

## INDO-US NUCLEAR DEAL: THE CHINA FACTOR

**Jabin T Jacob**

National Chengchi University, Taipei, Taiwan

### I SIGNALS FOR INDIA

The first major Chinese comment on the Indo-US nuclear deal of 18 July 2005 appeared in the People's Daily in late October. The piece, "Who's pushing nuclear proliferation", was critical of the US for 'making an exception' for India that would "bring about a series of negative impacts," particularly on the Iranian and North Korean issues. The article, however, did not directly criticize India. In fact, The Hindu, in February 2006 reported Chinese Ambassador to India, Sun Yuxi, as saying that China, fully understood India's energy needs and as well as India's push for closer ties with Washington, just as Beijing too sought better relations with the US.

The finalization of the deal in March, nonetheless, brought a call from China for India to sign the NPT and also dismantle its nuclear weapons, saying, "As a signatory country, China hopes non-signatory countries will join it as soon as possible as non-nuclear weapon states, thereby contributing to strengthening the international non-proliferation regime." Later, Xinhua commented that the Bush administration's "generous gift... granted [India] the status of de facto nuclear power." The Chinese were obviously not buying the American argument that the deal did not imply recognition of India as a nuclear

weapon state. Perhaps, China remembered only too clearly that its possession of nuclear weapons, had played a major part in the Nixon administration's decision to recognize the PRC.

The Indian government's quick reassurance to both Pakistan and China, both last July and in March, this year that the nuclear deal was not aimed at any other country and the normal conduct of the boundary talks between India and China following the signing of the Indo-US nuclear agreement in March, must have helped allay Chinese concerns. As the Xinhua piece, also stated that, "... India pursues a strongly independent diplomacy. The country wants to have good ties with all countries, developing strategic co-operative relations with Russia, China, the United States and EU in particular." This hope that India would not be swayed by American influence has been a standard feature of recent Chinese commentary on India, reflecting perhaps both fond wish and an appreciation that India was coming into its own as a global player.

Just as interesting in this context, was another People's Daily commentary on Bush's South Asia visit, that declared the US's positive ties with India and Pakistan would, in fact, contribute to an "improvement of India-Pakistan relations" and that this

was a “‘win-win-win situation’.” A rather more positive view of things than hawks in India (or Pakistan) would expect from the Chinese. For India’s part, the deal with Russia on the supply of fuel for Tarapur, at the risk of further annoying the US Congress, is perhaps another sign to China that India intends to keep itself out of too close an embrace of the US, and maybe even a hint, of the promise in the Russia-India-China triangle.

Indeed, from the China ‘containment’ angle, given Indian sensitivities to being touted as helping the US contain China, it must be pretty obvious to the Chinese that the Americans would not have tried espousing this aim at the highest levels during the Bush visit. The Indian National Security Advisor (NSA), M K Narayanan, confirmed this in an interview to an Indian weekly saying, “President Bush did not raise this issue even once. Nor has (American NSA Stephen) Hadley or Condoleezza Rice. We are certainly not there in any game of containing China or Pakistan.” Also, as has been observed, by some sections, an Indo-US strategic relationship could possibly have been established even without signing the agreement.

Still, it is more than apparent that the issue is certainly a consideration in Indo-US ties. Foreign Secretary Shyam Saran’s statement in November 2005, “I think India and the United States can contribute to a much better balance in the Asian region,” can only be interpreted as meaning that the it was China’s rise that was upsetting the balance. While Saran, was on the occasion, quick to dispute the view that there was an effort by the United States and India to ‘contain’ China, he seemed to be implying that the balance India needed would not be possible with American involvement.

Saran, declared that in the context of China’s emergence as a major economic and military power, Asia required “a new kind of structure... that brought in more and more countries within the discipline of a mutually-agreed security paradigm for this region and both the United States and India can contribute to that.” But the most unequivocal statement came from the Union Minister for Science and Technology, Kapil Sibal, in Bangalore in September, last year, when he asserted that, “[i]f the US faces a challenge in the 21st century, it will not be from India; (but) somebody from its neighbourhood,” and more specifically that the “US is cosyng up with India because of the Chinese challenge.” Challenging the US to deliver on its promises by using the China card, besides being unnecessarily provocative, guarantees neither American favour nor helps reassure the Chinese.

## **II** **IRE AT THE US**

A number of American actions, over the last year, have contrived to limit the scope of Chinese criticism aimed against the nuclear deal between India and the US. The hardline position of the Americans at the six party talks on the North Korean nuclear issue, discomfited Beijing that played host to the talks. At the same time, the Americans made no secret of their desire that China “do more” to “keep the pressure on” North Korea, and of their perception that the Chinese were failing to do so. In September, RAND came out with a report detailing China’s inability to enforce export controls on WMD technologies. Soon after, in November, China and the US signed an agreement on preventing illegal nuclear trade. In December, six

Chinese companies (as well as two Indian entities) were slapped with US sanctions for aiding Iran's nuclear weapons programme. Despite protesting, the American action, and after months of pressure from Washington, China would finally agree to refer Iran to the UN Security Council over its nuclear programme.

Above all, what most prevented China from coming up with a strong counter to the Indo-US deal when it was first announced in July was the statement on 14 July, by a Chinese general, threatening the use of nuclear weapons if the US intervened militarily in a conflict over Taiwan. While the Chinese refused to back down from the threat, they were nevertheless, far too busy trying to limit the damage to take on the US yet again by attacking its deal with India.

Given this context, this author is not inclined to view Chinese views on the Indo-US nuclear deal, as entirely negative in nature, or even India-centred. On the contrary, the major thrust of the Chinese criticism is unambiguously American-centric. The immediate trigger for the October commentary in the People's Daily, was the American proposal at a meeting of NSG on 20 October, demanding removal of the ban on nuclear technology sales to India (a demand that was turned down). Another was probably the upcoming Bush visit to China in mid-November.

The article declared, the United States was "buy[ing] another country in with nuclear technologies" in defiance of international obligations. "Such an act of the United States once again proves that America is not at all a 'guard' of NPT and the treaty however, is no

more than a disguise serving the US interest." While predicting a "domino effect of nuclear proliferation", all mention of Pakistan – like India, not a signatory to the NPT – and the Chinese support for that country's civilian nuclear programme was carefully avoided. Also, it is not clear why the Chinese continued to remain party to a treaty that the Americans were so obviously using to promote their own interests, unless they were just as able to use it further their national interests.

In March 2006, another People's Daily opinion piece threw more light on where the Chinese were going with their attack on American actions. In the clearest sign that China viewed the US resort to exceptions as allowing China also to exercise the same freedom, the article stated, "Overall, the signing of the pact has totally changed the US stance on non-proliferation issue. That is to admit the nuclear proliferation is inevitable and can be divided into 'good or bad'. And 'good' proliferation can be accepted while the 'bad' must be banned. And anti-proliferation can be second to the geo-political factors."

A Xinhua piece, earlier in the same month, asked a "big question" by way of conclusion, "How can the effectiveness and binding power of the non-proliferation system be guaranteed?" positing the issue as one between the international community on the one hand and the US's unilateral ways on the other. Nevertheless, all three commentaries implied that "other nuclear powers" could now step up nuclear cooperation with their partners.

Chinese anger may be directed more at the US also because it is in effect trying to pull off a nuclear 'Hong Kong', on the Chinese. Just as the British attempted to introduce democracy in the colony, even as it was packing its bags there, the Americans too, by encouraging Japanese 'normalization' of its military status and by 'forgiving' India's nuclear transgressions, might be setting the stage for the time when they pack their own bags in the region, or at the very least, stand down to a less active role.

The Chinese unhappiness with the US, notwithstanding, their comments appeared to acknowledge that India bargained hard for a deal that was in its national interests and was entitled to what it got. Similarly, the US too had acted in its own national interest. But where the Americans, and the Indians, might err, is in thinking that Chinese national interests have necessarily suffered as a result of the deal. On the contrary, the largely moderate Chinese response to the Indo-US deal opens several avenues for China to engage with the US and India. The Chinese might yet find ways of turning the situation to their advantage. Indeed some of these approaches are already evident.

### **III THE COMING GLOBAL NUCLEAR ORDER**

The American nuclear deal with India, has elements that lend themselves to both status quo as well as revision in the world nuclear order, both designed to work in American favour. Which of these paths lies ahead, depends on how the Chinese respond, and crucially for them, only one of these paths might actually work out in Chinese interests.

China is in agreement with the US, that the world does not need more nuclear weapons states, but that is not the same as saying that those same states could also do without civilian nuclear energy. Thus, Chinese proposals during the six-party talks last year, stated that while North Korea had a right to a peaceful nuclear program, it had to agree to give up its weapons. Similarly, in January, the chairman of China's National People's Congress, Wu Bangguo, told visiting American congressmen that China agreed with the US that Iran ought not to have nuclear weapons. However, as US Deputy Secretary of State Robert Zoellick was quoted saying, while China and the United States both wanted to prevent Iran from acquiring nuclear weapons, their approach could "differ" on the best means to achieve that result. Earlier in September, Bush had in fact, already taken a leaf out of the Chinese book, when in reference to Iran he said, it was the "right of a government to want to have a civilian nuclear program."

Still, with respect to the Indo-US deal, China might be expected to raise objections on treaty grounds, and at the NSG, to protest American "double standards", and to ensure that, for now, at least, its difference in nuclear status from India is maintained. The Americans, of course, responded by saying that they were "happy to treat a friendly country differently..."

A factor pushing toward status quo is the very obvious snub by Bush to Pakistan's nuclear ambitions. Outwardly, it might appear a genuine US desire to dehyphenate India and Pakistan in its foreign policy but it could also be balance of power in Asia by other means. Pakistan's

dissatisfaction invites China to counter the Indo-US agreement by using its friendly neighbour as proxy. Such a scenario, would thus place pressure on both Sino-Indian and Indo-Pak ties, with each of these countries continuing to view their ties with the US as the most important. Thus, status quo as envisioned by the US, has negative implications for China.

China and Pakistan, in fact, made some high profile announcements in anticipation of the Indo-US nuclear deal. In July 2005, before Singh's visit to the US, China and Pakistan had met to consult on matters relating to arms control, disarmament and nuclear non-proliferation. Subsequently, on 14 July, the Pakistan Atomic Energy Commission (PAEC) announced plans for 13 new nuclear power plants in the next 25 years, for which the Pakistanis have admitted they were largely depending on China for assistance. Already, Chashma-2 has the China National Nuclear Corporation (CNNC) providing most of the financial and technical support. However, cooperation with Pakistan in the civilian nuclear sector could be a sign of how the Chinese response might lead to a revision in the nuclear order that allows it to garner positives.

Last June, the head of the CNNC, made a significant announcement expressing Chinese willingness to cooperate with India in the nuclear power sector, albeit under internationally agreed guidelines – guidelines that will soon be in place in India's civilian sector, if the US fulfills its end of the bargain. Taken together with the moderate signals to India following the Indo-US deal, this could imply that the Chinese wish to take Sino-Indian ties further by accepting

the reality of India's nuclear status and developing mutually advantageous nuclear energy ties. This would be a huge leap from the current Chinese position, at least as important, for India, as the agreement with the US.

Also, it could imply that the Chinese have bought into the Bush administration's idea, that India's ability to develop civilian nuclear capacity, was essential to prevent a competition for hydrocarbons that could worsen relations among the three. The Chinese defence of civilian nuclear programmes in North Korea and Iran, is but a part of this larger logic.

In fact, the American nuclear deal with a non-NPT signatory, allows China to press the US to expand similar ties with China. After all, technology transfer is a contentious issue also in Sino-American relations. In March, former American NSA, Zbigniew Brzezinski, in an interview with the People's Daily, said he hoped to "see some expansion in the American Chinese cooperation in the nuclear energy field to highlight yet another sector in which we would have common stakes." In fact, one wonders, if this "pressure" is something the Americans are expecting as a consequence of the Indian deal, that would allow the US to effect further changes in American domestic law and ready itself to take advantage of a coming expansion of the global nuclear industry. Alternatively, it raises the question, of just how far have the Chinese been in the know about the Indo-US nuclear deal.