

ASSESSING IMPACT OF INDO-US STRATEGIC PARTNERSHIP ON STRATEGIC STABILITY IN SOUTH ASIA

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Abstract

Strategic Stability in South Asia concerns many across the world in general and the United States in particular. Vast body of literature has therefore been produced on the subject, pertaining to the state of stability in South Asia, possible causes of its breakdown and the challenges faced by India and Pakistan in this regard. A good deal of debate however is confined to the critique of structural, institutional and technological irritants that possess the potential to instigate instability in this part of the world.

The impact of the nature of relationship of a Super Power in a volatile region (i.e. one amongst few of the significant determinants and a component of structural factors) on strategic stability has emerged as a relatively less attended area. Interestingly, South Asia presents a challenging case-study in this regard. Past few years have uncovered new strategic realities with Indo-US Strategic Partnership consistently gaining momentum. Perilously the Strategic Partnership between the two stands on an edifice of few of those highly crucial components that directly impinge upon strategic stability. This paper therefore attempts to explain how and to what extent would the Indo-US Strategic Partnership undermine strategic stability in South Asia?

The paper draws an assessment of the impact of some of the highly critical areas of cooperation between India and the US that have the likelihood to induce strategic imbalance causing instability. It offers a critical evaluation of the Indo-US Nuclear Deal and the New Framework for Defence Cooperation. The paper also proposes some recommendations - with particular reference to the role of the United States - that may help improve upon the state of stability in South Asia.

Defining Strategic Stability

This paper shall be referring to stability purely in context of nuclear armed rivals. In this context, stability implies, “maintaining a situation where no development disrupts the existing equilibrium in a way that it results in active conflict”.¹ To be more precise, the focus shall be drawn from Legault and Lindsey’s concept of strategic stability. They state, “We could define a state of stability as the absence of rational motive to launch an attack. When there is a rational motive for either (or both) antagonists to launch a first strike, there is instability. But when he who launches a first strike must expect unbearable retaliation, there is deterrence”.²

Strategic Stability largely depends on ‘deterrence’ that implies, “maintenance of such a posture that the opponent is not tempted to take any action that significantly impinges on its adversary’s vital interests”.³ Here one needs to keep the difference between “mutual deterrence” and “unilateral deterrence” very clear. While, “mutual deterrence” helps ensure stability, “unilateral deterrence” has a higher likelihood of damaging it. Also it is significant here to highlight that Deterrence Stability needs to be matched with Arms Race Stability and Crisis Stability to ensure Strategic Stability.⁴

Setting the Context

Some of the academic discourse on “Nuclearization in South Asia” features the ‘triangular deterrence’ that exists between Pakistan, India and China.⁵ It stretches the scope of debate well beyond the geographical boundaries of the region; this paper shall limit its focus to India and Pakistan, for the simple reason that much of the available evidence rules out skepticism regarding the breakdown of strategic stability between India and China. On contrary, a good deal of the existing and emerging fears, based on a combination of factual assessments as well as speculative imagination revolves around the Indo-Pak equation.⁶

Introduction

Strategic Stability overshadowed intellectual discourse and policy-making debates throughout the Cold War. However, the demise of Soviet Union and the transition of world order from bipolarity to unipolarity diffused the debate and shifted the focus towards the need to redefine and evolve new concept to partake the role of Mutual Assured Destruction, deterrence and strategic stability. It did not last for long. During the same decade with explicit revelations of initially the advanced status of nuclear weapons programs of India and Pakistan and later with the two formally adopting an overt posture, the debate on strategic stability resurfaced with almost the same vigor as it existed during the Cold War. Scholars in strategic studies have made innumerable efforts to explore various dimensions of strategic stability in South Asia ranging from its nature and character to the identification of challenges and possible causes of its breakdown.

Since the Indo-Pak equation has some unique features, it may not really be taken as a parallel against the Cold War for the purpose of research. Two factors⁷ that stand critical in this regard need to be highlighted here;

- During the Cold War, the main actors themselves were at the top of things running the show and shaping the world order. Whereas in case of nuclear South Asia, it is a world order predetermined by external actors where the regional actors have to place them and accommodate them accordingly. For these regional actors there is little freedom of action as far as shaping the world order is concerned and therefore little place to maneuver. On most of the occasions it is not about taking initiatives, it is rather about responding to the limited available options.
- Cold War marked bipolarity, whereas Indo-Pak nuclear politics exists in a unipolar world order. And the politics in a unipolar world order essentially leaves a lot at the discretion of the Super Power, i.e. in the contemporary scenario, the United States.

These differences might not sound that significant, they have practically drawn a cleavage between US-USSR strategic stability equation during the Cold War and Indo-Pak stability equation in the post-Cold War Unipolar World Order. These differences have consequently made unipolarity and the role of a super power therein as few amongst the most significant determinants of strategic stability.

The aim of this paper is therefore to first of all explain the relationship between strategic stability, unipolarity and the role of a super power in a fragile region. A relationship once established, this paper would then attempt to assess the impact of Indo-US Strategic Partnership on strategic stability in South Asia.

The paper is primarily descriptive in nature. Different tools of research have been intertwined in order to meet the requirements of various segments of this research paper. These tools include technical data analysis, content analysis and informal conversations with experts on this subject. Most of the available literature has also been thoroughly studied for this purpose. Nonetheless, there were some serious limitations faced during the course of research. For instance, measuring the nature of impact of the underlying issues in tangible terms has been found extremely difficult primarily because of two reasons;

- Most of the implications are not really quantifiable.
- And the areas where quantitative analysis is possible, pertains to issues falling mostly in classified domains where data is rarely accessible.

Literature Review

From the definition to the dynamics, every facet of strategic stability has been debated extensively but there is still no end foreseen to this debate in the near future. Existing literature on the subject delves heavily on Glenn Snyder's Stability-Instability Paradox, Deterrence Stability, Arms Race Stability, Crisis Stability and Technical Stability as few of the fundamental concepts in order to assess strategic stability.⁸ Undoubtedly these concepts manifest a

lot of overlapping trends; they set the basic parameters in correct perspective as far as the question of measuring strategic stability is concerned.

Keeping in view the fundamentals of the above-mentioned concepts, there began a far-stretched debate in the post 1998 scenario over whether nuclear deterrence will work or fail in South Asia. There are different streams of argument primarily overshadowed by the existing international schools of thought, i.e. the Optimists and the Pessimists led by Kenneth Waltz and Scott Sagan respectively.⁹ No consensus has however been achieved so far on this, neither is one foreseeable in the existing highly fragile and delicately maintained deterrence situation in South Asia.

There is no end to the challenges adequately identified and debated by various scholars of and on. Some of them have been addressed some still need to be tackled with. For instance, most of the scholars have put a huge thrust on Territorial Disputes, Mistrust, Lack of Institutionalized Crisis Management Mechanisms, Understanding of nuclear strategy & deterrence, Presence of ethno-religious cleavages, Political Control of Operations, Risk of Preemptive attacks/Disarming Surprise attack, Accidental use of nukes, Uncertainties associated with nuclear weapons, Absence of Nuclear Risk Reduction Measures, Tendency to resort to brinkmanship over Kashmir, Impetus to horizontal proliferation, and Conventional Imbalance as major challenges to strategic stability.¹⁰ Certainly all these factors do have the potential to breakdown strategic stability. Nonetheless most of these elements pertain to structural issues. An overview of past ten years shows that the governments at both sides have successfully managed to overcome at least few of these especially pertaining to the structural factors by taking up some fundamental corrective measures.¹¹

However there is a continuous influx of newer issues posing newer kinds of challenges that may prove to be detrimental to the strategic stability in South Asia in specific and the world in general. This refers to an unending list of issues and problems emerging due to the consistently growing tensions in the region, the presence of extra-regional forces, the international engagements, a continuously

deteriorating international system, a rapid inflow of new rules of engagement and confrontation primarily designed by the United States, the polarity debate and the changing nature of alliance patterns. Some of these have been highlighted in the existing literature; others have not received adequate attention primarily because of their evolving character. This paper, due to limitations set by its scope would not take up all of these challenges. It shall rather keep its focus confined to one of the missing aspects of the 'polarity debate'¹² followed by an exhaustive analysis of the role and impact of US policies on strategic stability in South Asia.

So far most of the work done on the role of the US in this particular context highlights its contribution to bring a peaceful end to the Kargil crisis and the Indo-Pak military standoff 2001-02.¹³ There has been and rightly so, a lot of appreciation and acknowledgement for the constructive part played by the US during those high times of tensions. It is also widely recognized that the US has played a highly significant role in brokering the peace-process between India and Pakistan. However, developments in the past few years have unfolded new realities.

The recent trends in the US pattern of relationships in South Asia project that the US is pursuing a path that has serious repercussions for strategic stability. Indo-US Strategic Partnership and its various components on which it depends have been assessed and evaluated time and again by academicians and policy-makers.¹⁴ Many have in their own capacities highlighted the impact of these developments on strategic stability, however a composed body of literature on the issue, proposing a case to include 'pattern of relationship of a Super Power' having both direct and indirect impact amongst the exhaustive list of determinants of strategic stability/instability has been found missing. This paper therefore undertakes this task.

Theoretical Construct

This paper draws its theoretical construct on the underpinnings of the Balance of Power theory with subsequent references to the Power Transition Theory¹⁵ that positions the issues

on contrary pedestal and therefore offers an entirely opposite interpretation of events and their causal and consequential explanation. According to the Balance of Power theorists, “states seek to dominate other states, when they have the means to do so, they will act; the conflict between states is thus a consequence of the unequal distribution of power within the system. When power is distributed evenly, conflict naturally diminishes: each state lacks the means to challenge any of the others, and so the system becomes relatively stable”.¹⁶ They also maintain that the “movement toward parity should reduce the chances of at least violent conflict; neither party will attack the other because each lacks a clear advantage”.¹⁷

It has been nonetheless specific to the nuclear balance. Irrefutably history has shown that the conventional military power could not always helped prevent wars,¹⁸ however balance maintained in the nuclear realm has unquestionably been able to successfully attain this objective so far. And that is where the actual argument begins. The experience of the past decade in South Asia has established it as a matter of fact.

India and Pakistan since 1970 have never maintained a conventional parity. It was only with the successful development of the nuclear weapons by both sides that the balance of power between the two could be achieved. So far deterrence has been maintained and strategic stability could be sustained between the two despite the fact that India enjoys conventional military superiority, only because the nuclear weapons potential of the two is very close. And the potential possessed by each side to cause damage to the other side also stands nearly equal.¹⁹ This delicately maintained balance of power however, if disturbed would lead to catastrophic consequences for strategic stability.

Underlying Assumptions

- The hostility between Pakistan and India needs no reiteration.
- States in their behavior are highly unpredictable. Given the capabilities, intentions may take moments to change. States, if possess sufficient capabilities, tend to expand

their influence all across and make all possible efforts to secure their interests.

- In the unipolar world order a Super Power's influence goes far beyond its conventional domain. Its policies may have serious consequences for strategic stability in other regions of the world.
- De-hyphenation is an absurd myth in case of the US relations with India and Pakistan.²⁰
- "States act with less care if the expected costs of war are low and with more care if they are high".²¹

Stating the Hypothesis

The premise of the study states; in a uni-polar world order, a Super Power's preferential treatment (especially in perspective of issues of strategic significance) towards the stronger contender in a volatile region has all the likelihood to undermine strategic stability. Playing favorites in a manner where the bullying capacity of a stronger party considerably enhances relentlessly injures the hardly-maintained balance of power equation.

The US Preferential Treatment & Its Possible Impacts²²

In the post 9/11 world order, the Bush administration coined a new terminology i.e. popularly pronounced as "de-hyphenation"²³ to define the character of its change in policy towards India and Pakistan. By this the US meant that relations with India and Pakistan would be dealt with separately due to the new realities and significance of both countries in different domains. A new yardstick with a discriminatory approach was hence introduced, disregarding the fact that the policies and nature of relationship of a super power with an adversarial pair would impact on both and would affect a flimsy region in the existing world order.

The US recognizing India's market potential and its capability to help the US contain China, has started building up Strategic Partnership by opening up a lot of avenues for cooperation both at traditional and nontraditional levels. There is an exhaustive list of the areas where India and the US have agreed to cooperate.

(See Annex A). While, Pakistan also stands as a significant ally in the “War against Terrorism”, supposedly the “Most Favored Non-NATO Ally”; the relationship with India and Pakistan is growing on different pedestals.

De-hyphenation has practically provided the United States enough space to extend preferential treatment towards India. Notwithstanding the fact that the preferential treatment of a Super Power might upset the Balance of Power equation in South Asia, the US has offered to India, cooperation in some of the most critical domains that have a direct bearing on strategic stability in the region. Undoubtedly, the US has to make its own calculations and draw its policies accordingly; however cooperation in all those areas that have potential implications for strategic stability needs to be looked into; since it is an undisputed fact that instability in South Asia would not serve any one’s interests.

First and foremost comes the “Indo-US Nuclear Deal”,²⁴ and equally significant stands the “New Framework for Defence Cooperation”.

Indo-US Nuclear deal clearly marks preferential treatment by the US towards India. The US while defying its own non-proliferation commitments and hurting the sanctity of NPT has offered Nuclear Cooperation to India. Contrary to this, it has flatly refused to extend any such opportunity to Pakistan under the pretext of Pakistan’s poor proliferation record, notwithstanding the fact that India also does not have a clean past. On one hand, Pakistan’s proliferation record is being blown out of proportion; on the other hand, much skepticism is being raised over the issue of safety of its nuclear assets. It appears as a structured campaign to corner Pakistan which has long term implications for strategic stability in the region.

Exceptional in nature, the Indo-US Nuclear deal opens up prospects for India to draw benefits from the US cooperation in the nuclear energy sector. However, statistical analysis has proved that this deal shall provide India a chance to utilize imported fuel for its power reactors, freeing up its domestic resources to be diverted for weapon purposes. This would in turn, enhance India’s capability to

multiply its nuclear weapons arsenal. Indian Defence Ministry sources have also mentioned plans for 300-400 weapons within a decade. Such a trend may provide impetus to India's "unilateral deterrence"²⁵ however it would gravely undermine Pakistan's calculations of Minimum Credible Deterrence.²⁶ Pakistan would be pushed to pursue rigorous efforts to catch up with India's arsenal so as to secure its position against any kind of Indian adventurism. This would initiate an arms race, leading to a highly precarious future marked by acute volatility.

Proponents of the deal in the US maintain that India committed to its rapid economic development is not interested in multiplying its nuclear arsenal. Existing evidence however presents the contrary picture. A content analysis of the ongoing debate over the deal in India, the statements of Indian leadership in Lok Sabha and on other public forums indicates that the political will is certainly there. Also the wisdom of *real politik* suggests that, 'given the capabilities, intentions may take moments to change'.

Though the Hyde Act envisages in it some of those measures that are designed to keep a check on India's plans of upgrading its nuclear weapons arsenal at least to a certain degree; those measures have not been incorporated into 123 Agreement – the bilateral agreement that India is obliged to follow. 123 Agreement, on contrary, being "vague" on issues of concern, leaves enough room open for India to explore its options. Muted response of 123 Agreement on the fate of nuclear deal in the backdrop of a nuclear test conducted by India raises further concerns. The deal in its existing form has undoubtedly all the likelihood to induce strategic imbalance in the region.

As far as the New Framework for Defence Cooperation²⁷ is concerned, it identifies two critical areas of cooperation. One is the cooperation in the realm of conventional weapons and the other is the Missile Defence program.

In so far as the issue of conventional weapons is concerned; certainly both India and Pakistan are the 'beneficiaries' in this field. (For details see Annex II). It is the nature and the terms and

conditions of the agreements with the two that mark the discrimination and establish the preferential treatment being extended to India. Unquestionably, Pakistan has received “huge amount of defence aid” from the US in the post 9/11 years. Sanctions of defence trade were also waived off and therefore military sales have been made to Pakistan. There are some significant weapon systems that Pakistan has already acquired and hopes to acquire in this regard.²⁸ Weapon systems delivered and those in the pipeline to be delivered may even outnumber those provided to India in the recent past. However, it is all restricted to “aid” and “military sales”. This trend marks dependency and enhances a state’s vulnerability that is much evident with the US Congressmen time and again raising the issues of reviewing “aid policies”.

With India under the New Framework for Defence Cooperation, it is the other way round. It is cooperation in terms of joint production and technology sharing. Joint production, by all means is far better than defence aid and military sales. The future of defence aid and military sales is much doubted. However, joint production empowers a state with the capacity to improve its indigenous production.

India already enjoys quantitative superiority in terms of conventional armaments which has been identified by the analysts as a possible irritant for future of stability in the region.²⁹ If it improves qualitatively in terms of its indigenous production capabilities, Pakistan would be placed at a highly disadvantageous position.

The US assistance especially in terms of transfer of high-tech weapon systems and cooperation on Naval and Air platforms would prove crucial in boosting up, not only India’s tangible potentials but also providing her with a decisive psychological advantage. This may encourage India to explore and exploit space that exists between the lines. For instance, India may, actually plan to pursue strategies like “hot-pursuit” and “Cold-Start” etc. This, in turn, would lower the nuclear threshold, perilously undermining strategic stability. Henry D. Sokolski for instance has identified India’s growing conventional forces and its encirclement against Pakistan as

would-be “propellant for future proliferation, nuclear build ups, and war”.³⁰

Second area of crucial significance and heightened concern is the US offer to extend cooperation to India in the field of Missile Defence systems. India for a long time has been working on a missile defence program indigenously. It has already tested its anti-ballistic Prithvi missile. However, analysts believe that the tests do not mark the acclaimed success.³¹ It therefore may need US assistance to improve upon the quality of its weapon systems. On the other hand, the US has shown a lot of interest in extending cooperation to India in this field³² that offers a huge market and a lot of hard currency for the United States thereby.

Missile defence system asymmetrically breaks down mutual deterrence, since it strengthens what an Indian analyst described as, “the satanic idea of fighting and winning a nuclear war”.³³ India’s missile defence system, if deployed would reduce Pakistan’s ability to retaliate, thus completing India’s Strategic Superiority. As pointed out by Gregory S. Jones, “if India were to deploy an effective anti-missile system around some of its cities, it could seriously affect Pakistan’s nuclear strike capability. Pakistan would either have to deploy more longer-range missiles so as to be able to strike undefended cities, or obtain counter measure technologies from the Chinese”.³⁴ Undoubtedly, India has made a good deal of progress in the development of a Missile Defence System on its own, the US assistance at this crucial juncture nonetheless would help India attain its goals in a limited span of time.

Analysis of the past & the possible future scenarios

Summit Ganguly and Davin Hagerty while drawing propositions behind crisis stability in Indo-Pak military standoff 2001-02 and Kargil mentioned; “i) timely and forceful US intervention, ii) mutual fears that war might escalate to the nuclear level and iii) one or both sides lack of sufficient conventional military superiority to pursue a successful blitzkrieg strategy”,³⁵ as three primary determinants that helped ensure that strategic stability remains intact.

These propositions are extremely vital. It must be noted that the authors talk of ‘mutual fears’ as a precondition for crisis stability. Now looking at the ongoing developments and shedding the illusive myths of idealism or moralism, if one may analyze and draw a futuristic scenario, there is a higher likelihood of nuclear build up by India coupled with Missile Defence Program it may erode the existing equation of mutual fear, tilting the balance in favor of India.

Moreover, if one may pick up the hypothetical scenario drawn by Gregory S. Jones, the situation appears bleaker.³⁶ The author draws the cutting edge for the breakdown of nuclear threshold. He asserts that in case India takes a decision to take up ten million casualties (i.e. hardly one percent of India’s total population), in a situation where it is assumed that Pakistan (her vital enemy) may no longer exist, India might vie for such a bargain. Essentially, it would be a crucial political decision to make. One may not like to buy this argument, however, there is nothing like impossible in international politics.

Situations can be created and circumstances can be pushed that far. An important point to understand here is that what appears to be an irrational act today may turn up as the popular choice tomorrow. Keeping in view the societal structure and normative belief in South Asia, one may not really be able to draw parallels between them and the populace in the Western nations especially when it comes to the conduct and behavior during wars. People in South Asia are not shy of death and that is where the difference comes. So a big technological, quantitative and qualitative gap between India and Pakistan would not serve the purpose of strategic stability. Fuelling an arms build up means the world needs to get ready for any kind of eventualities.

Ganguly and Hagerty also categorically highlighted as mentioned above, “One or both sides lack of sufficient conventional military superiority to pursue a successful blitzkrieg strategy” as another reason behind crisis stability between India and Pakistan. Given the present circumstances, it is evident that if India would continue to grow its conventional weapons arsenal coupled with an

increased nuclear weapons inventory shielded with the missile defence systems, ensuring its unilateral nuclear deterrence, this would tremendously add to India's psychological comfort and confidence, providing it a rationale to pursue a blitzkrieg strategy.

Conclusion

In the existing World Order, the impact of the nature and pattern of US relationships on strategic stability in a volatile region need immediate attention and thorough assessment. The United States possesses massive potential to influence few of the fundamental determinants of strategic stability, e.g. the conventional and nuclear balance etc. With these potentials, the current bid of the United States to build India as a major power may therefore prove to be detrimental to strategic stability.

India's conventional military superiority, strategic supremacy and missile defence capabilities, coupled with its long-aspired dreams of 'Greater India' would put Pakistan under tremendous pressure. There would be serious implications for the size, shape and technical character of the nuclear forces that Pakistan might need to counterbalance Indian might. The resulting arms race will jeopardize strategic stability.

Moreover India's growing political clout with the US efforts to accommodate India into global nuclear order and signaling skepticism over the safety and security of Pakistan's nuclear arsenal is going to boost India's confidence that in turn would increase India's bargaining leverage and would harden its position on core issues like Kashmir, upsetting the peace process. This would also not bode well for the strategic stability.

Recommendations

- Strategic Stability in South Asia heavily rests on strategic balance between India and Pakistan. Any efforts to build up India in view of perceived geopolitical compulsions/interests that impinge upon Pakistan's security calculations would cause instability.

Undoubtedly, instability in this part of the world is going to seriously undermine US interests in the region. Therefore, all such efforts should be avoided.

- As far as the Indo-US partnership is concerned, it opens up one window of opportunity that may help strengthen strategic stability. Since the US enjoys a better position than ever before, it may exert influence on India to resolve Kashmir issue – i.e. one of the irritants for strategic stability – in a plausible manner.
- While sharing and transferring high-tech weapon systems to India, the US needs to be cautious of conventional imbalance and its fall-outs for strategic stability. Moreover cooperation in the realm of Missile Defence Systems needs to be reviewed.
- With the Indo-US Nuclear Deal already finalized, the new administration in the US needs to work hard to engage India and explore all possible means to prevent any likelihood of diversion of India's nuclear fuel for weapon purposes (in order to prevent a nuclear arms race in the region).

Thomas Donnelly states, “Pakistan has every reason to feel itself an important part of this future, and to become something other than a paranoid state beset by enemies with nothing more than nuclear weapons to guarantee its safety”.³⁷ The world in general and the US in particular need to pay due attention to this observation and help create conducive environment to prevent Pakistan from turning into a paranoid state totally dependent on the nuclear weapons for its security. This would not only strengthen Pakistan but would help maintain stability in the region that stands paramount for the interests of the US as well as the higher goal of global peace.

Annex A

India – U.S. Relations: A General Overview

The highly successful **summit meetings** March 1-2, 2006 in New Delhi and July 18, 2005 in Washington D.C. between Prime Minister Dr. Manmohan Singh and President George W. Bush indicate the level of transformation in India-U.S. relations and the establishment of a **global, strategic partnership** between our two countries. The leaders of the two largest democracies in the world, committed to the values of human freedom and rule of law, believe that this new relationship will promote stability, democracy, prosperity and peace throughout the world. They believe that this relationship will have a decisive and positive influence on the future international system as it evolves in this new century.

Developments in Bilateral Relations

Prime Minister Singh first met President Bush on September 21, 2004 at New York on the sidelines of the United Nations General Assembly session, where he remarked that the “best” in India-U.S. relations was “yet to come”.

The **tsunami** that struck south and south-east Asia in December, 2004, while catastrophic in the victims it claimed, provided an opportunity for the Indian and U.S. navies to work closely together in search, rescue and reconstruction efforts. It underscored the interoperability of the navies of the two countries in a real life situation.

Meanwhile, the **Next Steps in Strategic Partnership (NSSP)** process, first launched in January 2004 was moving forward rapidly, bringing along in its wake greater transparency and predictability in U.S. licensing arrangements for Indian imports of sensitive items and technology, leading to a significant rise in high-tech trade between the two countries. NSSP was successfully completed during the Prime Minister’s visit.

The conclusion of an **Open Skies Agreement** between India and the United States in April 2005, inked by Civil Aviation Minister Praful Patel and Transportation Secretary Norman Mineta added further ballast to the changing relationship. Enhanced connectivity between the two countries in terms of greater flights will provide a boost to trade, tourism and business. The decision by Air India to purchase 68 Boeing aircraft in a deal valued at US \$ 8 billion is an important milestone in commercial relations.

Visits to India by **Defense Secretary Rumsfeld** in December 2004 and **Secretary of State Rice** in March 2005 gave clear indications that the United States viewed its relationship with India from a strategic perspective thereby providing a framework for greater cooperation between the two countries on a wide range of issues. **External Affairs Minister Natwar Singh and Defense Minister Pranab Mukherjee** visited Washington in April and June, 2005 respectively raising the level of the dialogue to a higher plane and paving the way for the successful trip by Prime Minister Singh in July. The conclusion of a New Framework for the U.S. – India Defense Relationship by Defense Secretary Rumsfeld and Defence Minister Mukherjee imparts further momentum to bilateral ties.

The impact of **Hurricane Katrina** on ordinary people in Louisiana and Mississippi evoked sympathy amongst the people of India. As a token of our support for the affected people, India contributed US \$ 5 million to the American Red Cross and also sent in a planeload of relief supplies and material.

Prime Minister Singh and President Bush, along with UN Secretary General Kofi Annan, launched the **United Nations Democracy Fund (UNDEF)** at New York in September 2005 the two countries being the first to contribute to this initiative to the extent of US \$ 10 million each. Both nations are positively inclined to a replenishment of the UNDEF.

India and the U.S. recently concluded a **Science & Technology Agreement**, after several years of negotiation, in October 2005, aimed at boosting cooperation between our scientists and institutions of higher learning. The Annex to the Agreement

contains ways of handling IPR issues, which may arise in the course of such collaborative efforts.

President Bush's enormously successful visit to India March 1-2, 2006 reaffirmed the commitment of the President and the Prime Minister to further expanding the growing ties between India and the United States. President Bush's memorable public address from the ramparts of Purana Quila was a highlight of his trip to India.

The successful passage through the United States Congress of the **Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006** was a landmark event in bilateral relations, which enabled President Bush to sign it into law on December 18, 2006. This Act successfully revises U.S. law so as to enable the United States to extend full civil nuclear cooperation to India.

US Commerce Secretary Gutierrez visited India in February 2007 and **USTR Susan Schwab** in April 2007. The visits advanced the bilateral India-US commercial relationship and also expanded our interaction on multilateral issues including on the Doha Round of Multilateral Trade Negotiations. Export of Indian mangoes to the United States has commenced. A private sector advisory group has been established to provide inputs for strengthening and expanding commercial relations.

Important forthcoming events include a meeting of the **India-US CEO's Forum** at New York this September and a possible visit by **US Treasury Secretary Paulson** to India. **Secretary of State Dr. Rice** may also visit India later this year.

India and the United States have had some coordination of their respective policies and positions on developments in **Nepal, Sri Lanka and Bangladesh**. More recently, the first **Quadrilateral dialogue** between India, the U.S., Japan and Australia was held in May 2007. India continues to be pressed by the United States Administration and the U.S. Congress on its relations with **Iran and**

Burma. In turn, we express our apprehensions of US policies including arms transfers to **Pakistan.**

Defense Cooperation

The new **Defense Framework** seeks to chart a course for the India – U.S. defense relationship for the next 10 years that will support the broader global partnership that our leaders seek to create. The new parameters of the defense relationship include cooperation in defense technology, continued joint and combined exercises and exchanges, expansion of defense trade, increased opportunities for technology transfer, collaboration, co-production and R&D.

The primary mechanism to guide defense ties is the **Defense Policy Group (DPG)** led by Defence Secretary on the Indian side and the Under Secretary of Defense for Policy on the U.S. side. The DPG held its 8th meeting November 2006 in New Delhi. Sub-groups such as the Defence Production and Procurement Group, the Military Cooperation Group, the Joint Technology Group and the Senior Technology Security Group report to and provide inputs to the DPG. A recently established Defense Joint Working Group met in India this April and discussed policy issues.

The armed forces of the two countries have held a number of **joint exercises** aimed at enhancing interoperability of all the services. Joint exercises involving the navies, armies and Special Forces of the two countries have been held. A new development this April was the holding of trilateral India-US-Japan naval exercises in the Sea of Japan.

During Prime Minister Singh's visit to the United States July 2005, the two countries had announced a **U.S. – India Disaster Response Initiative** to build on the successful experience during the tsunami operations of 2004 and to establish an ongoing effort to prepare for and conduct relief operations in the Indian Ocean region and beyond.

During President Bush's visit to India March 2006, the two countries agreed to the conclusion of a **Maritime Cooperation Framework** to enhance security in the maritime domain, to prevent piracy and other transnational crimes at sea, carry out search and rescue operations, combat marine pollution, respond to natural disasters, address emergent threats and enhance cooperative capabilities including through logistics support. Both sides are working to finalize a **Logistics Support Agreement**.

The **Hot-Transfer of USS Trenton**, Landing Platform Dock (LPD) 14 to the Indian Navy (IN) on January 17, 2007 was a significant event. This is the first ship acquisition by India from USA. It will be the first of its type for the Indian Navy. With a displacement of approx. 17,000 tons, the LPD is set to be the second largest ship with the Indian Navy, after the aircraft carrier Viraat. The ship will add punch to India's maritime forces with its capacity to participate in naval operations (ops), peacekeeping ops, tri-service ops and humanitarian relief. It has an unrivalled capacity to carry close to a battalion strength troops and sustain them over a long duration. Ambassador Sen commissioned the ship as the **INS Jalashwa** on June 22, 2007. The ship has now sailed out of Norfolk harbor and will reach India in a few days.

In May 2007 the US Administration notified the U.S. Congress of the possible sale of **C 130-J transport aircraft** to India. This deal is valued at a little over US \$ 1 billion.

Economic Relations

India – U.S. bilateral **trade** grew from US \$ 13.49 billion in 2001 to US \$ 31.917 billion in 2006. India's major export products include gems and jewelry, textiles, organic chemicals and engineering goods. Our main imports from the U.S. are machinery, precious stones and metals, organic chemicals, optical and medical instruments, aircraft and aviation machinery. US exports to India grew by 26.31% in 2006 to reach USD 10.091 billion, while Indian exports to the US increased by 16.07% to hit USD 21.826 billion.

The U.S. is one of the largest **foreign direct investors** in India. The stock of actual FDI increased from US \$ 11.3 million in 1991 to US \$ 5708 million as on January 2007. FDI inflows from the U.S. constitute about 11% of total actual FDI inflows into India.

The U.S. is the leading **portfolio investor** in India. As in December 2006 U.S. based Foreign Institutional Investors have made a net investment of US \$ 17.8 billion of a total of US \$ 51.021 billion in Indian capital markets accounting for 33% of the total.

The U.S. is also the most important destination of **Indian investment abroad**. Between 1996 and July 2006, Indian companies invested US \$ 2619.1 million in the U.S. largely in manufacturing and non-financial services.

The institutional framework for bilateral economic cooperation comprises a **U.S. – India Economic Dialogue** co-chaired on the Indian side by Deputy Chairman Planning Commission Dr. Montek Singh Ahluwalia and on the U.S. side by Dr. Allan Hubbard, Assistant to the President for Economic Policy and Director of the National Economic Council. The sub-components of this dialogue are (a) a U.S. – India Financial and Economic Forum led by India's Finance Minister and the U.S. Treasury Secretary (b) a U.S. – India Commercial Dialogue headed by our Commerce Minister and the US Commerce Secretary (c) a U.S. – India Working Group on Trade co-chaired by our Commerce Minister and the US Trade Representative. The Economic Dialogue has two crosscutting themes in biotechnology and information technology. The IT theme has been expanded to become the Information and Communications Technology Working Group (ICT Working Group) that held its most recent meeting in Washington in July 2007.

In November 2002 a Statement of Principles on high technology commerce was issued which established the **High Technology Cooperation Group (HTCG)** aimed at furthering hi-tech trade including trade in dual-use goods and technologies. This group led by the Foreign Secretary of India and the US Under Secretary of Commerce held its 5th meeting in Washington, DC.

February 22-23, 2007. Comprising of two distinct parts, government-to-government meetings as well as a public-private forum, the HTCG meetings focus on four sectors -- IT, biotechnology, nanotechnology and defense technology.

Prime Minister Singh and President Bush established a **CEO's Forum** prior to their meeting in Washington July 18, 2005. Envisaged as a brains trust of business leaders from the two countries, the CEO's Forum presented a report to the two leaders during the visit to India of President Bush aimed at substantially broadening the levels of economic interaction between India and the U.S. The Chairs of the Indo-US Economic Dialogue have been directed to follow up expeditiously with the CEO's Forum. In this effort they convened a meeting of the Forum in New York on October 25, 2006 with high level government participation from both sides. The next meeting of this Forum is scheduled for September 2007 at New York.

In July 2005, Prime Minister Singh and President Bush established a **U.S. – India Agricultural Alliance** to focus on promoting teaching, research, service and commercial linkages. In March 2006, during the visit to India by President Bush the two countries launched the bilateral **Knowledge Initiative on Agriculture** with a three-year financial commitment to link universities, technical institutions and businesses to support agriculture education, joint research and capacity building projects including in the area of biotechnology. A work plan has been finalized and is being implemented.

President Bush and Prime Minister Singh agreed that their two governments would organize a **high-level public-private Investment Summit in 2006**, with a view to advancing mutually beneficial bilateral trade and investment flows. This was held in New York on October 25, 2006.

The logjam in **multilateral trade negotiations** in the Doha Round of the WTO, has produced a strain among the major trading nations of the world. India-US relations are not completely free from these strains either.

The US Government has **sanctioned a few Indian companies and individuals** for exporting to and contacts with Iranian enterprises and scientific establishments. India has stated that no Indian company or individual has violated either Indian law or international obligations.

Cooperation in Energy

India and the U.S. launched a new **Energy Dialogue** in May 2005 aimed at increased trade and investment in the energy sector. The co-Chairs of this mechanism are Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission on the Indian side and Mr. Samuel Bodman, Energy Secretary on the U.S. side. A Steering Committee has also been formed to supervise the work of the Group headed by India's Foreign Secretary and the US Under Secretary for Energy Efficiency.

Five **working groups** have been formed covering the areas of : (a) oil and natural gas (b) electric power (c) coal (d)energy efficiency, renewable energy and new technologies (e) civil nuclear power. The working groups have finalized their terms of reference and are now moving to achieve their goals which include, strengthening mutual energy security and promoting stable energy markets; advancing understanding of efficient generation, transmission, distribution and use of electricity; developing and deploying clean energy technologies and energy conservation practices; dialogue and action on issues associated with civilian uses of nuclear energy.

Energy Secretary Bodman visited India in March 2007. He had meeting with PM and several of our Cabinet Ministers.

During Prime Minister Singh's visit to Washington D.C. July 2005, President Bush told the Prime Minister that he will work to achieve **full civil nuclear energy cooperation** with India as it realizes its goals of promoting nuclear power and achieving energy security. Appreciating India's strong commitment to preventing WMD proliferation and as a responsible state with advanced nuclear technology, President Bush felt that India should acquire the same

benefits and advantages as other such states. He said he would seek agreement from Congress to adjust U.S. laws and policies, and the U.S. would work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India. Prime Minister Singh in turn conveyed that India would reciprocally agree that it would be ready to assume the same responsibilities and practices and acquire the same benefits and advantages as other leading countries with advanced nuclear technology, such as the United States.

The leaders agreed to establish a **working group** to undertake on a phased basis the necessary actions to fulfill these commitments. The working group is co-chaired by the Foreign Secretary of India and the US Under Secretary of State for Political Affairs. The co-chairs are in regular, direct contact.

When President Bush visited India in early March 2006, the two governments announced the **successful completion of discussions on India's plan to separate its civilian nuclear program from its military program**. The passage of the **Henry J. Hyde Act** and its signature into law by President Bush on December 18, 2006 was another landmark in this process. The two sides have also **completed negotiations** on a bilateral civil nuclear cooperation agreement (the so-called **123 Agreement**), which will be signed soon. Further steps include the conclusion of an India-specific safeguards agreement with the IAEA following which the 45-nation Nuclear Supplier's Group (**NSG**) will be requested to change its guidelines to permit such cooperation with India. Thereafter the bilateral 123 Agreement will have to be presented to the U.S. Congress for an up-or-down vote.

India has been invited to join the **International Thermonuclear Experimental Reactor (ITER)** project as a full partner. This decision was taken in December 2005 at the ITER negotiations meeting at Jeju, South Korea. The U.S. strongly supported India's application. ITER is the experimental step between the latest studies in plasma physics and future electricity producing fusion power plants.

Cooperation in Science & Technology

The recently signed **S&T Agreement** between India and the United States is expected to provide a fillip to S&T cooperation and expand relations between the S&T communities of both countries. The Agreement visualized cooperation in areas such as basic sciences, space, energy, nanotechnology, health and IT. The Agreement also establishes IPR protocols and other provisions necessary to conduct active collaborative research.

India and the U.S. have also agreed to enhance joint activities in **space cooperation** including in-space navigation and in the commercial space arena. There is a U.S. – India Joint Working Group on Civil Space Cooperation that discusses joint activities. Its next meeting is scheduled in Washington D.C. end-February 2007. The Indian Chandrayaan – 1 mission to the moon in 2008 will launch two U.S. instruments.

During the visit to India of President Bush, the leaders of the two countries announced the establishment of a **Bi-National Science and Technology Commission** that will be co-funded by the two governments. Its aim is to generate collaborative partnerships in S&T and promote industrial research and development. This initiative emphasizes the importance the two countries place on knowledge partnerships.

Despite the bulk of the sanctions on Indian entities and organizations having been removed over the past few years, Indian scientists working in cutting edge technologies and areas continue to find it **difficult to obtain visas to the United States**. India has brought this to the attention of the U.S. authorities.

An interesting aspect of S&T cooperation between India and the United States is the expanding direct exchanges between U.S. and Indian Universities. Increasingly, the major U.S. Universities have been exploring direct contacts with India and several **University Presidents have visited India**.

People-to-People Ties

The 2.5 million strong **Indian American community** in the United States has been growing in affluence and political strength and has developed into a force for closer and stronger ties between their adopted country and their nation of origin. Their active cooperation and interaction at different levels with the Government of India as well as with the U.S. Administration provides a bridge between the two countries. The passage of the Henry J. Hyde Act by the U.S. Congress saw the Indian-American community coming of age in the United States. Their efforts in support of this Act were magnificent.

Cultural ties between the two countries are largely driven by the private sector. Indian music, dance, art and literature is widely appreciated in the United States. Indian cuisine is a favorite with many Americans and Indian films are reaching out to wider audiences here. Efforts are currently underway to spread Indian culture to a more popular level as well as ensuring that Indian artists are able to perform at mainstream theatres and halls.

Students from India continue to flock to the U.S. especially for higher, University level education. India is now the number one country sending students to the U.S. with approximately 80,000 students each year, far surpassing China. US Under Secretary of State Karen Hughes visited India in April 2007 with a delegation of 5 US University Presidents and pledged that Indian students would find it easier to obtain visas to study in the US.

The Future

India and the United States are well on the way to the formation of a **strong partnership** based on shared common values including respect for individual liberty, rule of law and democracy.

Annex B

Press Releases 2005

The Defense Framework

New Framework for the U.S.-India Defense Relationship, Signed on June 28, 2005 in Washington DC by Minister of Defense of India, Pranab Mukherjee & Secretary of Defense of the United States, Donald Rumsfeld

28 June 2005

The United States and India have entered a new era. We are transforming our relationship to reflect our common principles and shared national interests. As the world's two largest democracies, the United States and India agree on the vital importance of political and economic freedom, democratic institutions, the rule of law, security, and opportunity around the world. The leaders of our two countries are building a U.S.-India strategic partnership in pursuit of these principles and interests.

Ten years ago, in January 1995, the Agreed Minute on Defense Relations Between the United States and India was signed. Since then, changes in the international security environment have challenged our countries in ways unforeseen ten years ago. The U.S.-India defense relationship has advanced in a short time to unprecedented levels of cooperation unimaginable in 1995. Today, we agree on a new Framework that builds on past successes, seizes new opportunities, and charts a course for the U.S.-India defense relationship for the next ten years. This defense relationship will support, and will be an element of, the broader U.S.-India strategic partnership.

The U.S.-India defense relationship derives from a common belief in freedom, democracy, and the rule of law, and seeks to advance shared security interests. These interests include:

- Maintaining security and stability;
- Defeating terrorism and violent religious extremism;

- Preventing the spread of weapons of mass destruction and associated materials, data, and technologies; and
- Protecting the free flow of commerce via land, air and sea lanes.

In pursuit of this shared vision of an expanded and deeper U.S.-India strategic relationship, our defense establishments shall:

- Conduct joint and combined exercises and exchanges;
- Collaborate in multinational operations when it is in their common interest;
- Strengthen the capabilities of our militaries to promote security and defeat terrorism;
- Expand interaction with other nations in ways that promote regional and global peace and stability;
- Enhance capabilities to combat the proliferation of weapons of mass destruction;
- In the context of our strategic relationship, expand two-way defense trade between our countries. The United States and India will work to conclude defense transactions, not solely as ends in and of themselves, but as a means to strengthen our countries' security, reinforce our strategic partnership, achieve greater interaction between our armed forces, and build greater understanding between our defense establishments;
- In the context of defense trade and a framework of technology security safeguards, increase opportunities for technology transfer, collaboration, co-production, and research and development;
- Expand collaboration relating to missile defense;
- Strengthen the abilities of our militaries to respond quickly to disaster situations, including in combined operations;
- Assist in building worldwide capacity to conduct successful peacekeeping operations, with a focus on enabling other countries to field trained, capable forces for these operations;
- Conduct exchanges on defense strategy and defense transformation;

- Increase exchanges of intelligence; and
- Continue strategic-level discussions by senior leadership from the U.S. Department of Defense and India's Ministry of Defence, in which the two sides exchange perspectives on international security issues of common interest, with the aim of increasing mutual understanding, promoting shared objectives, and developing common approaches.

The Defense Policy Group shall continue to serve as the primary mechanism to guide the U.S.-India strategic defense relationship. The Defense Policy Group will make appropriate adjustments to the structure and frequency of its meetings and of its subgroups, when agreed to by the Defense Policy Group co-chairs, to ensure that it remains an effective mechanism to advance U.S.-India defense cooperation.

In recognition of the growing breadth and depth of the U.S.-India strategic defense relationship, we hereby establish the Defense Procurement and Production Group and institute a Joint Working Group for mid-year review of work overseen by the Defense Policy Group.

- The Defense Procurement and Production Group will oversee defense trade, as well as prospects for co-production and technology collaboration, broadening the scope of its predecessor subgroup the Security Cooperation Group.
- The Defense Joint Working Group will be subordinate to the Defense Policy Group and will meet at least once per year to perform a midyear review of work overseen by the Defense Policy Group and its subgroups (the Defense Procurement and Production Group, the Joint Technical Group, the Military Cooperation Group, and the Senior Technology Security Group), and to prepare issues for the annual meeting of the Defense Policy Group.

The Defense Policy Group and its subgroups will rely upon

this Framework for guidance on the principles and objectives of the U.S.-India strategic relationship, and will strive to achieve those objectives.

Signed in Arlington, Virginia, USA, on June 28, 2005, in two copies in English, each being equally authentic.

Secretary of Defense
For And on Behalf of
The Government of The
United States of America

Minister of Defence
For and on Behalf of
The Government of The
Republic of India

REFERENCE: <http://newdelhi.usembassy.gov/ipr062805.html>

U.S. Arms Sales to Pakistan

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Summary

This report briefly reviews the issue of U.S. arms sales to Pakistan. It provides background details regarding recent major weapons transactions between the United States and Pakistan, as well as the rationale given for such sales. It also reviews the current statutory framework that governs U.S. weapons sales to Pakistan, including existing authorities that could be used to curtail or terminate existing or prospective sales to that country. This report will only be updated should events warrant.

In 2006, the United States signed arms transfer agreements with Pakistan in excess of \$3.5 billion, ranking Pakistan first among all arms clients of the United States during that calendar year. The key elements in Pakistan's arms purchases from the United States were 36 F-16C/D Block 50/52 fighter aircraft for \$1.4 billion; a variety of missiles and bombs to be utilized on the F-16 C/D fighter aircraft for over \$640 million; the purchase of Mid-Life Update Modification Kits to upgrade Pakistan's F-16A/B aircraft for \$890 million; and 115 M109A5 155mm Self-propelled howitzers for \$52

million. The rise of Pakistan to its new status as a major arms purchaser from the United States is particularly noteworthy given the difficulties the United States has had with Pakistan since the 1970s over its successful effort to produce nuclear weapons. The total value of Pakistan's 2006 arms purchases from the United States nearly matches the total value of all Foreign Military Sales (FMS) program purchases by Pakistan from the United States for the entire period from FY1950-FY2001 (more than \$3.6 billion in current dollars).³⁸

In the 1950s and 1960s, at the height of the Cold War, the United States saw Pakistan as a useful ally in the effort to contain the military expansion and political influence of the Soviet Union. For its part, Pakistan saw its relationship with the United States as a useful counterweight to India's military power and its prospective threat to Pakistan's security. Beginning in the mid-1970s, Pakistan responded to India's 1974 underground nuclear test by seeking its own nuclear weapons capability. These efforts subsequently led the United States to suspend military aid beginning in 1979. Soon thereafter, following the Soviet Union's invasion of Afghanistan, the U.S. waived its sanctions on assistance to Pakistan in an effort to gain its support for the effort to force the withdrawal of the Soviet military from Afghanistan. Early in the Presidency of Ronald Reagan, the United States sold Pakistan 40 F-16 A/B combat fighter aircraft, an indication of the Reagan Administration's view of that country's potential as a supporter against Soviet Union expansionism in South Asia. Yet in spite of the renewal of U.S. aid and the development of closer military ties in the early 1980s, many in Congress remained concerned with Pakistan's developing nuclear weapons program.

In 1985, Congress added Section 620E(e) to the Foreign Assistance Act.³⁹ This provision, known as the Pressler amendment, required the President to certify to Congress that Pakistan did not possess a nuclear explosive device during each fiscal year in which the Administration proposed to provide assistance to Pakistan. This placed an important brake on expansion of a defense supply relationship between the United States and Pakistan. With the withdrawal of Soviet military forces from Afghanistan, the nuclear

weapons development program of Pakistan came under intensive U.S. examination again.

Finally, in October 1990, President George H. W. Bush suspended U.S. military assistance to Pakistan. As a result of this action, the United States stopped the delivery of 28 F-16 fighter aircraft that Pakistan had purchased 1989.⁴⁰

Throughout the 1990s, the United States essentially ended military cooperation and arms sales to Pakistan. It was only after the terrorist attacks against the United States on September 11, 2001, that the Bush Administration chose to re-engage with Pakistan in the area of defense cooperation, and was willing, once again, to consider and approve major weapons sales to that country. It secured authority from Congress, which has been extended annually as required, to waive restrictions on aid to Pakistan. President Bush has invoked this authority to keep providing aid. The rationale for this change of policy regarding arms sales to Pakistan was to secure its government's support for the U.S. counter-terrorism program. In June 2004, President George W. Bush designated Pakistan a Major Non-NATO ally.⁴¹

After a decade of denying Pakistan the right to purchase advanced military equipment and assistance in purchasing it, a major contract was signed in 2006 for the purchase of 36 new F-16C/D aircraft and associated equipment. The express rationale of the Bush Administration for this specific sale was:

Given its geo-strategic location and partnership in the Global War on Terrorism (GWOT), Pakistan is a vital ally of the United States...This proposed sale will contribute to the foreign policy and national security of the United States by helping an ally meet its legitimate defense requirements. The aircraft also will be used for close air support in ongoing operations contributing to the GWOT.⁴²

This statement succinctly summarizes what continues to be the underlying argument by the Bush Administration for arms sales and military assistance to Pakistan. Apart from the 40 F-16A/B aircraft sold to Pakistan during the early years of the Reagan Administration, few other major weapons systems have been sold to

Pakistan by the United States until the 2006 F-16 aircraft sale. Other systems sold have primarily been missiles such as the Sidewinder for the F-16 aircraft, and a limited number of Harpoon anti-ship missiles. Since the Bush Administration has announced its willingness to sell major weapons systems to Pakistan, various press accounts have speculated about possible new sales. Apart from the major 2006 F-16 sales and related equipment noted above, no additional major weapon systems have been sold to Pakistan.⁴³

The statutory authority governing U.S. arms sales to Pakistan is found in the Arms Export Control Act (AECA).⁴⁴ This statute sets out terms and conditions that must be met before any country can be permitted to purchase any item on the United States Munitions List. An essential requirement is that the country seeking U.S. weapons be “eligible” to purchase them. Thus, if there is no other prohibition in other U.S. law that would preclude the sale of a weapon to Pakistan, then it would be “eligible” to make such a purchase from the United States. Because a country is eligible to purchase a weapon does not mean that the United States is obligated to sell it.⁴⁵

Should the United States government choose to do so, it can stop the transfer of defense articles and services to Pakistan for which valid contracts exist, without finding it in violation of an applicable agreement with the United States relating to permissible uses of weapons previously sold. The authority for suspension of deliveries or defense items or cancellation of military sales contracts is found in sections 2(b) and 42(e)(1)-(2) of the AECA. Section 2(b) of the Arms Export Control Act permits the Secretary of State, under the President’s direction, to, among other things, determine “whether there shall be delivery or other performance” regarding sales or exports under the AECA in order that “the foreign policy of the United States is best served thereby.”

Section 42(e)(1) of the Arms Export Control Act states that⁴⁶:

Each contract for sale entered into under sections 21, 22, 29 and 30 of this Act, and each contract entered into under section 27(d) of the Act, shall provide that such contract may be canceled in whole or in part, or its execution suspended, by the United States at any time under unusual or compelling circumstances if the national interest so requires.

Section 42(e)(2)(A) of the Arms Export Control Act further states

that:

Each export license issued under section 38 of this Act shall provide that such license may be revoked, suspended, or amended by the Secretary of State, without prior notice, whenever the Secretary deems such action to be advisable.

Thus, all government-to-government agreements or licensed commercial contracts for the transfer of defense articles or defense services may be halted, modified, or terminated by the executive branch should it determine that it is advisable to do so. In this context, should the Bush Administration decide that actions taken by the government of Pakistan are contrary to the national security interests of the United States, the President can suspend or terminate existing arms sales agreements or prevent the delivery of weapons previously ordered, as he deems appropriate. The Congress can also pass legislation that would suspend, modify, or terminate any arms sale contract should it choose to do so.

END NOTES

- ¹ Moeed Yusuf, "Nuclear Stabilization in South Asia", *South Asia Journal*, Vol.7, (Lahore: March 2005), P.38.
- ² Albert Legault and George Lindsey, *The Dynamic of the Nuclear Balance*, (Ithaca: Cornell University Press, 1974), P.182.
- ³ Amoretta M. Hoerber, "Strategic Stability", *Air University Review*, July-August 1968. See at <http://www.airpower.maxwell.af.mil/airchronicles/aureview/1968/jul-aug/hoerber.html>. Accessed on March 01, 2008.
- ⁴ Ashley Tellis adds technological stability as the fourth factor. However, due to its extremely overlapping contents, I have deliberately refrained from adding it to the list. It may be assessed in conjunction with Arms Race stability.
- ⁵ See for example, P.R.Chari, Sonika Gupta and Arpit Rajain^(eds.), *Nuclear Stability in Southern Asia*, (New Delhi: Manohar Publishers, 2003). Arpit Rajain, *Nuclear Deterrence in Southern Asia: China, India and Pakistan*, (New Delhi: Sage Publishers, 2005). Lowell Dittmer^(ed.), *South Asia's Nuclear Security Dilemma: India, Pakistan and China*, (Armonk: M.E. Sharpe, 2004). Kraig M.R., "The Political and Strategic Imperatives of Nuclear deterrence in South Asia", *India Review*, Vol.2, No.1, (January 01, 2003), pp.1-48.
- ⁶ Andrew C. Winner and Toshi Yoshihara, "India and Pakistan at the Edge", *Survival*, Vol.44, No.3, (Autumn 2002), pp.69-86. Chris Gagne, "Nuclear Risk Reduction in South Asia: Building on Common Ground", see at <http://www.stimson.org/southasia/pdf/NRRMGagne.pdf>. Moeed Yousaf, "Nuclear Stabilisation in South Asia", *South Asia Journal*, No.7, (January-March 2005), pp. 36-56. Rodney W. Jones, "Conventional Military Imbalance and Strategic Stability in South Asia", *SASSU Research Paper*, No.1, (March 2005). Paul Kapur, "India and Pakistan's Unstable Peace: Why Nuclear South Asia is not like Cold War Europe", *International Security*, Vol.30, No.2, (Fall 2005), pp. 127-152. Syed Rifaat Hussain, "Analyzing Strategic Stability in South Asia with pathways and prescriptions for avoiding nuclear war", *Contemporary South Asia*, Vol.14, No.2, (June 2005), pp.141-153. Feroz Hassan Khan, "Challenges to Nuclear Stability in South Asia", *The Nonproliferation Review*, (Spring 2003), pp.59-74. Rodney W. Jones, "Nuclear Stability and Escalation Control in South Asia: Structural Factors", in Michael Krepon, Rodney Jones and Ziad Haider(eds.), *Escalation Control and the Nuclear Option in South Asia*, available at <http://www.stimson.org/southasia/pdf/ESCCONTROLCHAPTER2.pdf>. Shaun Gregory & Maria Sultan, "Towards Strategic Stability in South Asia", *Contemporary South Asia*, Vol.14, No.2, (June 2005), pp.135-140. Michael Quinlan, "How Robust is India-Pakistan Deterrence?", *Survival*, Vol.42, No.4, (Winter 2000-01), pp.141-54. Also see, Scott D. Sagan, "Nuclear Dangers in South Asia", published in the *Forum on Physics and Society*, (April 2004), available at http://iis-db.stanford.edu/pubs/20573/sagan_nuc_sasia.pdf.
- ⁷ Certainly there are many other differences between the two cases (e.g.

differences in terms of geographical location and thereby flight timings, number of weapons required for mutual assured destruction etc). However, most of them have won due recognition in the existing literature on strategic stability. Moreover, the highlighted differences above stand more pertinent and relevant to this research.

- ⁸ Almost all of the papers mentioned in footnote # 7 refer to these factors.
- ⁹ Scott D. Sagan and Kenneth N. Waltz, *The Spread of Nuclear Weapons: A Debate Renewed*, (New York: W.W.Norton & Company, 2003).
- ¹⁰ See for example, Syed Rifaat Hussain, “Analyzing strategic stability in South Asia with pathways and prescriptions for avoiding nuclear war”, *Contemporary South Asia*, Vol.14, No.2, (June 2005), pp.141-153. Feroz Hassan Khan, “Challenges to Nuclear Stability in South Asia”, *The Nonproliferation Review*, (Spring 2003), pp.59-74. Rodney W. Jones, “Nuclear Stability and Escalation Control in South Asia: Structural Factors”, in Michael Krepon, Rodney Jones and Ziad Haider(eds.), *Escalation Control and the Nuclear Option in South Asia*, available at <http://www.stimson.org/southasia/pdf/ESCCONTROLCHAPTER2.pdf>.
- ¹¹ These measures include a long list of actions taken by both India and Pakistan. It includes, the beginning of the peace process itself, the institutionalization of Command and Control infrastructure, conclusion of CBMs, NRRMs and CSBMs, relative openness on policy and doctrinal issues and legislation related to Export Controls.
- ¹² Polarity debate in the existing literature discusses the “Bipolarity” and “Multipolarity” at great length however it does not explore the impacts of “unipolarity” on strategic stability. This paper therefore aims to fill this gap and looks at un-tapping the potential of “unipolarity” to affect strategic stability.
- ¹³ See for example, P.R.Chari, “Nuclear Stability in Southern Asia: An Indian Perspective”, in P.R.Chari, Sonika Gupta and Arpit Rajain(eds.), *Nuclear Stability in Southern Asia*, (New Delhi: Manohar Publishers, 2003), pp.133-4 and 138-9. Also see Summit Ganguly & Davin T. Hagerty, *Fearful Symmetry: India-Pakistan Crises in the Shadow of Nuclear Weapons*, (New Delhi: Oxford University Press, 2005), pp.8-9.
- ¹⁴ See for example Henry D. Sokolski(ed), *Gauging US-Indian Strategic Cooperation*, (United States: Strategic Studies Institute, March 2007). Cherian Samuel, “Indo-US Defence Cooperation and the Emerging Strategic Relationship”, *Strategic Analysis*, Vol.31, No.2, (March 2007), pp. 209-236. Nicholas Burns, “The US and India: The New Strategic Partnership”, *Remarks to the Asia Society*, (New York City: October 18, 2005), see at <http://www.state.gov/p/us/rm/2005/55269.htm>. Summit Ganguly, “The Start of a Beautiful Friendship? The United States and India”, *World Policy Journal*, Vol.XX, No.1, (Spring 2003). Ashlon B. Carter, “America’s New Strategic Partner?”, *Foreign Affairs*, (July/August 2006). And Niharika Chibber Joe, “The ‘India Deal’: Regional Implications”, *IPCS China & East Asia*, No.2076, (July 18, 2006).
- ¹⁵ Power Transition Theorists argue, “the prospects for violent conflict are

enhanced when the distribution of power between rivals becomes ambiguous... A stronger state need not attack a discernibly weaker foe to accomplish its goals; a weaker state will not attack a stronger one because it will lose". See Gregory S. Sanjian, "Arms Transfers, Military Balances, and Interstate Relations: Modeling Power Balance versus Power Transition Linkages", *The Journal of Conflict Resolution*, Vol.47, No.6, (December 2003), P.719. History however shows a contrary picture. The recent examples of the US attack on Afghanistan and Iraq are cases in point.

¹⁶ Gregory S. Sanjian, *ibid*, pp. 711-727.

¹⁷ *Ibid*.

¹⁸ All the major wars in history have been fought amongst the then great powers with their tremendous conventional weapons potential. Their military capabilities, in a way, encouraged them to show aggression whereas the adversary's potential failed to deter them.

¹⁹ For a detailed analysis see, Gregory S. Jones, "Pakistan's 'Minimum Deterrent' Nuclear Force Requirements", and Peter R. Lavoy, "Islamabad's Nuclear Posture: Its Premises and Implementation" in Henry D. Sokolski^(ed), *Pakistan's Nuclear Future: Worries beyond War*, (United States: Strategic Studies Institute, January 2008).

²⁰ By this I mean that in the contemporary regional settings the nature of the relationship of both sides (in the realm of defence & security) does have an impact on the other. Practically it is impossible to de-hyphenate relations with India and Pakistan at this stage because of the inter-linkages that every development has in terms of its implications.

²¹ This is the viewpoint held by Kenneth Waltz. It points towards an inadvertent danger i.e, when the expected gains would become higher than the estimated costs, it would increase the temptation for a state to take risks and opt for an adventure.

²² See Annex A.

²³ Transcript of an interview with the US Secretary of State Condoleezza Rice by *Post* Editors and Reporters in *The Post Newsroom*, (Friday: March 25, 2005), see at <http://www.washingtonpost.com/ac2/wp-dyn/A2015-2005Mar25?language=printer>.

²⁴ For a detailed analysis of the following points on Indo-US Nuclear Deal, See Sadia Tasleem, *Indo-US Nuclear Cooperation: Altering Strategic Positioning and Shifting Balance of Power in South Asia*, (Colombo: Regional Center for Strategic Studies, 2007).

²⁵ It implies that one of the two antagonists possesses sufficient capabilities to deter its adversary. The power balance in such a situation is clearly tilted towards one side. For details see, Albert Legault and George Lindsey, *The Dynamic of the Nuclear Balance*, (Ithaca: Cornell University Press, 1974), P.174 & pp.182-183.

²⁶ At present the nuclear inventory of the two is as follows; According to an estimate of 2006 Pakistan is thought to have 30-85 kg of Weapon-Grade Plutonium and 1300-1700 kg of Weapon-Grade Uranium that enables it to have an inventory of 70-115 nuclear weapons. India on the other hand was

estimated in 2003 to have a stockpile of fissile material that could be used to build 70 to 100 nuclear weapons. For reference see, See Zia Mian et.al, “Fissile Materials in South Asia: The Implications of the US-India Nuclear Deal”, *International Panel on Fissile Materials research Report No 1*, (September 2006), p.3 at http://www.fissilematerials.org/ipfm/site_down/ipfmresearchreport01.pdf: (Accessed on June 07, 2008). “Global Stocks of Nuclear Explosive Materials”, *Institute for Science and International Security*, July 12, 2005, revised September 07, 2005 at http://www.isis-online.org/global_stocks/end2003/tableofcontents.html: (Accessed on June 07, 2008). Also see Gregory S. Jones, “Pakistan’s ‘Minimum Deterrent’ Nuclear Force Requirements”, in Henry D. Sokolski(ed), *Pakistan’s Nuclear Future: Worries beyond War*, (United States: Strategic Studies Institute, January 2008), pp. 93-120. Now, as the contemporary trends and developments indicate India has a good chance to rapidly enhance its nuclear weapons stockpiles. Under the present circumstances, if India chooses to embark on such a program, there would be little choices for Pakistan. It would inculcate a deep sense of vulnerability pushing Pakistan to pursue an arms race.

27 ‘New Framework for the US–India Defense Relationship’, Press Releases Embassy of India, Washington, D.C., 28 June 2005: http://www.indianembassy.org/press_release/2005/June/31.htm.

28 For example the fleet of F-16 aircrafts.

29 Rodney W. Jones, “Conventional Military Imbalance and Strategic Stability in South Asia”, *SASSU Research Report*, No.1, (March 2005).

30 Henry D. Sokolski(ed), “Pakistan’s Nuclear Woes”, *Pakistan’s Nuclear Future: Worries beyond War*, (United States: Strategic Studies Institute, January 2008), P. 8.

31 For a detailed analysis of why the analysts differ over the success of India’s indigenous missile defence program see, Martin Seiff, “A Giant Leap forward for Indian Missile Defense”, *Space War*, (December 01, 2006), at http://www.spacewar.com/reports/A_Giant_Leap_Forward_For_Indian_Missile_Defense_999.html.

32 “Lockheed Martin: United States, India may Cooperate on Missile Defense”, *India Defence*, (February 07, 2008), at <http://www.india-defence.com/reports-3725>.

33 See in Ashley J. Tellis, “The Evolution of US-Indian Ties: Missile Defence in an Emerging Strategic Relationship”, *International Security*, Vol.30, No.4, (Spring 2006), P.118.

34 Gregory S. Jones, “Pakistan’s ‘Minimum Deterrent’ Nuclear Force Requirements”, in Henry D. Sokolski(ed), *Pakistan’s Nuclear Future: Worries beyond War*, (United States: Strategic Studies Institute, January 2008), P. 112.

35 Summit Ganguly & Davin T. Hagerty, *Fearful Symmetry: India-Pakistan Crises in the Shadow of Nuclear Weapons*, (New Delhi: Oxford University Press, 2005), P.188.

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- ³⁶ Gregory S. Jones, *ibid*, P.96.
- ³⁷ Thomas Donnelly, “Bad Options: Or How I Stopped Worrying and Learned to Live with Loose Nukes”, in Henry D. Sokolski(ed), *Pakistan’s Nuclear Future: Worries beyond War*, op.cit, P. 367.
- ³⁸ Data from Fiscal Year Series report of the Defense Security Cooperation Agency (DSCA) of the Department of Defense. Pakistan has contracted for 18 F-16C/D aircraft; it has not exercised its option to purchase the additional 18 aircraft. Descriptions of Pakistan’s 2006 arms purchases from the United States are found in CRS Report RL34187, *Conventional Arms Transfers to Developing Nations, 1999-2006*, by Richard F. Grimmett. This report includes data tables showing Pakistan’s rank among all developing nations in arms transfer agreements with all weapons suppliers for various time periods.
- ³⁹ P.L. 99-83, Title IX, § 902.
- ⁴⁰ Subsequently, in 1998, the United States agreed to compensate Pakistan for the funds it had expended to purchase the 28 F-16s through a cash payment and goods, including surplus wheat. For a detailed discussion of the various political and military issues in the U.S.-Pakistan relationship see CRS Report RL33498, *Pakistan-U.S. Relations*, by K. Alan Kronstadt.
- ⁴¹ The most recent statute providing the President authority to waive restrictions on assistance to Pakistan is P.L. 110-53, signed August 3, 2007. Section 2042 of this act provides that upon receipt by Congress of a Presidential determination that contains specific stipulations regarding Pakistan, the President may waive provisions in law that would otherwise prevent U.S. military assistance to Pakistan. This authority is valid through FY2008; see CRS Report RL33498, *Pakistan-U.S. Relations*.
- ⁴² Transmittal No. 06-09, June 28, 2006, Pakistan — F-16C/D Block 50/52 Aircraft. Defense Security Cooperation Agency. Available on the DSCA website at [<http://www.dsca.mil>]. For a detailed discussion of the policy implications of and issues associated with the aircraft sales to Pakistan see CRS Report RL33515, *Combat Aircraft Sales to South Asia: Potential Implications*, by Christopher Bolkcom, Richard F. Grimmett, and K. Alan Kronstadt.
- ⁴³ The United States has provided excess defense systems to Pakistan such as 8 excess P-3C Orion maritime patrol aircraft, and refurbished AH-1F Cobra attack helicopters. The United States has also provided 6 C-130 military transport aircraft, surveillance radars, military radios, and over 2,000 TOW anti-tank missiles. But, as noted above, apart from the F-16 fighter aircraft, the U.S. has not sold Pakistan other major combat systems, such as main battle tanks or naval vessels. Summaries and details of past weapons orders by Pakistan from the United States and from other arms suppliers are found in Forecast International, *Asia, Australia & Pacific Rim*, Pakistan, October 2006.
- ⁴⁴ P.L. 90-629, as amended. 22 U.S.C.2751 et. seq.
- ⁴⁵ A discussion of how the AECA can place conditions on the use of U.S. weapons sold to foreign nations is in CRS Report RL30982, *U.S. Defense Articles and Services Supplied to Foreign Recipients: Restrictions on Their*

⁴⁶ Use, by Richard F. Grimmett.
22 U.S.C. § 2791(e).

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