom Indian-promoted projects for undersea pipelines between India and Iran, skirting Pakistani territorial control. In sum, Gwadar is an extremely ambitious project with wide-ranging regional implications. Chinese rhetoric at the time of the August 2001 agreements likened the Gwadar project to construction of the highway over the Karakorum Mountains that linked China and Pakistan in the late 1960s. Given the wide-ranging implications of the Gwadar project, this comparison does not seem inappropriate.



The Gwadar project is a powerful demonstration of China's continuing interest in keeping Pakistan strong even as Sino-Indian *rapprochement* progresses. It is noteworthy that China undertook support of Gwadar shortly after the process of Sino-Indian *rapprochement* resumed following the chill in Sino-Indian relations, which was caused by India's May 1998 nuclear tests with their explicit anti-China justification. Once again there is the pattern of Sino-Indian *rapprochement* advancing in tandem with continuing Sino-Pakistani strategic cooperation.

### **Limited Success of India's Efforts to Pry China away from Pakistan.**

The current state of play in the India-China-Pakistan relationship is *not* China distancing itself from Pakistan for the sake of Sino-Indian *rapprochement*. It *is*, rather, India mobilizing increasing pressure on China to distance itself from Pakistan, while Beijing has, thus far at least, tenaciously refused. This Indian campaign to pressure China began in 1998 with the Bharatiya Janata Party's (BJP) assumption of power in New Delhi. Prior to that point, India's China policy seems to have been dominated by residual Nehruvianism with its romantic vision of Sino-Indian cooperation on behalf of the Third World as at least the desirable goal of the Sino-Indian relationship. Prime Minister Vajpayee and his foreign affairs advisors Jaswant Singh and Brajesh Mishra (the Prime Minister's Principal Secretary), along with coalition partner George Fernandes, gave a distinctly more pragmatic, realistic cast to India's China policy.<sup>35</sup> Whereas previous Indian governments had delinked Sino-Indian *rapprochement* from Sino-Pakistani relations, the new government linked them, although only implicitly. Under the guidance of Vajpayee, Singh, Mishra, and Fernandes, India also began developing pressure points to make Beijing see the wisdom of winding down its *entente cordiale* with Pakistan.

There were several elements to New Delhi's effort to pry Beijing

away from Islamabad: explicit identification of China—and especially the Sino-Pakistani *entente cordiale*—as the reason for Indian nuclearization in mid-1998; raising the issue of Sino-Pakistani relations in the newly initiated security dialogue; using India’s “Look East” policy to expand Indian security ties with China’s neighbors; and establishing a strategic partnership with the United States as a way of repaying China in kind for its links to Pakistan. Pressuring China was not the *only* objective in any of these policy thrusts, but in each case it was *one* important objective.

Explicitly and publicly associating the Sino-Pakistani *entente cordiale* with India’s need to openly acquire nuclear weapons in 1998 was one way in which India’s new foreign policy team attempted to pressure Beijing. A letter sent by Prime Minister Vajpayee to world leaders at the time of India’s test, for example, explained that India’s “deteriorating security environment, especially the nuclear environment,” was linked to the combined threat of “an overt nuclear weapons state on our borders, a state which committed armed aggression against India in 1962,” and a “covert nuclear weapons state” that “had attacked India three times in the last fifty years.”<sup>36</sup> It was the conjuncture between these two states—not named in Vajpayee’s letter but clearly identifiable as China and Pakistan—that required India’s explicit and overt acquisition of a nuclear deterrent. While Vajpayee’s letter was intended to remain private, high-profile public comments by other Indian officials at about that time made the same point.<sup>37</sup> Although Indian leaders in effect apologized a few months later for openly calling China a threat to India,<sup>38</sup> the Indian promulgation of those criticisms stands as one mechanism of Indian pressure on China over its strategic partnership with Pakistan.

New Delhi also used its new security dialogue with China to lay out its demand for a winding down of the Sino-Pakistani *entente*. The first session of the dialogue met in March 2000. During that meeting, the Indian side made clear its view that continuation of the

Sino-Pakistani security partnership constituted a threat to Indian security. In India's view, development of genuine Indian-Chinese amity and cooperation required the end, or at least the very substantial limitation, of the Sino-Pakistani military partnership. India pressed China to end its assistance to Pakistan's nuclear and missile programs. Such assistance adversely affected regional stability, the Indian side said, and prompted an Indian response in a "responsible and restrained manner." India asserted that sensitivity to each other's security concerns was essential to a productive dialogue.<sup>39</sup> Again at the second dialogue session in February 2002, New Delhi raised the issue of Chinese assistance to Pakistan's missile programs.<sup>40</sup>

India's "Look East" policy was another mechanism of Indian pressure. Started in 1995 under the leadership of Prime Minister Narasima Rao, this policy had a largely economic rationale and was part of the deepening push to open the Indian economy. In 1998, the BJP government began giving the Look East policy a new strategic cast. By 2000 and 2001, the two years reviewed in Table 4, the expansion of Indian security links with countries all around China under the Look East policy was in high gear.<sup>41</sup>

The expansion of India's security relations with Japan, Taiwan, and Vietnam under the Look East policy is especially worthy of note, since they are of special concern to Beijing. Japan is, of course, China's historic rival for pre-eminence in Asia and a Chinese foreign policy concern ranking only behind the States as of 2002. A Japan-India defense dialogue at the defense minister level was initiated during Foreign Minister Yukihiro Ikeda's July 1997 visit to India. That dialogue was interrupted by India's May 1998 nuclear tests. It was resumed, however, following the visit to India by Prime Minister Yoshiro Mori in August 2000 when the two countries proclaimed a "global partnership."<sup>42</sup> The evolving India-Japan security relationship was manifested by an agreement for increased naval cooperation to counter piracy that was concluded during

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**2000**

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- Jan. Indian Defense Minister George Fernandes visits Japan.
- Jan. Indian Army Chief of Staff V.P. Malik visits Myanmar.
- Feb. Indonesian President Abdurrahman Wahid visits India.
- Feb. Myanmar's SPDC Vice-Chair Maung Aye visits Shillong for talks with senior Indian officials.
- Mar. Defense Minister Fernandes visits Vietnam.
- Apr. Vietnamese naval delegation visits India.
- Jun. Indian Foreign Minister Jaswant Singh visits Singapore to participate in ASEAN Regional Forum (ARF) and Post-Ministerial Conference (PMC).
- Jul. Thai foreign minister visits India. Agreement to increase bilateral ties, including security links.
- Jul. Indian Army Chief of Staff Malik makes follow-up visit to Myanmar.
- Aug. Japanese Prime Minister Yoshiro Mori visits India. First such visit in 10 years. Japan and India proclaim "global partnership."
- Sep.- Indian Navy (IN) ships visit Japan, South Korea, Vietnam, Oct. Philippines, and China.
- Nov. Foreign Minister Singh visits Vietnam. High-level Myanmar government delegation visits India. India extends US \$15 million credit. Foreign Minister Singh visits Vientiane, Laos. Presides over founding of Mekong-Ganga Cooperation involving Laos, Cambodia, Vietnam, Thailand, and India—but not China.
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**2001**

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- Jan. Prime Minister Atal Behari Vajpayee visits Vietnam and Indonesia. In Vietnam, agreement signed on cooperation in nuclear energy. First such visit to Indonesia in 14 years. Agreement signed to increase Indonesia-India military exchanges.

**Table 4. Implementation of the Look East Policy.**

Feb.	Foreign Minister Singh to Myanmar. First such visit since 1987.
Mar.	IN and Singapore Navy conduct joint exercises (eighth such exercise since 1993).
May	Prime Minister Vajpayee visits Malaysia, calls for “institutionalized dialogue” between India and ASEAN. Chinese Navy destroyer and supply ship visit Mumbai. IN warship visits Singapore. IN and Japanese Navy conduct joint exercises off coast of both countries.
May-	Indian Coast Guard ship visits Philippines and Vietnam.
Jun.	
Jun.	Foreign Minister Singh visits Australia for inaugural session of “framework dialogue.”
Jul.	Planning Commission deputy head K. C. Pant visits Vietnam for ARF and PMC. First ever defense talks between Japan and India. India proposes expanded defense cooperation.
Aug.	Indian Navy “observes” watch Taiwan naval exercises. Foreign Minister Singh visits Australia. Indian Army Chief of Staff S. Padmanabhan visits Japan to initiate enhanced military exchanges.
Sep.	India and Indonesia sign further agreement to increase military exchanges. IN warships participate in Australian Fleet Review. Indian defense secretary to Australia to conclude agreement on intensifying defense cooperation and military contacts.
Oct.	Japan’s ex-Prime Minister Mori to India for diplomatic talks. IN destroyer calls at Wellington, New Zealand.
Nov.	Thai Prime Minister Thaksin Shinawatra visits India. Commander of Myanmar Navy visits India.
Dec.	IN and South Korean Navy conduct joint exercises in Arabian Sea.
Dec.	Prime Minister Vajpayee visits Japan.

**Table 4. Implementation of the Look East Policy (concluded).**

Defense Minister Fernandes' visit in January 2000, and by joint naval exercises carried out in October 2000 and again in May 2001.<sup>43</sup>

Indian links with Taiwan are also extremely sensitive. In this context, in January 2002 one of Taiwan's most reliable papers, *Lianhe Bao*, reported that Indian air force officials had secretly visited Taiwan, and that Taiwan and India had begun the exchange of military information. Taiwan has also reportedly begun posting a military liaison officer to New Delhi.<sup>44</sup>

Finally, Vietnam also is a recent nemesis of China, and one still deeply apprehensive of China's growing power. A strategic understanding between India and Vietnam regarding China is not new, having existed in the early 1980s.<sup>45</sup> Prime Minister Vajpayee's government moved to revive this long-dormant partnership. During the 2 years of the Look East policy surveyed here, the March 2000 visit to Vietnam by Defense Minister Fernandes led to an agreement on expanded security cooperation in countering piracy in the South China Sea. The next month a Vietnamese naval delegation visited India to discuss implementation of that agreement. Joint naval exercises in the South China Sea followed in September. Then in January 2001, New Delhi added a nuclear coloration to the developing India-Vietnam relationship by agreeing to assist Vietnam's efforts in the peaceful uses nuclear energy. It is understood, of course, that skills, technologies, and perhaps materials developed in civilian applications of nuclear power are intrinsically fungible into military areas, at least in the absence of very strict international monitoring.

Through its accumulation of strategic links with China's neighbors, New Delhi has begun doing in East and Southeast Asia the same thing that China had been doing in South Asia: New Delhi is using counter-encirclement to deal with Chinese encirclement. Implicit in this is a proposed bargain: if China will respect India's security concerns in South Asia, India is prepared to respect similar

Chinese concerns in East and Southeast Asia.

Forging a strategic partnership with the United States was one of New Delhi's main instruments of pressure on Beijing. Indeed, it is probably fair to say that the emergence of the new India-U.S. partnership has placed great pressure on Beijing. An India-U.S. military-security relationship began to develop in January 1995 when a visit by U.S. Secretary of Defense William Perry resulted in an agreement to expand military contact and cooperation. The latter included joint naval exercises and a high level consultative group on defense issues.<sup>46</sup> The slowly developing India-U.S. military relation was aborted in the aftermath of the May 1998 tests. The substantial understandings reached through the talks between Foreign Minister Jaswant Singh and the U.S. State Department's Strobe Talbott in the second half of 1998 revived forward movement in the relationship. President Clinton's visit to India in March 2000 and Prime Minister Vajpayee's reciprocal visit in September were further steps forward. The joint statement on "A Vision for the 21st Century" issued during Clinton's visit resolved "to create a closer and qualitatively new relationship between the United States and India." It also provided that, "In the new century, India and the United States will be partners in peace, with a common interest in and complementary responsibility for ensuring regional and international security." The two sides also "agreed on a number of steps to intensify and institutionalize the dialogue between India and the United States." Among these were dialogues on foreign policy and Asian security.<sup>47</sup> The joint statement issued at the conclusion of Vajpayee's visit agreed to further "broaden . . . cooperation in peacekeeping and other areas of UN activity, including shaping the future international security system."<sup>48</sup>

The Bush administration that took office in January 2001 sought to dramatically upgrade the partnership between the United States and India. New Delhi responded positively. In May Deputy Secretary of State Richard Armitage visited India to present to

India's leaders the new administration's thinking about a "new strategic framework" for India-U.S. ties. According to this "new framework," the United States would view and treat India as a major strategic partner for dealing with global issues. Also in May 2001, India responded relatively positively to the Bush administration's missile defense proposals, a sign that Washington noted approvingly. Then in November, U.S. Defense Secretary Donald Rumsfeld visited India to ask for a list of weapons and military equipment India wished to procure from the United States. That same month, Vajpayee visited the U.S. again for talks. A visit by India's Defense Minister Fernandes to the United States in January 2002 followed, and culminated in the signing of an agreement regarding the security of military information. This agreement paved the way for the transfer to India of sensitive military-related U.S. technology. By February 2002, U.S. Chairman of the Joint Chiefs of Staff General Richard Myers made a visit to India to finalize terms for the first major Indian purchase of U.S. military equipment since the 1998 tests. It was anticipated that India's purchase of military equipment would shift substantially from Russia, France, and Israel to the United States with the lifting of U.S. sanctions.<sup>49</sup> One seasoned Indian analyst commented that "Few could . . . have imagined that we would so soon see the day when there is an ever-expanding exchange of information and experiences between India and the United States in security-related matters."<sup>50</sup>

By developing a military-security relationship with the United States, New Delhi presented Beijing with the specter of Indian participation in a U.S. effort to contain China. New Delhi's message to Beijing clearly implied that unless China wanted this to happen, China should become more sensitive to Indian concerns about Chinese activities in South Asia, starting with China's ties to Pakistan.

As indicated by the evidence presented earlier regarding the continuing robust nature of the Sino-Pakistani *entente*, China has



thus far resisted Indian pressure. Indian efforts have had limited success in weakening the Sino-Pakistani partnership. Beijing's refusal to disengage militarily from Pakistan was forcefully stated by PRC Minister of Defense Chi Haotian during a 5-day visit to Pakistan in February 1999. Chi's visit came in the midst of a Chinese pressure campaign on New Delhi to retract its recent words about a "China threat" made at the time of India's May 1998 nuclear tests. Such a retraction would "untie the knot" India had created in India-China relations by using the China threat to justify Indian nuclearization, and restart the process of Sino-Indian *rapprochement*. "Pakistan and China sit in the same boat and have a common mission," Chi said. "They have an all-weather friendship and have remained each other's most trusted friends and will continue this friendship in the future. This friendship is a guarantee of peace not only in this region, but also the whole world, including South Asia."<sup>51</sup> Pakistani President Rafiq Tarar pointed out that Chi's visit, coinciding as it did with Indian Prime Minister Vajpayee's historic visit to Pakistan, contained the important message that Pakistan and China would continue their cooperation in spite of changes occurring at the international and regional levels.

Beijing also rejected Indian assertions in the bilateral security dialogue that China's links with Pakistan were in some way unacceptable or constituted a threat to India. The Chinese side assured India that China's military cooperation with Pakistan was part of normal state-to-state relations and in accord with the Five Principles of Peaceful Coexistence.<sup>52</sup> Further talks over this issue came during Foreign Minister Tang Jiaxuan's July 2000 visit to New Delhi. On that occasion, Minister of External Affairs Jaswant Singh stressed concerns about China's transfer of missile technology to Pakistan.<sup>53</sup> Tang responded that China-Pakistan cooperation was part of normal state-to-state interaction, which was not directed against India or any other country. "It has been re-emphasized by the Chinese side that their relationship with Pakistan is a normal, bilateral and sovereign one and not directed toward any country,

especially India,” Singh told the press following his talks with Tang.<sup>54</sup> In other words, Chinese-Pakistani relations were a bilateral issue that were not the proper concern of New Delhi, and for India to presume to regulate those relations was an infringement on the sovereignty of Pakistan and China. Tang’s visit to India was the first by a high-ranking Chinese official to India following the post-May 1998 chill in Sino-Indian relations, and provided an opportunity for both sides to place key issues on the table. To underline the point that improvements in Sino-Indian relations would not lead to deterioration of Sino-Pakistani relations, following his *one-day* official visit to India, Tang paid a *three-day* official visit to Pakistan in July 2000. Upon his arrival, Tang told reporters that China’s relationship with Pakistan was an “all-weather relationship” and that it was “not possible at all for the development and improvement of China-India relations to affect further development of China-Pakistan relations.” “Sino-Indian relations are Sino-Indian relations, and Sino-Pakistani relations are Sino-Pakistani relations,” Tang said.<sup>55</sup>

Beijing rejects the Indian proposition that China’s cooperation with Pakistan in various areas constitutes in any way a threat to India. For India to object to such cooperation between Pakistan and China is a manifestation of Indian hostility toward China, an expression of Indian aspirations of “regional hegemony,” based on the erroneous premise of “the China threat,” inspired by sinister Western forces intent on creating problems in China’s relations with its neighbors, and a violation of the Five Principles of Peaceful Coexistence to which India has professed agreement. Indian leaders should purge all such thoughts from their minds and proceed to sincerely develop Sino-Indian cooperation independently of Sino-Pakistani links, Beijing argues. Sino-Pakistani and Sino-Indian ties should proceed on completely separate tracks. There was, and could be, no linkage between them. China’s objective is to develop all-round, friendly, cooperative relations with *both* India and Pakistan. If India is unhappy with Sino-Pakistani military cooperation, Beijing is quite prepared to increase such cooperation with India.

Although Chinese analysts do not, as far as I know, use the term in regard to Sino-Pakistani-Indian relations, the concept of proper “handling” or “management of contradictions” very aptly describes China’s approach to that relationship. Beijing is pursuing substantially contradictory or incompatible objectives: maintaining a solid strategic partnership with Pakistan while developing a multi-dimensional cooperative relationship with India. Beijing’s objective is to prevent these two policy strands from becoming an either/or choice, to prevent pursuit of one from becoming an obstacle to pursuit of the other.

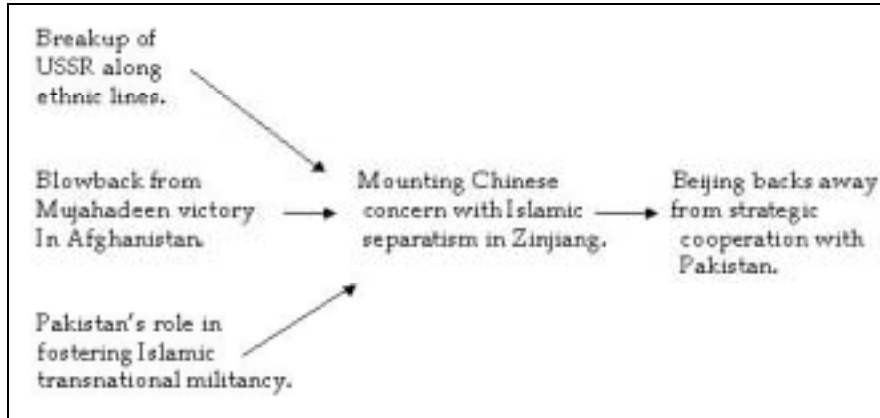
In the first direct clash between Beijing and New Delhi over this issue—during the 24 months after India’s May 1998 nuclear tests—China won hands-down. Confronted by intense domestic, international, and Chinese pressure, New Delhi was forced to retract its direct and high-profile statements about China posing various threats to India, and resume the process of Sino-Indian *rapprochement* under conditions that made clear Beijing’s determination to continue its strategic, security partnership with Pakistan.<sup>56</sup> New Delhi, in other words, was compelled to accede to Beijing’s terms for the conduct of Sino-Indian-Pakistani relations. Sino-Indian *rapprochement* would continue parallel to the Sino-Pakistani *entente cordiale*. Will Beijing be able to adhere to this position over the next 18 years (to 2020) in the face of continuing Indian pressure? As my introductory comments indicated, this analyst’s guess is that Beijing will continue to resist Indian pressure. Before engaging in that bit of futurology, however, it is necessary to assess the impact of transnational Islamic militancy on the Sino-Pakistani entente.

### **Islamic Militancy/Separatism as a Factor Undermining the Sino-Pakistani *Entente*.**

Prior to September 11, the hypothesis that growing Chinese concern for Islamic separatism in the Xinjiang autonomous region

was leading, or would lead, to Chinese disengagement from Pakistan had some currency. Though this idea has been considerably mooted by 9/11 and the subsequent (at least partial) disengagement of Pakistan from Islamic extremism, it is still worth considering for two reasons. First, it informs us about the dynamics of Sino-Pakistani relations for the decade of the 1990s. Second, the issue of transnational Islamic radicalism is by no means passé, and in looking to the future, it is well to consider whether that radicalism might undermine the Sino-Pakistani *entente*. The hypothesis that transnational Islamic radicalism will lead to Chinese disengagement from Pakistan is schematically shown in Figure 4.

The first point to be made here is that the empirical test conducted in the previous section is relevant here. There *was not*, on balance, a fundamental Chinese disengagement from Pakistan between 1982 and 2001. This being the case, as with the hypothesis regarding Sino-Indian *rapprochement*, we seem to have here a case of imputed causation without demonstrated change in the stipulated dependent variable. A second preliminary point regarding the syllogism offered above is that there is a crucial logical gap between the second and third elements, between mounting Chinese concern for Islamic separatism in Xinjiang and disengagement from Pakistan. Why would Chinese disengagement from Pakistan address Beijing's mounting concerns over ethnic separatism in Xinjiang? Why would Chinese disengagement from Pakistan improve rather than diminish Beijing's ability to deal with transnational Islamicist support for separatism in Xinjiang? Why would not having good, grateful Muslim friends in Islamabad – a very important Islamic country and the best friend of the Taliban regime in Kabul – not be more useful to Beijing's efforts to check foreign subversion in Xinjiang? The implicit argument here seems to be either: 1) Pakistan refuses to comply with Chinese wishes on this issue and Beijing responds by drawing away from Pakistan, or 2) Beijing concludes that a more isolated and weaker Pakistan will act more cautiously and/or be more responsive to Chinese concerns. We will return to these points below.



**Figure 4.**

It is beyond dispute that the breakup of the USSR had a profound impact in China.<sup>57</sup> The fate of the USSR became a negative lesson of what the PRC had to avoid at all costs. Although there were several other aspects of “the lesson of the USSR” of greater importance within China than that of ethnic separatism, it is *that* aspect which is of concern to our discussion here. According to China’s 1998 statistical yearbook, 61.6 percent of Xinjiang’s population were ethnic groups other than Han: Kazak, Uygur, Kirgiz, Tajik, and Mongol.<sup>58</sup> Most of these non-Han people were of Islamic religious faith. China has long faced threats of ethnic separatism from the Islamic, largely Turkic peoples of Xinjiang province.<sup>59</sup> These challenges increased during the late 1980s and early 1990s as the *mujahadeen* struggle in Afghanistan raged and then Soviet authority in Central Asia unraveled. China responded with increased domestic repression and controls, including especially increased supervision of religious institutions and activity in Xinjiang.<sup>60</sup>

As Islamicist separatist activity increased further in the mid- and late-1990s, Beijing responded with a three-pronged approach.<sup>61</sup> First, Beijing intensified cooperation with Russia and the newly independent states of Central Asia. As noted earlier, by 1996 this

cooperation was embodied in the Shanghai Cooperative Organization of Russia, China, Kazakhstan, Kyrgyzstan, and Tadjikistan. Second, Beijing began insisting that Pakistan take measures to end the training of Chinese citizens from Xinjiang in camps of Islamic schools in either Pakistan or Afghanistan. Third, Beijing began using carrots and sticks in an effort to persuade the Taliban regime to cease and desist all training for Muslims from Xinjiang.

It is the Pakistan component of this approach which most concerns us here. Pakistan's leverage with the Taliban was very important to Beijing. Indeed, M. E. Ahrari has concluded that this borrowed leverage gave China greater influence with the Taliban than either the United States or Russia.<sup>62</sup> It seems clear that Pakistan acted in compliance with Beijing's demands for assistance. But it is equally clear that Islamabad's activity did not have the result Beijing desired.

During 1993 the U.S. had come very close to declaring Pakistan a terrorist state because of its activities in Kashmir.<sup>63</sup> According to Ahmed Rashid, Islamabad averted this possibility by shifting responsibility for processing of Kashmir-bound terrorists to Pakistan's Islamic parties, and by moving the relevant training camps into eastern Afghanistan where the Jura tribal authorities were induced to take these camps under their protection. Then as the Taliban emerged on the scene, Pakistani entities gave that movement ever-greater support for a combination of strategic, economic, religious, and political reasons. Pakistani support for the Taliban was deep and broad. As Afghanistan became a center of transnational Jihadist terrorism, smuggling, and narcotics production under the Taliban, virtually all the countries of the region, from Iran through Russia and the new Central Asian states, became increasingly alarmed. China shared these concerns.

To what extent did China's leaders know about Pakistan's

support for transnational Islamic radicalism? A definitive answer to this question is currently unavailable, but Chinese intelligence almost certainly had at least a general understanding of what was going on between Pakistan, the Taliban, and Osama bin Laden. If Pakistani officials tried to mislead Chinese representatives, Beijing could have easily concluded that Pakistan was playing a dangerous two-faced game. If this were the case, Beijing might have concluded that China would be better served by joining the regional anti-Taliban, anti-Pakistan coalition that was emerging by 2000 than by continuing to support Pakistan in the face of growing hostility by that regional coalition. On the other hand, if Pakistani leaders were forthright with Chinese leaders about Islamabad's policies and objectives, while assuring them that Pakistan would see to it that the emerging Islamicist forces would not target China, that could well point in another direction. Terrorist attacks against the United States, the West, and India were not necessarily contrary to China's interests. From Beijing's perspective, the crucial question was this: How likely were the Islamicist forces being created by the Taliban and bin Laden to turn against China?

In late 1998 the PRC embassy in Islamabad complained to the Pakistani foreign ministry that PRC nationals from Xinjiang were being trained in guerrilla warfare in both Pakistan's northwest tribal area and in Afghanistan. The basis for the Chinese complaint was intelligence obtained from the interrogation of 37 PRC nationals from Xinjiang apprehended following their return to China after receiving such training. Pakistan's foreign ministry took China's complaint as a very serious matter, and on October 3 asked the Interior Ministry to undertake intense efforts to determine whether this was in fact the case. Available news reports do not say whether the investigation by Pakistani security services turned up confirmatory evidence, or whether PRC nationals studying at *Jihad*-oriented *madras sahs* in Pakistan were expelled or deported to China. Pakistani officials were quoted, however, as saying that such training was "unthinkable" and incompatible with Pakistan's long

and time-tested relationship with China. The Taliban, for its part, categorically denied that any foreign nationals were undergoing training in Afghanistan.<sup>64</sup>

Toward the end of 1999 China received intelligence that Osama bin Laden had convened a meeting in Kabul attended by representatives from Xinjiang separatist groups, the Islamic Movement of Uzbekistan, and senior members of the Taliban leadership. At that meeting bin Laden reportedly proposed that China-based groups cooperate with the Islamic Movement of Uzbekistan and proceed in an “organized fashion” in Xinjiang. Ties among various Xinjiang separatist groups were upgraded and intensified as a result of the meeting. Chinese intelligence also determined that Xinjiang groups were sending their “backbone members” for training at bin Laden’s camps in Afghanistan. Many of these core cadres received actual combat experience in Afghanistan, Kashmir, Uzbekistan, or Chechnya.<sup>65</sup>

Again Beijing turned to Islamabad for help. Foreign Minister Tang Jiaxuan discussed the Afghanistan issue with Chief Executive Pervez Musharraf and President Rafiq Tarar during his 3-day visit to Pakistan in July 2000. As noted earlier, this visit came just after Tang’s one-day visit to New Delhi signifying the restoration of Sino-Indian comity—and the continuation of Sino-Pakistani military cooperation in that context. Tang discussed in Islamabad issues related to cooperation in missile development and Afghanistan. There is no evidence that there was an explicit link between these two issues (i.e., of Chinese support for Pakistan’s missile development efforts being contingent on Pakistan’s help with Xinjiang’s internal security problems), but everyone engaged in those talks would have well understood the existence of an implicit linkage. Diplomatic sources in Islamabad reported tension in Sino-Pakistani relations over the Afghanistan issue and noted that Beijing would again ask Pakistan to moderate Taliban activities. Pakistan ought to keep a wary eye on developments in Afghanistan and



“must not, in any way, be associated with something the Chinese perceive to be inimical to their interests,” Islamabad’s *The News* warned.<sup>66</sup> Tang Jiaxuan was apparently frank about China’s concerns over Islamicist subversion in Xinjiang. “Beijing has been increasingly concerned about the negative impact of the violence in Afghanistan on its restive Moslem population in Xinjiang,” another Pakistani news paper reported.<sup>67</sup> Tang Jiaxuan’s Pakistani hosts responded to his concerns over Xinjiang by arranging a meeting between him and Taliban representatives in Islamabad. Those representatives assured Tang that Kabul “will not allow anyone to operate against China from Afghanistan.” In talks with the deputy director general of the Asian Department of China’s foreign ministry, Sun Guoxiang, who had accompanied Tang to Islamabad, the Taliban ambassador to Pakistan categorically rejected all charges that Chinese citizens were being trained in Afghanistan. “Some foreign enemies of the people of Afghanistan and vested interests are bent upon creating misunderstandings and differences between the two friendly countries [China and Afghanistan] by leveling false and baseless allegations.” The Islamic Emirate of Afghanistan would never allow anyone to operate against China from Afghanistan, the ambassador said.<sup>68</sup>

While using its Pakistan links to influence the Taliban, Beijing also worked with other powers to pressure Kabul to conform to international norms. In December 2000 China voted in favor of U.S.- and Russian-sponsored United Nations Security Council sanctions against Afghanistan. Shortly before the U.N. vote, a three-man PRC team headed by China’s ambassador to Pakistan, Lin Shulin, flew to Kandahar for talks with Taliban leader Mullah Mohammad Omar. Omar again denied that any people from Xinjiang were being trained in Afghanistan, and called for increased cooperation between China and the Islamic Emirate of Afghanistan. Taliban leaders also pleaded for a Chinese veto of the imminent U.N. sanctions. Lin Shulin explained why such a Chinese veto would not be forthcoming.<sup>69</sup>

It is clear from these events that China's link with Pakistan was an important instrument for pressuring the Taliban, that is, for dealing with China's internal security problems in Xinjiang. Using Pakistan's good offices did not bring satisfactory results for China, but Beijing *did* utilize those good offices. Indeed, it was one of Beijing's most important policy tools. What might have happened if the September 11 attacks on the U.S. had not occurred and the Taliban and bin Laden otherwise continued on their chosen course? It is conceivable that this might have led to Chinese actions designed to punish Pakistan. This did not occur, however, and the likelihood of such a development occurring in the future seems to have been substantially diminished by 9/11.

The logic of Pakistan's situation suggests that Pakistan's military leaders have been, and will continue to be, solicitous of China's concerns about Xinjiang. If the guiding strategic concern of Pakistan's military leaders is securing "strategic depth," that objective could not be achieved by alienating Pakistan's most important, most powerful backer. With the dissolution of the U.S.-Pakistan alliance circa 1990, China became Pakistan's only backer among the major powers. As we have seen, China has given Pakistan, and continues to give, important strategic support. It would be extremely reckless for Pakistan's military leaders to alienate China by failing to respond to Chinese concerns about Xinjiang. Accomplishing Pakistani "strategic depth" requires retaining Chinese support while forging a solid Islamic alliance between Afghanistan and Pakistan. Meeting Beijing's requirements in Afghanistan without sacrificing Islamabad's objectives there was certainly a major political problem for Pakistan's military rulers. But finding ways of dealing with *this tension*, rather than resolving it in favor of forging a Pakistan-Afghanistan Islamic union, is probably the better problem for Islamabad to face. For China's part, continuing warm relations and strategic partnership with Pakistan gave Islamabad incentive to respond to Beijing's concerns over

Xinjiang. If Beijing disengaged from its strategic partnership with Islamabad, leaders in that capital would have fewer incentives to comply with Beijing's wishes regarding Xinjiang.

### **Speculations about the Period to 2020.**

Today, in 2002, the Sino-Pakistani *entente* retains its vital force, and it remains substantial. While China has disengaged from India-Pakistan conflicts to a significant degree for the sake of Indian-Chinese *rapprochement*, Beijing remains deeply committed to and supportive of Pakistan's efforts to sustain national power adequate to resist Indian domination. The high level of elite understanding between Islamabad and Beijing also remains unimpaired. China's "all-weather" and "adversity-tested" friendship still means that China's support for Pakistan will continue in spite of Indian objections, and independent of whatever happens in India-Pakistan relations. This arrangement is unacceptable to India, and New Delhi is mobilizing various pressures to pry Beijing further away from Islamabad. Expanded Indian partnership with the United States raises for Beijing the specter of Indian participation in a U.S.-sponsored containment of China—unless Beijing becomes more sensitive to India's concerns regarding Pakistan. The expansion of Indian security ties with China's East Asian neighbors further raises the stakes for Beijing. Thus far Indian pressure has worked only at the margins of the Sino-Pakistani *entente*. The core, China's support for Pakistan's national development efforts, remains vital. Assuming that Indian efforts to pry Beijing away from Pakistan will continue, will Beijing become more responsive to Indian demands and disengage from Pakistan over the next two decades?

Two considerations involving the United States will play an important role in determining the amount of pressure China will be subject to because of its continuing ties with Pakistan. One is the level of tension in U.S.-PRC relations. The second is the level of U.S. support for Pakistan.

Regarding the level of Sino-American tension, were U.S.-PRC relations to deteriorate badly, Beijing would, *ceterius paribus*, become more desirous of uncoupling India from the United States. The more fearful Beijing is of U.S. containment, or even of outright U.S. attack against China, the more willing it would be to meet Indian demands regarding Pakistan in order to disassociate India from a U.S.-led anti-China bloc. Yet disengaging from Pakistan to appease India would be a very risky move for Beijing. It would expose China to a possible Indian double-cross, leaving Beijing in an even worse situation. We will return to this matter below.

Regarding U.S.-Pakistan ties, greater levels of U.S. support for and engagement with Pakistan would diminish, or at least offset, Indian pressure on China generated by continuation of the Sino-Pakistani *entente*. Beijing would be able to argue that its support for Pakistan is in line with trends of the international community, and not some sort of unacceptable anomaly. Indian anger at U.S.-Pakistan ties would also work against Indian alignment with the United States, and even make cooperation with China more attractive to New Delhi as a way of punishing Washington for its support for Pakistan.

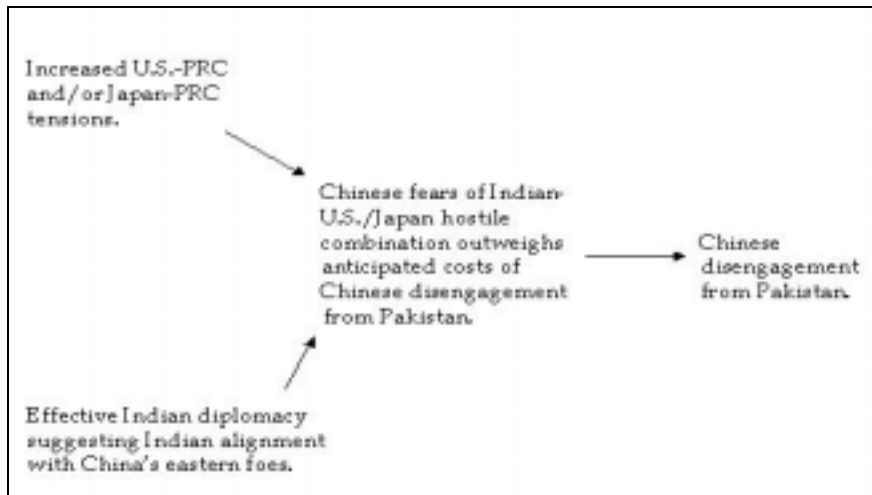
Finally, the trajectory of Indian development over the next 18 or so years, especially relative to that of China, will be important. If—and this is a very big if—India's economic reforms deepen substantially and succeed in attracting large volumes of foreign direct investment and in generating large export growth, and if this were juxtaposed with instability within China due to the insolvency of its banking system and/or the collapse of the loss-earning state enterprises, China's incentives to appease India by sacrificing Pakistan would increase.

Several scenarios can be envisioned which could conceivably lead to Chinese disengagement from Pakistan. The most likely of these

would entail deterioration of U.S.-China or perhaps Chinese-Japanese relations, combined with Indian gestures effectively suggesting to Beijing the real possibility of Indian strategic alignment with the U.S. and/or Japan unless Beijing met New Delhi's demands. New Delhi might unequivocally demand Chinese disengagement from Pakistan as the price for Indian nonalignment with China's American and/or Japanese foes to the east. Beijing might judge as too great the risks of noncompliance with New Delhi's demands, and draw away from Pakistan. This syllogism is outlined in Figure 5.

How likely are these situations to materialize in the period to 2020? Regarding increased levels of Chinese tension with the United States and/or Japan, short of a Chinese decision to attack Taiwan, it is difficult to envision a major deterioration of relations and escalation of tensions. The trials and tribulations of the 1990s seem to have persuaded leaders in both Washington and Beijing that confrontation is too costly, of uncertain outcome, and does not serve national interests well. Estranged relations punctuated by periodic crises seem to be the likely course of U.S.-PRC relations for the foreseeable future, probably out to 2020. It is unlikely that there will be a major deterioration of Sino-American relations such as might require drastic Chinese action to uncouple India and the United States – once again short of a Chinese decision to attack Taiwan.

Were a Sino-American war over Taiwan to occur, Indian neutrality secured at the cost to China of disengagement from Pakistan would not be adverse to U.S. interests. Indian involvement in the Sino-American war would probably not be decisive or even desirable from the U.S. point of view (if the strategy of limited war was again adopted). A post-war China that confronted and was constrained by an India with a far more powerful position in South Asia would, on the other hand, comport with U.S. interests.



**Figure 5.**

Regarding Japan, while new tensions and conflicts have emerged in Sino-Japanese relations since about 1996, it is difficult to imagine those tensions escalating to a level which would make Chinese leaders genuinely fear Japanese-Indian strategic cooperation. The exception to this might be Japanese acquisition of long-range air attack and/or power projection capabilities. This too seems unlikely to occur over the next 18 years.

The quality of Indian diplomacy will also count for a lot. Indian diplomacy would have to be very skillful. New Delhi would have to make Beijing genuinely apprehensive of possible Indian alignment with the United States, without going so far as to convince Beijing that it was unwise for China to sacrifice its most effective instrument for countering India. There are still strong institutional barriers to effective diplomatic maneuver in India. Very strong sectors of the Indian academic and media elite believe that India cannot, and should not, align with the United States. Reasons given for this include: India's tradition of non-alignment; the exploitative, capitalistic, aggressive, or hegemonistic nature of the United States; and China's anticipated negative reaction to Indian alignment with

the United States. Regarding the final reason, the line of argument is that Indian alignment with the United States would anger Beijing, thereby thwarting development of more friendly Sino-Indian relations. This was demonstrated, so the argument runs, by China's strongly negative reaction to the BJP government's solicitation of U.S. "understanding" for Indian nuclearization in May 1998. Improvement of Sino-Indian relations thus requires that India not get too close to Washington. This is a widespread view in India, one that Beijing encourages and courts with friendship diplomacy.

At least as common in India as suggestions that closer India-U.S. strategic cooperation would pressure China to disengage from Pakistan, is the argument that such cooperation is reckless and would backfire to India's disadvantage. Chinese analysts are well aware of these strong trends in Indian thinking, and China's diplomacy has become fairly adept at exploiting this line of Indian thought. Given the depth of divisions within Indian opinion, plus the effectiveness of Chinese diplomacy in courting Indian pro-China/anti-Western sentiment, resolute and decisive Indian action that might actually scare Beijing into seeing some need to disengage from Pakistan seems unlikely. It seems more likely that Beijing would conclude that Indian threats to align with the United States and/or Japan are bluffs from which Indian leaders can be compelled to back away by the application of appropriate Chinese countermeasures.

If Chinese leaders were persuaded that India would actually align with the United States and/or Japan, the importance of Pakistan as a means for countering India would become even more vital to Beijing. This is a major conundrum for India's efforts to pressure China away from Pakistan. To genuinely rouse Chinese concerns, to persuade Beijing that Indian threats of alignment with the United States are credible, New Delhi must move toward genuine cooperation with the United States. Yet by doing this, it makes Pakistan even more valuable to Beijing as a counter to India.

Under conditions in which actual Indian alignment with the U.S. seemed possible, Chinese disengagement from Pakistan would require firm Indian guarantees that New Delhi would not align with, or continue its alignment with, the United States subsequent to Chinese disengagement from Pakistan. Beijing would also require solid Indian guarantees that New Delhi would not seize the opportunity of Chinese disengagement from Pakistan to decisively subordinate Pakistan. Lacking either of these, Beijing would face the possibility of an Indian double-cross. New Delhi might move against a now-isolated Pakistan, a Pakistan without Chinese support. Decisive Indian subordination of an isolated Pakistan might then be followed by Indian alignment with the anti-China U.S.-Japan bloc. All of this seems exceedingly unlikely. It seems far more likely that Beijing would not risk the extremely powerful check on India constituted by a strong Pakistan able and willing to counter India. China will probably prefer to found its security in South Asia on an advantageous balance of power, rather than endanger that structure for the sake of Indian good will.

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## CHAPTER 16

### THE STRUGGLE FOR MASTERY IN ASIA<sup>1</sup>

**Aaron L. Friedberg**

Over the course of the next several decades, there is a good chance that the United States will find itself engaged in an open and intense geopolitical rivalry with the People's Republic of China (PRC). Such an outcome is not inevitable; few things in international politics are. But there are strong reasons to believe that it is at the very least plausible, and even quite likely. Indeed, there are reasons to believe it is already under way.

In what follows, my aim is to consider what such a Sino-American rivalry might look like, and how it could unfold. In doing so, I make three basic assumptions. The first is that, as a nation-state, China will continue to hang together – that, however dramatically its economy and political system may change over the next several decades, they will not collapse. My second assumption is that, in the words of a recent U.S. Defense Department report, China “wants to become the preeminent Asian power,” which necessarily means that it will seek ultimately to displace the U.S. as the preponderant power in the region. Third, I assume that the U.S., while seeking to satisfy China's ambitions by at least to some degree acceding to its wishes, will not be willing to abandon its own present position of preponderance in Asia or to surrender pride of place to China. To permit a potentially hostile power to dominate East Asia would not only be out of line with current U.S. policy, it would also mark a deviation from the fundamental pattern of American grand strategy since at least the latter part of the 19th century.

The combination of growing Chinese power, China's effort to expand its influence, and the unwillingness of the U.S. entirely to

give way before it are the necessary preconditions of a “struggle for mastery” in Asia (to adopt a phrase from the British historian A. J. P. Taylor). How, then, might that struggle arise?

The Sino-American relationship today contains a mix of cooperative and competitive elements. The two countries trade with each other, American businesses invest considerable sums in China, and many Chinese students come to study in the United States. Beijing and Washington engage in sporadic military-to-military dialogues and ongoing discussions of various regional and global issues, including the future of the Korean peninsula and the proliferation of ballistic missiles and weapons of mass destruction. At the same time, however, the U.S. and China have strong disagreements on a variety of matters, human rights and the Taiwan question being foremost among them. And in recent years the two sides have begun to regard each other as potential military rivals, although both are reluctant to acknowledge this openly.

It is precisely this mix of cooperative and competitive elements that may shift sharply in the competitive direction. In the new configuration of things, China and the U.S. would most likely continue some form of economic relationship, they would not be openly at war with one another, and they would maintain diplomatic ties. But flows of trade and investment would increasingly be distorted by strategic considerations, the two powers would be engaged in a much more open military competition—designing, deploying, and training their forces with an eye toward possible conflict—and this military rivalry would be accompanied by a political contest waged throughout the Asia-Pacific region and perhaps beyond.

Any number of pathways could lead from the present to this imagined future. Thus, a single catalytic event, such as a showdown over Taiwan, especially if it entailed a significant loss of life on either side, could transform the U.S.-China relationship virtually overnight.



Whichever side prevailed, the loser would look for ways to exact revenge, and each power would likely redouble its efforts to strengthen its military and diplomatic postures in Asia and undermine those of its rival. Or there could be a gradual deterioration in relations, an accumulation of lesser disputes and failed efforts to resolve them that would lead the U.S. and China to become increasingly suspicious and hostile. Or there might be some combination of these trends—say, a period of gradual deterioration punctuated by one or a series of crises (like the one that followed the accidental American bombing of the Chinese embassy in Yugoslavia in the spring of 1999), no one of which might seem in itself to be of overwhelming importance but which, taken together, could culminate in a much more contentious relationship.

Regardless of how it arose, an intensified Sino-American rivalry would likely manifest itself in different spheres and along different dimensions. Let me take these in order, beginning with the economic.

## **ECONOMIC RIVALRY**

Ever since it began market reforms in the late 1970s, the PRC has become heavily dependent for its continued well-being on the outside world, and, in particular, on the U.S. Without heavy inflows of American capital and technology, and without access to the huge U.S. market, China would not have been able to progress as far and as fast as it has. Whether or not the U.S. could have used its position of relative economic advantage for strategic purposes during this period, the fact is that, for the most part, it did not try. Despite some efforts in the late 1980s and early 1990s to punish China for violations of human rights and arms proliferation, U.S. economic pressure was half-hearted and largely ineffectual. By the mid-1990s, the U.S. was lifting most sanctions, loosening or abandoning most controls on dual-use technology exports to China, and moving to grant it status as a normal trading partner.

It did so based largely on the belief that trade leads to peace. Mutual economic exchange is assumed to forge a shared interest in good relations, and a powerful disincentive to conflict. According to advocates of “engagement” with the PRC, international trade and investment will fuel economic growth, economic growth will speed democratization, and a democratic China will be far less likely to use force or threats against other democracies, including the U.S.

It is certainly possible that, if it continues to grow richer, China will also become, from the American perspective, more benign. But it is also conceivable that this may not happen. If it does not, the U.S. will be faced with a challenge with which it has not had to cope in over a century: a strategic rival that is economically and technologically dynamic, deeply engaged in the world economy, and whose total output may come eventually to approach America’s own.

Will an era of more openly competitive relations be marked by renewed U.S. efforts to exert economic leverage on China? The answer will depend a great deal on how such an era begins. A sudden, severe crisis could galvanize American domestic opinion, overwhelm the objections of business groups and others with a strong vested interest in continued commercial contacts, and lead to the imposition of near-total restrictions on imports, exports, and capital and technology flows. But if the deterioration is gradual, a sufficient political consensus may not exist in the U.S. to support even limited sanctions. To the contrary, it is precisely when relations falter that arguments for keeping trade on an even keel will be advanced most strenuously.

As time passes, China will probably become even less susceptible to American economic pressure than it is today. Chinese exports to the U.S. may be large, but even now they are greatly overshadowed by China’s exports to its Asian neighbors. And as important as the U.S. is as a source of capital, it now comes in only third among the

five largest providers of direct foreign investment to China; the other four (Hong Kong, which serves as a conduit for Taiwanese investment on the mainland, Japan, Singapore, and South Korea) are all Asian players. In the future, the Chinese government will have a strong strategic incentive to encourage and expand such diversification, above all in order to lessen excessive dependence on the U.S.

In the long run, China will become relatively less reliant not only on the U.S. but on the outside world generally. Rising incomes will mean a growing pool of domestic savings and a declining reliance on foreign investment. In time, the technological advance of Chinese industry will be fueled more by indigenous developments and less by ideas, techniques, and machinery imported from abroad. The maturing of its vast domestic market will probably also mean that trade will diminish as a share of gross national product (GNP) and that China will become less dependent on exports and imports than it is today (though at least in the medium term it is likely to depend *more* heavily on certain critical imports, especially of food and fuel).

As China develops and becomes more deeply integrated into the global economy, it will not only be less susceptible to economic pressure from others but more capable of exerting economic pressure of its own. This pressure need not even be deliberate to be felt: as the experience of the U.S. in the Western hemisphere suggests, a big, dynamic economy can exert an almost gravitational pull on the smaller units that surround it. The analyst Ross Munro has noted in *Orbis* that the rapid growth of China's economy has produced a significant expansion in its influence all along its interior land frontier, as its mostly poor neighbors in South, Southeast, and Central Asia have begun to look to it increasingly as a source of markets, aid, and business deals.

Beyond its immediate neighborhood, the sheer size of the potential Chinese market has also helped to create powerful business lobbies favoring good relations with the PRC. In the major industrial

powers, these groups can be expected to pressure their own governments in favor of policies that happen also to be in Beijing's interest: easing restrictions on exports of capital and technology, avoiding sanctions, tariffs, or other market-closing measures that might provoke Chinese retaliation, and, in general, doing whatever is possible to maintain good bilateral relations and a "positive business climate."

The activities of pro-PRC lobbying groups may be perfectly legitimate and predictable; but in democratic societies they have nevertheless had the effect of dulling the reactions and limiting the strategic repertory of governments. These effects have been especially pronounced in the U.S. Barring some truly severe crisis, trade with China will continue to exercise its muffling influence on American strategy.

Even if the U.S. should, at some point, adopt a more openly competitive stance, it would have great difficulty getting others to go along. This is not only because of genuine differences of perspective over how best to cope with China's increasing power and assertiveness, but also because each of the members of a potential coalition will be subject to its own domestic pressures. To get some sense of this, imagine, during the Cold War, the debates on strategic policy that would have gone on within NATO if the members of the alliance had also been, to varying degrees, deeply engaged in economic exchange with the Soviet Union. As Andrew J. Nathan and Robert S. Ross conclude in their book, *The Great Wall and the Empty Fortress* (1997), "It is almost unthinkable that the rest of the world would unite to isolate China as the West did in the era of containment."

In addition to what it gains passively, as it were, simply by engaging with the rest of the world, China has also been actively deploying its growing economic weight to shape the strategic behavior of others. First, and most obviously, Beijing uses access to

the Chinese market as a means of rewarding or punishing foreign firms and, through them, influencing their home governments. Ross Munro and Richard Bernstein relate in *The Coming Conflict with China* (1997) that PRC officials promoted an unusual array of business deals with American companies in the spring of 1994, just as the Clinton administration was considering revoking China's most-favored-nation status over human rights violations. Two years later, having headed off this threat, Prime Minister Li Peng announced that China would buy \$1.5 billion worth of aircraft from Airbus Industrie rather than Boeing because, in his words, the Europeans did not "attach political strings to cooperation with China, unlike the Americans who arbitrarily resort to the threat of sanctions or the use of sanctions."

China has been especially assertive in attempting to exert direct economic influence over Taiwan. Following the election of Chen Shui-bian in the spring of 2000, the Beijing government began to warn Taiwanese companies with investments on the mainland that (according to a report in the *New York Times*) "they would be subject to unspecified sanctions if they advocated independence for Taiwan." To drive home the point, the PRC has evidently begun to make examples of companies whose chief executives are associated with the cause of independence. (In one case, a large petrochemical concern whose chairman supported Chen found its facilities on the mainland subjected to numerous inspections.) Even more visible is the case of Ah-mei, a Taiwanese singer popular on the mainland who performed the national anthem at Chen's inauguration. Her music and videos have since been banned from Chinese state-controlled media; in response to official pressure, Coca-Cola withdrew TV, radio, and billboard advertisements featuring her image.

Beijing clearly hopes to use economic threats and inducements, then, to discourage the U.S. from ever pursuing a more confrontational policy toward it. The same economic instruments

could also prove extremely important in efforts to affect American interests in Asia, discouraging Japan and Korea from participating in the development of theater missile-defense systems, for example, or persuading Singapore to abandon its present policy of permitting U.S. naval vessels to dock at its ports. The PRC could also do more than in the past to separate the U.S. from its European allies by shifting business from American firms to their EU competitors.

The PRC has begun to get into the financial-diplomacy game as well, if so far on a rather modest scale. In 1994, China stole a march on India by financing, building, and equipping a \$200 million coal mine in Bangladesh. And during the summer of 1997, as the Asian financial crisis was reaching its depths, China joined the IMF and a group of much wealthier Asian countries in extending a financial bailout package to Thailand—the first time that it had ever participated in such an effort. Eighteen months later, at the beginning of 1999, Thailand surprised the U.S., its nominal ally, by signing a “Plan of Action for the 21st Century” with China—an agreement described by one Thai observer as “a strategic move by China to seek an alliance to counter the influence of the U.S.” If the Thai example is any indication, economic assistance in various forms will probably become an increasingly significant means for China of winning friends and influencing people.

There are also other, more subtle financial instruments at its disposal. During the Asian crisis, China extracted the maximum diplomatic benefit from its (self-interested) decision not to devalue its currency despite sharp drops in the currencies of many of its smaller neighbors. It thereby earned plaudits as a responsible regional “citizen,” an upholder of stability, and, in contrast to Japan, a country able to take tough economic decisions. But China’s much-vaunted restraint may also have carried with it an implicit and more menacing message: the PRC is now, as one senior official of the People’s Bank put it at the time, “a big player,” and what it does or fails to do in the economic realm can have large and potentially

devastating effects on the well-being of other, lesser players.

One final possibility: because China promotes exports while restricting imports, it has run substantial trade surpluses in recent years and accumulated large foreign-exchange reserves. In 1998, for example, the PRC's reserves stood at over \$140 billion, second only to Japan's. If China continues to amass large reserves and if, as seems likely, the bulk of these are held in dollar-denominated assets, they could provide Beijing with an economic weapon against the U.S. By dumping its reserves at the right moment, China might hope to trigger a run on the dollar, an increase in U.S. interest rates, and perhaps a stock-market crash. It is true that such an attack, if it produced the intended immediate results, could also do serious damage to China's economy; the mutually destructive effects of attempts at currency manipulation and financial coercion have caused some analysts to compare them with nuclear weapons. But the prospect of mutual devastation does not necessarily provide an ironclad guarantee that a weapon will never be used.

The bottom line is simple: one way or another, China's economic growth will provide it with an increasing array of instruments with which to try to exert influence on other countries and, if it chooses, to carry forward a strategic competition with the U.S.

## **MILITARY RIVALRY**

The second dimension of a possible struggle for mastery in Asia will be military. From the early 1970s until (at the latest) the early 1990s, the U.S. and the PRC pursued what might be described as parallel rather than convergent military programs. While both countries were augmenting their capabilities and planning for future warfare, neither was explicitly or overtly focusing its activities on the other. Rather, for almost two decades, American and Chinese defense planners shared a common adversary: the Soviet Union. The weakening and subsequent collapse of the USSR removed the basis

for this tacit Sino-American alliance, and also freed the two countries to devote more of their military resources to other potential rivals. Over the course of the 1990s, they came increasingly to regard each other in just this light.

Starting in 1985, China's armed forces, at the direction of their top political leaders, downgraded preparations for an "early, major, and nuclear war" with the Soviet Union and began to focus on the possibility of local, limited wars on China's periphery. This change had the general effect of directing the attention of the Chinese military outward—away from the need to absorb a massive enemy nuclear attack and subsequent invasion and toward the problem of projecting power at least some distance from China's frontiers. Then the 1991 Gulf War heightened Chinese awareness of the military impact of new technologies and, partly as a result, caused Chinese planners to concentrate with new intensity on the possibility of a future conflict with the U.S. According to Allen Whiting, writing in the *China Quarterly*, "war games played against the American 'enemy' have been standard since 1991."

For a variety of reasons, the U.S. has been slower to focus similar attention on China. During the early post-Cold War years, American armed forces were preoccupied first with fighting the Gulf War, then with managing reductions in their size and budget, and finally with carrying out a variety of operations, from peacekeeping missions of varying scale to a sizable air war in Kosovo. Throughout the 1990s and down to the present, there was also a strong political inhibition against considering China a future military rival.

The turning point probably came in 1995-96, when China fired ballistic missiles in the Taiwan Strait. Since then, as the *Washington Post* correspondent Thomas Ricks has reported, U.S. military planners have been devoting greater energy to potential Asian contingencies and, however reluctantly, thinking about a possible confrontation with China. If present trends continue, over the next



several years the U.S. and China will move toward an increasingly obvious military competition, with several facets.

### **Offense vs. Defense.**

China has placed heavy emphasis on the development and deployment of missiles: short-, intermediate-, and long-range, nuclear and conventional, cruise and ballistic.

Since the mid-1990s, the PRC has added substantially to its arsenal of short-range conventional ballistic missiles (the DF-11s and DF-15 s), and by 2005 it is expected to have roughly 600 of these weapons within range of Taiwan.<sup>2</sup> Older, liquid-fueled, intermediate-range missiles capable of striking targets throughout East and South Asia with nuclear weapons (DF-3As) are being supplemented with newer, more accurate, solid-fueled missiles (DF-21As). Finally, China's small force of fixed, liquid-fueled intercontinental-range rockets (DF-5s and DF-5As) is expected to be upgraded over the course of the next decade to include two new types of land-based mobile missiles (the DF-31 and DF-41, both of which may be capable of carrying multiple warheads) and one submarine-launched ballistic missile (the JL-2). If, as is widely assumed, some of these weapons are equipped with multiple warheads, the number of weapons deliverable against the U.S. will rise into the low hundreds. If the number of new launchers deployed is larger than expected, that total could grow to as many as 1,000.

China's interest in missiles may be due in part to the fact that, as opposed to manned long-range aircraft, submarines, or surface naval vessels, they are relatively cheap, comparatively simple, and potentially very effective. While the Chinese air force and navy continue to work at acquiring and improving more traditional kinds of military systems, missiles, as the analyst Mark Stokes observes, "are rapidly becoming the sole credible long-range firepower projection asset which the [military] has in its inventory, and this will remain likely

true for the foreseeable future."

At the same time that China has been augmenting its missile forces, the U.S. has been developing and moving toward the deployment of both national and theater ballistic-missile defense systems. Our intensified interest in defense was not driven initially by concern over China, but rather by the threat from "rogue" states like North Korea and Iran. Nevertheless, at least since the 1995-96 Taiwan Strait crisis, the question of the possible utility of defenses against Chinese missiles has inevitably arisen. For their part, and whatever American decisionmakers may say or believe, Chinese strategists probably *assume* that our missile-defense programs are directed in large measure at blunting their offensive forces. For the moment, PRC planners have reason to hope that American defensive deployments will be delayed by some combination of technical problems, budgetary concerns, domestic political developments, and diplomatic pressure. But they are unlikely to be so imprudent as to ignore the possibility that, sooner or later, some kinds of defenses will be deployed. Even a limited national missile-defense system could well be capable of intercepting all of the PRC's present ICBM force. If they cannot derail the U.S. National Missile Defense (NMD) program through diplomatic means, the Chinese will therefore want to be in a position to defeat it militarily, probably by deploying larger numbers of missiles, at least some of which will be capable of carrying either decoys or multiple warheads. (Another form of insurance might be submarines carrying long-range cruise missiles, or ballistic missiles that could be fired at depressed trajectories.)

Then there is the prospect that the U.S. may deploy *theater* missile defenses (TMD), either alone or in conjunction with its regional friends and allies. A working TMD system would decrease China's confidence in its ability to intimidate other Asian countries by threatening to attack them with nuclear weapons; it might also seriously complicate Chinese hopes of disrupting American military operations in the western Pacific by quickly disabling a handful of

fixed bases and facilities. A Japan able to shelter behind a defensive shield might also feel freer to develop its own offensive capabilities, perhaps even including nuclear weapons. Last but not least, a TMD system deployed on or around Taiwan could blunt what is now China's most potent threat against the island, perhaps opening the way for moves toward formal independence.

China's options for responding to these possibilities are similar to those it has in dealing with NMD, although, because of the shorter distances involved, some countermeasures may be easier and less expensive to implement. Preventing deployment in the first place through diplomacy and intimidation would be an obvious first choice. Preparing to swamp a TMD system with ever-larger numbers of warheads would be another. Circumventing defenses by developing long-range cruise missiles or other means of attack would be a third. Finally, if the U.S. and its allies seemed to be developing defenses sufficiently capable to blunt a *conventional* missile attack, the Chinese might seek to up the ante by adding to their force of short- and intermediate-range missiles equipped with nuclear warheads. A defensive system able to shoot down 75 percent of the missiles fired against it might look very impressive against an all-conventional attack, but much less so against one that could contain a mix of more and less destructive warheads.

### **Projecting Power.**

The U.S. is today able to project conventional air and naval power virtually unimpeded anywhere in the western Pacific, including all along China's eastern seaboard and, conceivably, hundreds of miles inland. American forces, brought to bear at long distances, and with the help of a handful of local friends and allies, pose the single greatest obstacle to any Chinese effort to establish itself as the dominant power in East Asia. Chinese planners must fear that, in a crisis or future conflict, the U.S. could close China's ports, unleash precision conventional attacks with cruise missiles and stealthy

manned aircraft against targets on the Chinese mainland, and, by sinking Chinese submarines and surface ships, break an attempted blockade of Taiwan. If they are to displace the U.S. as East Asia's dominant military power, Chinese strategists must come up with ways of countering American forces.

I have already mentioned one such way: the possible use of missiles against U.S. regional bases. At present and for the foreseeable future, the ability of the U.S. to sustain air and naval operations in the western Pacific depends heavily on access to a small number of facilities in Japan and South Korea. If these (plus a handful of others in Singapore, Australia, and perhaps in the Philippines and Guam) can be destroyed or rendered unusable, America's ability to project power will fall precipitously.

Next in order of technical difficulty for China would be acquiring weapons with which to sink American surface ships, and especially the aircraft carriers on which the U.S. now relies so heavily. In most conflicts involving U.S. and Chinese forces, these vessels would have to operate at the far western edge of the Pacific and might therefore be especially vulnerable to attacks by cruise missiles, torpedoes, and intelligent mines.

Such weapons could be unleashed in large numbers from swarms of relatively inexpensive platforms, including small submarines and surface ships, and remotely piloted aerial vehicles. Anticarrier attacks by land-based ballistic missiles are another possibility.

More challenging than sinking carriers but of potentially even greater benefit would be the capacity to disable American intelligence, communications, and navigation satellites and to disrupt U.S. information systems, both in the region and beyond. In contrast to China, which in conflicts close to home would enjoy the benefits of interior lines of communication, the U.S. would have to control its forces at great distances from home and across a vast

theater of operations. Even temporary disruptions could have devastating and potentially disastrous consequences. This is something that has not escaped the attention of Chinese observers. According to Mark Stokes, "Chinese strategists and engineers perceive U.S. reliance on communications, reconnaissance, and navigation satellites as a potential 'Achilles' heel,'" and they are looking for ways to attack it, including by means of ground-based lasers, jammers, and kinetic kill vehicles.

Defeating American power projection will also require defending Chinese territory against airborne attack. Toward this end China has apparently been devoting considerable resources to developing a nationwide air-defense system capable of locating, tracking, and intercepting aircraft and cruise missiles, including those with stealthy characteristics. Improved coastal defenses, perhaps including antisubmarine-warfare ships, attack submarines, and aircraft, could also force U.S. cruise-missile-launching submarines to operate at greater distances from China's shores, thereby reducing the array of targets they could cover.

In this regard, and more generally, the thrust of Chinese programs will be to push American forces back and, at the very least, seriously complicate their efforts to operate in the western Pacific.

### **Deterrence.**

For decades we have promised, explicitly or otherwise, to defend our Asian allies if they were attacked by China. Until very recently we have done so from a position of virtual immunity to direct Chinese attack on our own soil. The development of Chinese long-range strike capabilities and, in particular, a visible and substantial increase in China's ability to hit the continental U.S. with nuclear weapons could raise profound questions in Asia about the continuing utility of the American nuclear "umbrella."

Assuming for the moment that the U.S. does *not* go forward with a national missile defense system, the deployment by China of a fairly limited number of sea- and land-based mobile missiles will effectively guarantee it a secure second-strike capability. As things now stand, the small Chinese ICBM force would take hours to make ready for launch, and it could conceivably be destroyed in a preemptive American attack, perhaps one involving only the use of precision conventional weapons. A larger, more diverse, and more mobile force of solid-fueled rockets will be far less vulnerable. Such a force could conceivably also be used to conduct limited attacks on U.S. military targets rather than simply lobbing a few large and inaccurate warheads at a handful of American cities.

In certain respects, the next 10 to 15 years may thus come to resemble the early stages of the Cold War. In the late 1940s and well into the 1950s, the U.S. enjoyed a huge advantage in its nuclear competition with the Soviet Union. American forces operating from bases around the Eurasian periphery (and, with the introduction of the B-52 bomber, from American soil) were poised to deliver nuclear weapons virtually anywhere in the USSR; for a long time, the Soviets had no comparable capability. Yet even the *anticipated* Soviet development of intercontinental bombers and ballistic missiles triggered major worries within the Western alliance. American policymakers were long preoccupied with convincing their NATO allies, the Soviets, and perhaps themselves that the U.S. would, indeed, intervene in a European war even if in doing so it risked nuclear attack on its own soil.

Much of what the U.S. did in Europe—maintaining and augmenting ground forces, deploying large numbers of tactical nuclear weapons, tolerating (and even encouraging) the acquisition of national nuclear forces by at least two key allies, and increasing the flexibility of American strategic nuclear forces—was motivated by the desire to strengthen deterrence in the face of increasing Soviet intercontinental-strike capabilities. Until nearly the final moments of

the Cold War, the Soviets, for their part, tried to raise doubts about American resolve as a way of weakening the Western alliance. There is already some evidence that China may try to use similar tactics to undermine the U.S. position in Asia.

In 1995, a high-ranking Chinese official was widely quoted as having told a visitor that the U.S. would not come to Taiwan's rescue because, in the end, Americans cared more about Los Angeles than Taipei. More recently, during the run-up to the March 2000 Taiwanese presidential election, China's official armed-forces newspaper warned that, unlike Iraq or Yugoslavia, China is "a country that has certain abilities of launching strategic counterattack and the capacity of launching a long-distance strike. . . . It is not a wise move to be at war with a country such as China, a point which the U.S. policymakers know fairly well also."

These threats were evidently intended to give pause to anyone contemplating possible conventional strikes on Chinese forces or territory in the context of a fight over Taiwan. In the future, Chinese strategists may issue more generalized warnings, perhaps suggesting that the growth in their striking power means that the U.S. will have to contemplate sacrificing Washington to save Tokyo, or Seoul, or Sidney, or Manila, or Singapore. Such comments would be directed more at Asian than at American audiences, and their aim would be not so much to deter the U.S. as to raise questions about the ability of the U.S. to deter China. The ultimate aim would be to raise doubts in the minds of Asian observers as to the continuing value of American security commitments.

### **POLITICAL-DIPLOMATIC RIVALRY**

Any intensified military rivalry between the U.S. and China will be accompanied by a stepped-up competition in the political or diplomatic realm, which is the third dimension of a possible future struggle in Asia. The central issue of this particular contest would be

the making and breaking of alliances.

As in the military arena, the U.S. starts with a number of very considerable advantages: it enjoys good relations with most countries in East Asia and has alliance ties or other security connections with many of them, including most of the wealthiest and most powerful. China, on the other hand, has problematic relationships with a number of major players in both East and South Asia and its closest collaborators (North Korea, Myanmar, Pakistan, and Russia) suffer from profound domestic liabilities.

The U.S. also benefits from what is, for the moment at least, a major geopolitical advantage: the possible threat posed by the sheer magnitude of its material power is offset to a degree by its remoteness from the heart of Asia. Because it is far away, the U.S. is less menacing than China, which is nearby and thus potentially overwhelming. Indeed, as China's capabilities grow, there may be a strong tendency on the part of the other Asian states to draw closer to one another, and to the U.S., in order to counterbalance Chinese power and preserve their own independence.

If power-balancing were automatic and inevitable, the U.S. could afford to sit back and let nature take its course. But the societies of Northeast and Southeast Asia also have long historical experience with Chinese preponderance, and they could choose to live with it again in the future, especially if the only alternative appeared to be a period of protracted and dangerous rivalry between China and the U.S. Moreover, if the U.S. appears weak and vacillating, or if its withdrawal from the region begins to seem inevitable, these countries may conclude that they have little choice but to cut the best deal they can.

The aim of Chinese diplomatic strategy, therefore, will be to turn America's geographical remoteness from an advantage to a disadvantage, weakening existing American relationships and prevent-



ing the formation of new ones, feeding doubts about U.S. resolve and staying power, and making China's rise seem both as inevitable, and as unthreatening, as possible.

*How might this be done?* First, Chinese leaders could transform their country's longstanding but largely rhetorical opposition to bilateral military alliances into a central feature of their foreign policy. In the 1970s and 1980s, the Chinese were willing to accept that America's Asian alliances served the useful purpose of countering Soviet "hegemonism." During the 1990s, China preferred that Japan continue under American tutelage rather than being left free to expand its power and pursue its own objectives. But, as has already begun to happen, deteriorating U.S.-PRC relations and stepped-up efforts at U.S.-Japan security cooperation will cause Chinese strategists to reexamine their permissive position and ultimately to take a much tougher, anti-alliance stance.

Accompanying this shift could be the amplification of another persistent theme in Chinese diplomacy. As it works to displace the U.S. from Asia, China will intensify its campaign against "hegemony" by criticizing America's cultural and economic "imperialism" and attacking its arrogance and intrusiveness. China will seek friends among those in Asia (and beyond) who feel they have suffered at the hands of U.S. corporations, American-led international institutions, and/or American efforts to enforce conformity with U.S. views on political liberties and human rights. At the same time that it seeks to gain the benefits of greater integration into the world economy, China could also emerge as a leading critic of the ills of globalization and a leading proponent of various kinds of regional (as opposed to global and hence American-dominated) institutions. Chinese policy may even take on a racial aspect, perhaps appealing to those who share ethnic and cultural characteristics across East Asia or, more generally, making the case against "the West" and for "Asia for the Asians."

As it has done in recent years, China will no doubt become an even more enthusiastic participant in multilateral security dialogues and other forums in Asia, using them to convey the image of a good international citizen and an open, unthreatening power. Active Chinese participation will also ensure that multilateral mechanisms cannot be used against the PRC's interests. As relations with the U.S. degenerate, China may also begin to advocate *new* institutions that will exclude "non-Asian" powers and seek "local" solutions to regional economic, environmental, and security problems.

Its strictures against bilateral alliances notwithstanding, China will also attempt to develop its own "strategic partnerships," both in Asia and beyond. In some cases (as in its current dealings with Russia, Israel, and a number of European countries), China's goal will be to obtain military hardware and advanced technology. In others (as, most likely, with Pakistan) the PRC will be supporting the enemy of an enemy (India).

Next, in order to circumvent U.S. efforts to apply economic sanctions or technology controls, China may hope to cultivate a much closer relationship with a more independent and perhaps openly anti-American European Union. In the Persian Gulf region, it may align itself more openly with Iran as a way of deflecting American attention and scarce military resources from East Asia, and in order to ensure its own access to oil. In continental Southeast Asia (especially Myanmar and Thailand), it may use threats and inducements to gain access to facilities for its own military forces or to deny access to the forces of its rivals. In Central Asia, it may work to establish client regimes that will protect oil pipelines and control Islamist groups that might otherwise foment discontent among China's own non-Han minorities.

Finally, while China will probably continue to shun any pretension to global power, it may provide assistance to states or nonstate actors around the world that see themselves as being

opposed to the U.S. Like the Soviet Union before it, albeit more for geopolitical than for ideological reasons, China could become a low-key but important supporter of rebel movements, "rogue states," and terrorist groups throughout the Middle East, North Africa, and Central and Latin America.

But it is in East Asia, their main sphere of activity, that Chinese strategists will most want to focus attention. In order to do this, they will probably aim first to secure their continental "rear areas." Toward this end, China will work hard to maintain a good relationship with Russia and to avoid being drawn into debilitating conflicts in Central Asia. In South Asia, although China will probably opt to continue its present policy of supporting Pakistan to distract India, it could also try to take India out of the larger strategic equation by offering a spheres-of-influence arrangement that would leave India dominant on the subcontinent in exchange for its continued non-alignment.

In East Asia itself, China may seek to execute the diplomatic equivalent of a pincer movement, applying pressure from the north (the Korean peninsula) and the south (the South China Sea) in order to gain its primary objectives at the center: the acquisition of Taiwan and the neutralization of Japan.

Following the success of an initial gambit this past spring (2000), the Chinese will probably continue to press North Korea to negotiate with the South, while at the same time attempting to build themselves up as the indispensable intermediary. In return for its continued help in delivering North Korea, China may hope to gain some assurances from South Korea about the role of the U.S. on the peninsula. Even if Chinese strategists cannot extract much in the way of concrete promises, they may nevertheless come to believe that progress toward reunification will unleash popular forces in the South that will lead irresistibly to an American withdrawal. Continued improvement in North-South relations would also help to lull

Japan and undermine U.S. efforts to build support for theater missile defenses.

While these events are unfolding, the PRC will use a variety of tactics to aid the further extension of its influence in Southeast Asia. Here, in contrast to its role as peacemaker in Korea, it may show a harder, tougher face. An increase in piracy (perhaps supported covertly by China) could provide the justification for an expansion of naval activities in the South China Sea, enabling the PRC to assert its territorial claims in the area. China may also seek to encourage the activities of ethnic and religious separatist movements in Indonesia and the Philippines in the hope that, if these countries become wracked by civil unrest, they will be much less capable of acting to oppose the growth in Chinese power. After years of tolerating Singapore's military cooperation with the U.S., China may also begin to press that country to choose sides or, at the very least, abandon its tilt towards the U.S. And if Chinese leaders feel the need to flex their muscles, and perhaps also to demonstrate the limits of American power and commitment, they may pick a fight they think they can win, most likely by provoking and then pummeling Vietnam in what their military planners have called a quick "local war with high-tech characteristics."

The consolidation of China's position to its north and south will set the stage for the final resolution of the core strategic issues of Japan and Taiwan. With regard to the former, China's goal must be to detach it from the U.S. without at the same time stimulating a resurgence of Japanese assertiveness and militarism. Despite their oft-expressed fears, Chinese strategies may become less worried about Japan as the country's population ages, its political system continues to founder, and its economy fails to regain its former luster. A Korean settlement that results in a greatly reduced U.S. role on the peninsula could yield a corresponding increase in Japanese discomfort at being the last major remaining outpost of American military power in Asia. If so, the moment may have arrived for

China to offer Japan some kind of “grand bargain,” perhaps involving a mutual non-aggression pact and a pledge to maintain freedom of navigation in the South China Sea in exchange for a sharp curtailment or outright abrogation of the U.S.-Japan alliance. At this point, if not before, Taiwan would have little choice but to accept the PRC’s terms for reunification.

## CONCLUSION

These, then, are the main elements of the possible struggle to come in Asia. Of course, it is one thing for Chinese strategies to fantasize about easing the U.S. out of East Asia without firing a shot; actually doing so is another matter altogether. For one thing, if the PRC is impatient, if it underestimates the impact of its action on its opponents, if it is excessively high-handed or overly brutal, it could well wind up stimulating precisely the kind of determined, unified response that could foil its plans and block its ambitions. For another thing, it is conceivable that China will mellow with the passage of time, or suffer from domestic weaknesses that will prevent it from pursuing its objectives in a consistent and effective way. And most important of all, the U.S. could either adjust its current policies so as to make an open Sino-American confrontation less likely or, if conflict cannot be avoided, prepare for its eventuality while simultaneously preserving America’s own position in Asia.

If I have purposely refrained from dwelling on American strategic options in the coming decades, it is hardly because we are without them—whether economic, military, or political. Rather, it is because the first order of business is to see the situation plain—namely, that in several important respects a U.S.-PRC strategic competition is already under way, and there is a good chance that it is only going to become more intense and open. In recognizing these realities, the Chinese are well ahead of the U.S.

Militarily, the PRC will continue to do what it is already doing:

working to offset or neutralize current U.S. advantages, increasing its ability to target U.S. forces, facilities, and command-and-communications systems in, around, and over the western Pacific while improving its capacity to deter or defend against American attacks on its own forces and territory. These military activities will likely be accompanied by an effort to break up the American-led alliance system in Asia and ultimately to detach the U.S. from most of its present partners and to push it as far back across the Pacific as possible. To this end, the PRC will use every instrument at its disposal, including especially its growing economic clout.

In this respect, what one needs to bear in mind is that China will be a very different kind of strategic competitor from the Soviet Union. The PRC's size, dynamism, and relative openness confer a much greater ability to shape the behavior of other countries, thus helping to dissuade the U.S. from confrontation, diminishing the effectiveness of any unilateral American attempt to use economic instruments against it, driving a wedge between the U.S. and the other advanced industrial nations, and enhancing China's own capacity to exert influence over the countries in its region. The threat all this holds out to American interests can be countered, but first it must be acknowledged.

## ENDNOTES

1. This chapter previously appeared in *Commentary*, Vol. 110, No. 4, November 2000, pp. 17-26.

2. In the aftermath of the Gulf War, the Chinese military also reportedly intensified its efforts to develop long-range land-attack cruise missiles.

## CHAPTER 17

### CONCLUSION: STRATEGIC BALANCES AND ALLIANCES IN SOUTH ASIA IN 2020

**Michael R. Chambers**

As this volume is being compiled in July 2002, South Asia remains in a precarious state. The intense crisis which seemed to have the region on the brink of nuclear war this spring has subsided. Through U.S. mediation, President Pervez Musharraf promised to “permanently” end the infiltration of Islamic militants from Pakistan into Indian Kashmir. A skeptical India has given Pakistan until October to make good on this pledge. Yet just one month after Musharraf’s promise, India is claiming that terrorist infiltration is on the rise again after a brief lull.<sup>1</sup>

Despite President George W. Bush’s announcement that “everything has changed” after the terrorist attacks of September 11, it is clear that in South Asia much has stayed the same. In particular, India and Pakistan continue their periodic crises with Kashmir as the focus of the conflict. However, some things have also changed, including the high-level U.S. involvement to reduce tensions in the region.

Many changes have buffeted South Asia in the last 10-15 years. The end of the Cold War and the demise of the Soviet Union altered the global security environment and the relations India and Pakistan had with external actors, especially the superpowers. The rise of militant Islamic conservatism—and terrorism—and the 1998 decisions by New Delhi and Islamabad to cross the nuclear threshold have also affected the regional dynamics. The purpose of this volume is to assess where South Asia is headed in the year 2020 so that the United States can devise forward-looking policies. In

particular, we have focused on the expected future strategic balances and alliances.

This chapter is intended to pull together the insights, analyses, and forecasts of the previous chapters in an attempt to project these anticipated balances and alliances. Before turning to this task, it is important to remind the reader of all the caveats and cautions in the preceding chapters. Many variables are at play in the region, and the expected future balances and alliances depicted here represent a slice of all the possible scenarios. Despite the uncertainties underlying this prediction, it is an effort worth attempting.

This chapter will proceed by drawing on alliance theory to provide a framework for the consideration of the anticipated patterns of security conflict and cooperation. It will then review the sources of security threats expected to face India and Pakistan in 2020, and lay out the alliance patterns predicted to result. Finally, this chapter will draw out a number of policy recommendations for the United States as well as India and Pakistan.

### **Balances, Alignments and Alliances.**

In trying to forecast the likely patterns of strategic balances and alliances in South Asia in 2020, this volume seeks to anticipate the patterns of cooperation and conflict that will exist among the regional states (and the extraregional states involved in South Asia), the patterns of amity and enmity that shape these relationships. Understanding the axes of enmity as well as the axes of amity is crucial, because balances and alliances are dual-natured concepts. As George Liska wrote, “[C]onflicts are the primary determinants of alignments. Alliances are against, and only derivatively for, someone or something.”<sup>2</sup> In order to explain or predict which countries will form a relationship of security cooperation, we need to comprehend and envision what security threats will provoke this cooperation.



These patterns of security cooperation we are considering all fit within the general concept of “alignment.” As Glenn Snyder has written, alignments amount to “a set of mutual *expectations* between two or more states that they will have each other’s support in disputes or wars with particular other states.”<sup>3</sup> When these mutual expectations are formalized and concretized in a written agreement, they become an alliance. In between the formalized alliance and the informal alignment based merely on mutual expectations are other types of relationships, one of which is an *entente*, or a specific understanding reached between two (or more) countries on how they will cooperate but without the formalization of a treaty of alliance.

As has been noted by many scholars, alignments and alliances are an integral part of the functioning of the balance of power.<sup>4</sup> As one country feels threatened by another country, it has three basic options: to build up its own domestic capabilities to deal with the threat, to seek security cooperation with a third country similarly threatened by the second, or some combination of the two.<sup>5</sup> Security cooperation with a third country takes the form of an informal alignment, a quasi-formal entente, or a formal alliance—or possibly some other point in between these three. What is important to keep in mind is that this security cooperation is triggered by a threat, and the cooperation is intended to help the aligned/allied countries counterbalance the common threat.

What causes one country to feel a threat from another that would lead it to seek an alignment with a third country? Stephen Walt has suggested that four factors contribute to the perception of a security threat: aggregate power, geographic proximity, offensive power, and aggressive intentions.<sup>6</sup> While not mimicking Walt’s categories, this volume (and the original conference panels) similarly disaggregated key factors leading to the threats that can trigger counterbalancing alignments: the economic, political, and demographic factors that underlie fundamental power capabilities; nuclear weapons and their

role in the national power of the regional states; and the perception of threats and hostile intentions from other countries through the lens of strategic culture. Based on these factors, what are the likely patterns of enmity and threat in South Asia in the year 2020?

### **South Asian Threat Patterns Circa 2020.**

*The Distribution of Power Capabilities.* Currently, India is the most powerful country in South Asia, with Pakistan in the second position. If we look at military capabilities, the Indian military is more than twice the size of Pakistan's armed forces, with 1.26 million troops compared to 620,000. India also out spends Pakistan, with defense expenditures of \$14.7 billion in 2000 by New Delhi, \$3.6 5 billion by Islamabad. In terms of military equipment, India similarly outweighs Pakistan; for example, India has approximately 3,400 main battle tanks compared to Pakistan's 2,300, 27 principal surface combat ships to 9, 16 submarines to 10, 1 aircraft carrier to 0 for Pakistan, and 738 combat aircraft compared to 353.<sup>7</sup> India also possesses more nuclear weapons: India has produced enough weapons-grade plutonium to produce 50-90 nuclear weapons, and is believed to have approximately 30-35 nuclear warheads; Pakistan has enough weapons-grade material for 30-55 weapons, but it is unclear how many warheads have been assembled.<sup>8</sup> The one capability in which Pakistan outpaces India is ballistic missiles. While there is some uncertainty in the numbers, Pakistan is believed to have 80 Hatf-1 short-range ballistic missiles (SRBMs), 30-84 Hatf-3 SRBMs (including 30 M-11 missiles acquired from China), approximately 12 medium-range *Ghauri-1* missiles, and perhaps 5-10 *Ghauri-2* missiles. India is believed to have 20-50 *Prithvi-1* SRBMs (but probably only 12 deployed, with 3-5 launchers), 25 *Prithvi-2* SRBMs, and perhaps 5 intermediate-range *Agni-1* missiles, with 20 *Agni-2* intermediate-range missiles ordered.<sup>9</sup>

Economically, India also dominates the region. As noted by Vijay Kelkar in this volume, India's economy comprises over three-

quarters of the regional economy, and in 2000 India had a gross domestic product (GDP) of \$479 billion, compared to Pakistan's \$61.7 billion. In per capita terms, Pakistan's \$470 barely outranked India's \$460, primarily because India's population is more than seven times that of Pakistan.<sup>10</sup> During the 1990s, India's GDP grew at an annual rate of 5.62 percent, compared to Pakistan's 4.01 percent.<sup>11</sup> And while India's growth had slowed in 1999-2001, it picked up to 5.4 percent in fiscal year 2001-02 (ended March 2002).<sup>12</sup> Finally, India has a vibrant information technology sector to help lead its economy, while Pakistan does not.

Population is often seen as a power resource, and here also India has the upper hand. As noted by Kelkar and by Shripad Tuljapurkar, India has a much larger population than Pakistan, a more literate population, and a more highly educated population. However, India has a larger absolute number of poor than Pakistan. Still, as Kelkar notes, India was the only country in the region that improved its poverty ratio from the 1970s to the mid-1990s, and it also made tremendous strides in this area in the 1990s, dropping its poverty rate from 36 percent in 1993-94 to 26 percent in 1999-2000.

While military capabilities, economic prowess, and population are relatively easy power resources to measure, domestic politics and political stability are harder to get one's hands on. Nevertheless, these are also considered important factors in calculating relative power between countries. Again, these factors favor India. Pakistan has not seen stability in its political system over the last 10-15 years. The 1990s saw much shifting between governments led by Benazir Bhutto and Nawaz Sharif, with each capitalizing on the scandals and alleged corruption of the other to regain office. Finally, General Pervez Musharraf took power in a coup in 1999, ousting Sharif. Musharraf has been engaged in a number of steps to try to stabilize—and centralize—political power. There is also the uncertain role of Islamic militancy in Pakistan of late, with militant Islamic conservatism (supportive of the former Taliban regime in

Afghanistan) challenging the more traditional secular and modernist version of Islam. Meanwhile in India, despite the communal violence that erupted in Gujarat state in spring 2002, the continuing challenges of shifting from a quasi-statist to a more liberal economy, and the imperatives of operating a coalition government, India remains a relatively stable democracy. However, India does have one political liability that Pakistan can exploit: Kashmir. Islamabad's support for the Kashmiri separatist movement provides it a resource with which it can threaten India's territorial integrity and the symbol of tolerance and inclusiveness of Muslims that many Indians hold dear.

How might these capabilities shift by 2020, with consequent impact on the threats that will shape alignments in the region? In terms of domestic politics and political stability, Teresita Schaffer notes that India will face a number of challenges between now and 2020, including generational leadership changes in both the Congress Party and the Bharatiya Janata Party (BJP), the impact of the increasing power of regional political parties, and improving the effectiveness of governance generally. Indian leaders will also have to deal with communal tensions. Nevertheless, it is not expected that India will be plagued by widespread political instability. Pakistan, on the other hand, is more of a question mark. Its political future was not addressed in detail by conference participants because many felt that it remains too volatile, and it is not possible to make reliable predictions about it circa 2020. As this is written, President Musharraf has been taking steps to bring stability to Pakistan's political system, including a recent proposal to radically reform Pakistani politics from a parliamentary system to a presidential one, with a consequent centralization of power. These reform proposals are being met with criticism.<sup>13</sup> How long might the popular political parties put up with military dictatorship, and what might be the result of such tensions? In addition, there is the tension over Pakistan's Islamic identity. Thomas Simons suggests that we will likely see the more traditional—and secular and modernist—vision

of Islamic identity win out, but this is not assured. What is assured, then, is that Pakistan has a greater likelihood for political instability circa 2020 than India.

Economically, India should maintain its dominance in the region. If India undertakes second-generation reforms along the lines spelled out by Kelkar, it is estimated to achieve a GDP of \$3 trillion by 2020, with a South Asian regional GDP of possibly \$4 trillion. Moreover, India would increase its share of global trade, its share of the global service sector, and of the IT sector in particular. It would also reduce its poverty levels further. Based on these developments, we should expect India to increase its economic role and influence in the region and in the world by 2020. Kelkar notes that Pakistan has been making some efforts at reforms to improve its economy, and the relaxation of U.S. sanctions and infusion of aid since September 2001 have helped. Still, Pakistan's economy will remain behind India's in terms of size and technological sophistication. And if Pakistan is wracked by political instability, this will further damage its economic growth prospects, particularly since foreign investors would be scared off. Thus, India will continue to possess greater economic capabilities than Pakistan in 2020. And with this situation, India will have greater economic resources (in terms of capital, technology, and skilled labor) to put toward military development.

Demographic trends reinforce these political and economic factors. While regional disparities may cause some problems, population trends in India over the next two decades should lead to favorable conditions for economic growth, with falling growth rates among young people freeing up resources for investments in literacy, education, and capital investment as well as resources for the military. India will benefit from this large but better trained work force. Pakistan's fertility rate will remain higher than India's (although it is expected to fall), and its education rates will continue to lag, so that it will not receive the same type of demographic "bonus" for economic growth that India will enjoy.

India should also maintain its military advantages over Pakistan. Based on its economic growth, India is beginning a cycle of major military modernization that will significantly improve its land, sea, and air capabilities.<sup>14</sup> India is also likely to enhance its nuclear capabilities and increase the number of nuclear warheads in its inventory. As Rajesh Basrur and Stephen Cohen note in their contribution to this volume, the exact size of India's nuclear arsenal in 2020 could range from just below 100 warheads to over 250, depending on a number of variables. Following past practice, Pakistan should mimic the Indian increases. However, Islamabad's economic troubles and need to focus on its domestic economy would limit the funds it can put toward a military build-up. Moreover, as noted by Feroz Hassan Khan, Pakistan has decided to rely on nuclear deterrence to prevent Indian aggression, thereby mitigating the need to fully match the Indian modernization. Be that as it may, India's military capabilities will continue to outstrip those of Pakistan. As a result, Pakistani security policymakers will perceive at least a potential threat from India based on these capabilities.

Because of its weaker capabilities, Pakistan will not pose a significant threat to India. The two principal caveats to this statement are, of course, Pakistan's nuclear arsenal and its ability to cause India trouble in Kashmir if that dispute is not resolved. The neighbor with the more worrisome capabilities for India will continue to be China. As discussed in several of the chapters in this volume, China already trumps India in terms of power resources: economically, with a GDP in 2000 of \$1.08 trillion and per capita income of \$840;<sup>15</sup> demographically with higher literacy and education rates and lower poverty rates; and militarily with a larger armed forces and more numerous conventional and nuclear capabilities.<sup>16</sup>

In 2020, assuming that it avoids serious political instability and maintains reasonable economic growth, China should maintain its

advantages over India particularly in the economic and military realms. Economic forecasts predict the Chinese economy will be two to three times that of India, and news articles over the last few months have been touting China as the new workshop of the world.<sup>17</sup> In the military realm, China is already engaged in a modernization drive that is significantly enhancing its capabilities and its reach.<sup>18</sup> And Beijing is widely expected to increase the numbers and sophistication of its nuclear arsenal over the next two decades, particularly in response to the U.S. plans to build a national missile defense system. Just as Pakistan will worry about India's greater capabilities, India will worry about China's.

*Threat Perceptions in the Region.* Capabilities plus intentions are what cause a security threat by one country against another. However, the intentions of a potential adversary are often unknown. Nevertheless, security policymakers will perceive the intentions of other countries—rightly or wrongly—and build these perceptions into their views of the regional security environment.

These perceptions of enmity and security threat are drawn in part from a country's history of interactions with its neighbors. As they build up over time, such axes of enmity can become rather "sticky" or durable, and are not directly influenced by shifts in the balance of power.<sup>19</sup> With three major wars and several more crises in the 50 years since independence, the enmity between India and Pakistan is likely to continue over the next 18 years, and to shape their perceptions of threat.

Such historical experiences of hostility with other countries get factored into the worldview of security elites in a country, helping to create the strategic culture of these policymakers. Drawing on the expositions of strategic culture in the preceding chapters, what can we expect about Indian, Pakistani, and Chinese perceptions of threat?

The first point to consider is one raised by all three of the contributors to Part V of this volume: strategic cultures are durable and long-lasting, changing only slowly. We should expect to see many of the core elements of the strategic culture in a country today continuing through to 2020.

This is not good news for India. As Andrew Scobell explains, Chinese security elites see India as a potential rival and future threat, and they have a strongly negative perception of India's own strategic culture. Pakistan's strategic culture is premised heavily on insecurity vis-à-vis India, as Hasan-Askari Rizvi argues, and on a distrust of India and its regional ambitions. Thus, based on the durability of these elements of Pakistani and Chinese strategic cultures, India's two largest neighbors will see it—albeit to differing degrees—as a threat.

The second point to consider is that while strategic cultures and their threat perceptions are durable, this does not preclude gradual change. In fact, we see the potential for change in Pakistan's strategic culture, but it is to a more hard-line view of India based on the conservative Islam of the officers who joined the ranks in the 1970s and 1980s. As Rizvi notes, the top Pakistani commanders have drawn a line between conservative Islam and Islamic activism, believing that the latter will undermine the professionalism, discipline, and service ethos in the military. Thomas Simons also discusses the efforts of President Pervez Musharraf, a senior general himself, to return to the traditional view of Islam held by Pakistan's founding fathers. Nevertheless, if this more militant Islamic conservatism is such a strong element of the social-religious and strategic cultures of the middle officer corps, can the efforts of President Musharraf and the current senior military leadership truly halt the evolution of Pakistani strategic culture in this direction?

Indian strategic culture is already undergoing change, moving away from the Nehruvianism which guided Indian foreign and



security policy since independence. The question remains, however, toward which competing school or worldview is it evolving: neoliberalism or hyperrealism? In his contribution to this volume, Kanti Bajpai sees the trend since 1990 as moving toward neoliberalism, with its belief in the ability of India to negotiate mutually beneficial deals with other countries, even with Pakistan. However, he also notes that since September 11, and especially since December 13, Indian thinking is evolving in the direction of hyperrealism. In this school of strategic thought, force is seen as a necessary and useful tool of statecraft, and is claimed to be the only language that Pakistan understands. It also views China as the principal threat to India, and believes that the Chinese only respect power. Continued evolution in this direction could be very problematic for the region. Moreover, India's hard-line position in the most recent crisis and Pakistan's concessions (under U.S. pressure and mediation) could add momentum to this trend.

To summarize then, China and Pakistan see India as a threat, albeit to different degrees. Pakistan's perception of threat from India could be very strong if the more militant Islamic conservatism wins the internal ideational struggle in that country. India will see these two neighbors as threats if hyperrealism comes to dominate, but less so if neoliberalism becomes the primary strategic guide. It is important to remember that strategic culture does not determine the security policy or actions of a country. It merely provides a set of assumptions, a lens through which to view the world. As Rizvi reminds us, other factors and forces can matter more than strategic culture, but strategic culture does matter.

### **Alignments in South Asia: 2020.**

Based on the distribution of capabilities and the perceptions of threat derived from historical experiences and the strategic cultures, we can expect to see Pakistan and China continue their alignment to counter the threat from India. In his contribution, John Garver shows

us that none of the forces currently at work to separate these two partners is stronger than their common interests in maintaining the entente. India's capabilities will be adequate to cope with the threat from Pakistan, but China should continue to be economically and militarily more powerful than India. (India's ability to cope with China will depend in part on the growth of its nuclear arsenal.) Therefore, we can expect India to develop some relationship of alignment with the United States to counter the putative Chinese threat. The United States is increasingly viewing China as a strategic rival—at least in Asia—and the growth of Chinese economic and military capabilities will pose a potential threat to U.S. interests and forces in the region. However, as Sumit Ganguly warns, this alignment may be weak: India's strong desire for policy autonomy and bilateral disagreements over the issue of nuclear proliferation are two major potential barriers. Nevertheless, structural factors will push India and the United States in this direction.

It is possible that India might form an alignment with other countries as well, although these alternatives are much less likely. The leading possibility among these would be an Indo-Russian alignment. However, as Ganguly argues in his analysis, the conditions to recreate the Indo-Soviet alignment do not exist and are not likely to. For this to occur, Beijing would have to radically change its policy and behavior to become aggressive toward both Moscow and New Delhi.

The main axes of South Asian alignment in 2020 then will likely be Pakistan and China on the one hand, and India and the U.S. on the other. The degree of polarization between these two axes remains uncertain, and may in fact be fairly weak. One mitigating factor is that the actual behavior of the relevant countries might not be as hostile and aggressive as some fear. Second, the strategic cultures of India and Pakistan may not evolve toward the more strident views discussed above. Finally, the role of the United States and the triangular relationship that it has formed with India and Pakistan

could prove crucial.

This triangular relationship is a recent development, dating only since September 11. In this triangle, the United States is in the pivot position, enjoying better relations with both India and Pakistan than they have with each other. If the United States can sustain this relationship until 2020, it will give Washington leverage with both New Delhi and Islamabad to dampen the conflicts between them, and possibly to push these neighbors toward resolving some of the issues between them. The United States would be able to pursue these objectives even through the implicit threat to side with one rival against the other. Of course, this will only work so long as good relations with the United States matter to the leaderships in New Delhi and Islamabad—and only so long as religiously tinged nationalism does not capture the leadership in one or both capitals.

If the United States does not maintain a policy of engagement with both India and Pakistan, particularly if it draws back again from Pakistan, we can expect greater polarization between the two axes of alignment. Lacking a constructive relationship with the United States, Pakistan's fear of India will be greater, and it will take actions to strengthen its security against that neighbor, including a closer relationship with China.

Even if the axes of amity and enmity creating these alignments become more polarized, we are not likely to see the creation of formal alliances. The Sino-Pakistani entente has functioned for nearly 40 years without being formalized into an alliance, and it is highly unlikely this will change. In large measure this will be due to China's preference for less formal, more flexible relationships. Moreover, drawing on their experiences with the Soviets in the 1950s, Beijing understands that formal alliances do not guarantee support from an ally. Nor do the Chinese want to be pulled into a war provoked by Pakistan; we saw China's aversion to such "entrapment" in the 1965 and 1971 conflicts.<sup>20</sup> The chances for a

formal U.S.-India alliance are greater, since the United States has often formalized such relationships in the past. Still, the creation of a formal alliance is not likely, as Ganguly's caveats (some of which are mentioned above) help to explain.

Thus, we should expect to see these two alignments characterized by less formal, more flexible arrangements of security cooperation, as Aaron Friedberg mentioned in his presentation at the conference. In the case of the Sino-Pakistani relationship, their entente is anticipated to continue. In the case of the United States and India, the term used by the member states may be something along the lines of "strategic partnership." With this greater flexibility and reduced specificity of the obligations each state has to the other, we will have greater uncertainty on the part of India and Pakistan regarding the willingness of their allies to assist them in a given crisis. This being the case, the lack of formal alliances in South Asia could push India and Pakistan toward reliance on their own military capabilities for security, particularly their nuclear arsenals. Heightening the risk of nuclear conflict, there will be even greater need for a regional restraint regime along the lines proposed by Khan in this volume.

### **Recommendations for the United States and South Asia**

Based on these regional strategic balances and alignments, and on the proposals offered by many of the conference participants, what policy recommendations can be made for the United States and for India and Pakistan?

(1) *The United States should remain engaged in South Asia.* South Asia matters to U.S. national interests, and particularly to our national security interests. As this region, and India in particular, grows economically, it should emerge as a major trading partner of the United States and location for American investment, with the benefits accruing to both sides. India is the largest democracy in the

world, with over one billion people; our political values and interests should make us strive to see this political system pros per and spread to other countries of the region. Moreover, potential security threats to the United States and to the international community emanate from South Asia. In particular, there is the threat that unsecured nuclear weapons from the region could fall into the hands of anti-American militants or—with a radical regime change—could be proliferated to such groups intentionally. There is also the risk of a regional nuclear war, with its attendant spillover effects and the broader ramifications from the use of such weapons. Moreover, *not being engaged* greatly increases the chance of armed conflict in the region, even nuclear conflict. And as Sir John Thomson notes in his contribution, U.S. policies will greatly affect the future of South Asia.

While “remain engaged” is of paramount importance for the United States with regard to South Asia, it is a rather broad enjoiner. The following recommendations add more specificity to this.

- *The United States should remain engaged with both India and Pakistan, and to maintain the pivot position in this triangular relationship.* As mentioned above, the United States can use this pivot position in the triangle to dampen conflicts between India and Pakistan, and to promote resolution of the issues which separate them. In addition, maintaining the triangular relationship will prevent the polarization of the alignment patterns, thereby preventing the increased tensions that would ensue. Because of the political, economic, and strategic affinities developing between the U.S. and India, the greatest effort here may be for the United States to remain engaged with Pakistan, especially after the current campaign in Afghanistan is over. If we do not maintain this relationship, the prospects for Pakistan dim considerably; political instability, Islamic militancy, and economic collapse are all more probable.

- *The United States should provide benefits to India and Pakistan to*

*encourage their continued relationships with Washington.* Such benefits could include aid, investment, political/diplomatic support, or military cooperation in specific areas. By providing such inducements, we could help to nudge the evolution of Indian strategic culture toward neoliberalism, and encourage Pakistani strategic culture to eschew an evolution toward the more militant Islamic conservatism.

- *The United States should maintain and further develop military-to-military relations with both India and Pakistan, including the International Military Education and Training (IMET) program.* Such relationships have proved valuable in the past and in the present, and should continue to prove their worth in the future. These programs promote understanding between militaries, offer foreign militaries the opportunity to learn from the United States, and provide the U.S. armed forces insights into the workings and beliefs of other militaries. They also can facilitate access to key decisionmakers and nurture cooperation between militaries, which can speed entry to bases and other facilities during a crisis. Such relationships with South and Central Asian states proved extremely important in preparing the way for U.S. and allied military operations in Afghanistan after September 11, 2001.

- *The United States should provide technical advice and assistance to improve the security and safety of the Indian and Pakistani nuclear arsenals.* Proliferation of nuclear weapons to these two countries has already occurred, and we cannot reverse it. However, our assistance to both countries can enhance the safety and security of these weapons in order to reduce the chances of accidental use by either side or of theft of these weapons. Such assistance is in our own self-interest, since we could very well be the intended target of any stolen nuclear device.

These steps, as well as others detailed in the preceding chapters, elaborate the ways the United States can stay engaged in South Asia.

Most of the reasons for this American engagement pertain to benefits to us directly or to the region (and therefore to the United States indirectly). There is one additional reason of broader geostrategic import. If U.S.-China relations deteriorate over the next two decades, relations with India and Pakistan can help the United States contain China, or at least reduce Chinese influence in this region on its southwest border. Pakistan may not be willing to forsake its long-time ally, but if we play our cards right, it might be persuaded to at least remain neutral.

Besides these recommendations for the United States, at least two important suggestions need to be made for India and Pakistan.

(2) *India and Pakistan should negotiate a restraint regime.* While neither country desires nuclear war and will try to avoid it, both have recently been willing to play the nuclear card in an effort to push the other. Moreover, as Scott Sagan argues in his contribution to this volume, despite the rational fears of nuclear war, both countries have displayed evidence of organizational pathologies that could nonetheless take them into a nuclear conflict. It is thus incumbent upon New Delhi and Islamabad to negotiate a restraint agreement that would reduce the chances for and fears of accidents and blunders, that would promote stability and peace in the region. These objectives are necessary if both countries hope to achieve the economic dreams for their societies. Prosperity can only be built on peace and stability. The United States should also help in any way it can, with advice, technical assistance, etc.

(3) *India and Pakistan should negotiate a resolution of the Kashmir conflict.* This is the most contentious of the issues dividing these neighbors, and the one that has led them into armed conflict or crisis conditions on several occasions. Now that both are nuclear-armed states, these conflicts and crises could escalate to a scale of death and destruction heretofore unimagined. The United States should offer its good offices and willingness to help mediate this dispute since it

is one of the few countries that both India and Pakistan will trust in such a role. For their part, India and Pakistan should realize that they cannot solve this problem without external assistance, and be willing to accept such help.

Because India and Pakistan now are both nuclear weapons states, the pattern of crises that have characterized their relations over the last 15 years or so must be brought to an end. The risk of nuclear war is too great to allow these to continue. While we should expect to see the Sino-Pakistani entente countered by some degree of Indo-American alignment, it is possible to reduce the polarization of these axes so that conflict and tensions are less likely. The recommendations offered above can move South Asia in this desirable direction.

## ENDNOTES

1. Rama Lakshmi, "Guerrillas Again Entering Kashmir, India Says," *Washington Post*, July 6, 2002, p. A14.
2. George Liska, *Nations in Alliance: The Limits of Interdependence*, Baltimore: Johns Hopkins University Press, 1962, p. 12. Liska is one of the most prominent early scholars of alliance theory.
3. Glenn H. Snyder, "Alliance Theory: A Neorealist First Cut," *Journal of International Affairs*, Vol. 44, No. 1, Spring/Summer 1990, p. 105.
4. See, for example, Hans J. Morgenthau, "Alliances in Theory and Practice," in Arnold Wolfers, ed., *Alliance Policy in the Cold War*, Baltimore: Johns Hopkins University Press, 1959, p. 185.
5. A fourth potential option is to "bandwagon" with, or appease, the threatening country. However, this is not the usual response and typically occurs only under certain conditions, such as when a weak country is threatened by a very powerful one, and it has no viable alignment options. This is unlikely to happen in South Asia. See Stephen M. Walt, *The Origins of alliances*, Ithaca: Cornell University Press, 1987, ch. 2.
6. Walt, *Origins of Alliances*, pp. 22-26.



7. See International Institute for Strategic Studies (IISS), *The Military Balance 2001-2002*, Oxford: Oxford University Press for IISS, 2001, pp. 162-164, 167-168.

8. See "India and Pakistan's Nuclear Capabilities," available from the Carnegie Endowment for International Peace's Non-Proliferation Project website, <http://www.ceip.org/files/projects/npp/resources/DeadlyArsenals/capabilitiesinasia1.htm>.

9. For the estimates of Indian and Pakistani ballistic missiles, see IISS, *The Military Balance 2001-2002*; "Nuclear Numbers," available on the Carnegie Endowment for International Peace's website; and Michael D. Swaine with Lauren H. Runyon, "Ballistic Missile Development," in Richard J. Ellings and Aaron L. Friedberg, eds., *Strategic Asia 2001-02: Power and Purpose*, Seattle: National Bureau of Asian Research, 2001, pp. 309-311, 314-316.

10. World Bank, *World Development Report 2002*, Oxford and New York: Oxford University Press for the World Bank, 2001, pp. 232-233, 236-237. The per capita figures are per capita gross national income (GNI), which has replaced gross national product (GNP).

11. See Vijay Kelkar, "South Asia in 2020: Economic Outlook," in this volume, Table 2A.

12. See "World Business Briefing: Asia," *New York Times*, June 29, 2002.

13. Karl Vick, "Pakistani Leader Accused of Trying to Grab Power," *Washington Post*, June 28, 2002, p. A18.

14. Ashley J. Tellis, "South Asia," in Ellings and Friedberg, eds., *Strategic Asia 2001-02*, pp. 237-238, 258-261; and IISS, *The Military Balance 2001-2002*, pp. 152, 155-157.

15. World Bank, *World Development Report 2002*, pp. 232-233, 236-237.

16. China spent an estimated \$42 billion in 2000 on the People's Liberation Army, which has over 2.3 million active forces, approximately 8,000 main battle tanks, 62 principal surface naval combatants, 69 submarines, and approximately 2,900 combat aircraft. In addition, China has an estimated 410 nuclear weapons, 40 of which are deployed on intercontinental or intermediate range ballistic missiles (i.e., with a range greater than 5,500 kilometers). See IISS, *The Military Balance 2001-2002*, pp. 188-190; and "Nuclear Numbers," on the Carnegie Endowment for International Peace's website.

17. The International Energy Agency (IEA) predicts that in 2020 the Chinese economy will comprise 20.8 percent of the \$67.8 trillion world GDP (in 1990 purchasing power parity, or PPP, U.S. dollars), while India will represent 5.9 percent. IEA, *World Energy Outlook 2000*, Paris: Organization of Economic Cooperation and Development and IEA, 2000. Based on different sources and looking at 2015 rather than 2020, Ashley Tellis cites data showing China's economy as twice the size of India's. See Tellis, "South Asia," p. 239. For recent news articles on China's economic emergence, see Clay Chandler, "China's Rivals Slow to Grasp Export Might," *Washington Post*, May 25, 2002, p. E1; and Jane Perlez, "China Races to Replace U.S. as Economic Power in Asia," *New York Times*, June 28, 2002.

18. On China's modernization efforts, in addition to Aaron Friedberg's chapter in this volume, see Larry M. Wortzel, ed., *The Chinese Armed Forces in the 21st Century*, Carlisle Barracks, PA: Strategic Studies Institute, U.S. Army War College, 1999; and Zalmay M. Khalilzad, et al., *The United States and a Rising China: Strategic and Military Implications*, Santa Monica: RAND for Project Air Force, 1999, especially ch. 3.

19. For the role that relationships of amity and enmity play in the creation of a regional security complex, see Barry Buzan, "A Framework for Regional Security Analysis," in *idem* and Gowher Rizvi, eds., *South Asian Insecurity and the Great Powers*, New York: St. Martin's Press, 1986, p. 7.

20. Glenn Snyder views entrapment as one of the horns of the security dilemma in an alliance. See Snyder, "The Security Dilemma in Alliance Politics," *World Politics*, Vol. 36, No. 4, July 1986, pp. 461-496.

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