

*SVI Monthly In-House Seminar July 2016: Report*

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# Indo-US Nuclear Deal: Politics of the NSG and Its Implications for Pakistan

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**STRATEGIC VISION INSTITUTE (SVI), ISLAMABAD**

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Strategic Vision Institute (SVI) organized a monthly In-House seminar on the topic titled “Indo-US Nuclear Deal: Politics of the NSG & Its Implications for Pakistan” held on July 28, 2016 at the SVI premises. Three guest speakers; Ambassador (R) Zamir Akram (Pakistan’s Former Permanent Representative to the United Nations office, Geneva), Brigadier Zahir ul Haider Kazmi (Director Arms Control and Disarmament Affairs, ACDA), and Dr. Shahid Bukhari (Assistant Professor, Bahauddin Zakariya University) were invited to discuss the US’ support for India that flows from Indo-US strategic partnership, deadlock over the entry of states not party to Non-Proliferation Treaty (NPT) into the Nuclear Suppliers Group (NSG) at the last plenary session of the nuclear cartel, the diplomatic efforts led by the US for India’s entry into the NSG and Pakistan’s concerns over all these developments.

The discussion was chaired by Dr. Zafar Iqbal Cheema, President/Executive Director, SVI. He thanked and welcomed the speakers for affording valuable time out of their busy schedule to speak on a key contemporary subject of international significance. He said that no one is more qualified than these three distinguished guests to look professionally into the important issue. Dr. Cheema offered his thanks to the participants for gracing the occasion with their presence. He introduced the topic by saying that the nature and character of the non-proliferation regime (NPR) has been altered from its



original visualization due to the Western nuclear weapon states (NWS), especially United States’ discriminatory use of the NPR as an instrument to pursue its own foreign and strategic policy objectives such as the Indo-US Nuclear Deal. India is being propped up as a “pivot” in the Asia Pacific strategy of the US. The aim is to assist India to become a rival great-power to China. Therefore, it is now being hectically supported to become a full member of the Nuclear Supplier Group (NSG). Hence it is imperative to deliberate on the prospects of India’s inclusion in the NSG and the options and way forward for Pakistan in the face of currently prevailing challenges.

Amb. (R) Zamir Akram, Pakistan’s former permanent representative at the UN in Geneva, reiterated that the last plenary session of the NSG in Seoul in June failed to achieve consensus on India’s admission into the NSG for being a non-NPT country. Seoul communiqué had said that



NSG members deliberated on “technical, legal and political aspects of the participation of non-NPT states in the NSG and decided to continue its discussion”. He further commented that the NSG was divided between Chinese position and the US claim. China stresses on the criteria for new members which is already defined and requires the aspirant to be the NPT signatory; and the stance adopted by the US that India being a like-minded country deserves to be included in the group. Between these two positions, there are countries that are seeking criteria other than 'NPT consideration' for accommodating India, he added. The US, which is having defense and nuclear cooperation deals with India, has been the main force behind Delhi’s NSG bid.

He highlighted that following the deadlock over the entry of non-NPT states into the NSG at the nuclear cartel, some of its members were now aiming at admission criteria that could achieve a consensus. Thus the debate at the NSG is moving towards new membership criteria because India being a non-NPT state did not fulfill the NPT consideration and that criteria can be accepted by consensus at the NSG. He warned that a special waiver for India — a non-NPT state— to make entry into the NSG will destabilize regional security.

Amb. (R) Akram stated that the Indo-US nuclear deal and the subsequent NSG waiver for India had affected the region in terms of derailing the India-Pakistan dialogue on nuclear issues, destabilizing regional security and undermining the global non-proliferation regime. He concluded by saying that US acted irresponsibly without considering the long-term impact of their policies for the region. He said that acquiescence of nuclear powers will undermine the global non-proliferation regime.

Dr. Shahid Bukhari, Assistant Professor, Bahauddin Zakariya University, started his speech by talking about the Indo-US nuclear deal. He said the deal will continue to nurture irrespective of complete approval from non-proliferation mechanisms. India-specific waivers will continue to accommodate India. He added that India-US deal has marked a paradigm shift in the US non-proliferation policy due to the strategic considerations. Such a major paradigm shift in the

US policy is the manifestation of the ‘Realist Strategic Thinking’ in the US. He stated that the US ‘Realism’ is focused on ‘Countering China’.

Dr. Bukhari opined that China’s active role in denying NSG membership to India is a ‘Chinese Realism’ in response to the ‘US Realism’ regarding strategic interests in the region. China’s opposition to India’s membership in NSG is part of its strategic interests including relationship with Pakistan. However, Chinese support to Pakistan’s stance should not be taken for granted. This may not be the same case in the future if Pakistan itself does not take any prudent measures. In realpolitik, there are neither permanent friends nor permanent enemies; the only thing that prevails is the national interest.



He suggested Pakistan to devise its policies viewing the unforeseen scenarios. He explained, China is the largest trading partner of India; China’s trade volume with India itself may provide leverage to India for getting Chinese nod for entry into NSG. Although the US support to India aims at countering China but there are little chances of intense confrontation like that of Cold War among the three states. Rather, there are greater incentives for engagement among the three if an agreement regarding strategic interests may be sorted out.

Dr. Bukhari deliberated his views on the Indian membership in NSG and its implications for Pakistan. He showed concern that India’s membership in NSG not merely carries defense related implications rather it has political implications as well. It shall not only fulfill India’s needs regarding nuclear materials and technology but will also enable India to forge strong international support against Pakistan regarding various disputes.

He warned that the extended Indian clout in international politics will provide support to Indian perspective that may also contribute to evade even Chinese support to Pakistan’s perspective in international politics. China is not immune to international pressure and may not sustain pressure of Indian clout due to its economic stakes around the world.

The speaker suggested several policy options for Pakistan; 1) Economic engagement with the World in general and with China in particular shall better serve the national interest. 2) Pakistan should put its own house in order and project itself as one of the largest countries of the world having great economic incentives for the international community in terms of market and manpower. 3) Pakistan should engage China through such mesmeric incentives that could contribute to sustain Chinese support for Pakistan. 4) Pakistan should continue to work on catering support of more NSG club states in favor of Pakistan's perspective. The number of supporters should increase. China should not feel alone in supporting Pakistan. 5) Catering support for Pakistan should not only be focused on barring India from the membership but should also aim at catering support for Pakistan's entry into the club. 6) Pakistan needs to adopt 'Proactive Diplomacy' rather than 'Reactive Diplomacy'.

He concluded by saying, Pakistan has two time-slots that should be capitalized. First is the time slot till the next plenary meeting of NSG; this time should be capitalized in promoting Pakistan's perspective regarding NSG membership through proactive diplomatic and political representation across the 48 NSG nations. Second window of opportunity comes in the backdrop of slow-pace developments in Indo-US nuclear cooperation, Pakistan has sufficient time to strengthen its politico-economic engagement with the rest of the world in general and with China in particular till the India-US nuclear deal gets materialized.

Brig. Zahir Kazmi, Director Arms Control and Disarmament Affairs, ACDA, started his speech by appreciating the SVI for always conducting timely debates on current issues. He primarily focused on the Indo-US nuclear deal and how it started a chain of events with serious implications for the non-proliferation regime in general and Pakistan in particular. As a counterpoint to general misperception, he initiated his presentation by saying Pakistan's diplomacy is proactive with regards to NSG.



He recalled that India and the United States signed a civil nuclear cooperation agreement in

2005, which paved the way for an India specific NSG waiver allowing India to engage in civil nuclear cooperation with thirteen NSG member States. He elaborated that NSG was raised as a result of Indian so-called peaceful nuclear explosion in 1974. Yet, those founding members of the Group provided a waiver to India at the cost of violating the norms of nuclear non-proliferation regime and their own laws. India has a history of US sanctions imposed on several of its entities. For instance, Indian Atomic Energy Commission was sanctioned for transferring nuclear related technologies and know-how to countries like Iraq, Iran and Egypt. Likewise, AERB is not considered an independent body.

He stated the irony that both States have concluded a strategic partnership in economic, political and military domains; and the US is encouraging the buildup of the Indian military and nuclearization of Indian Ocean. It is unique because a littoral State of Indian Ocean has brought nuclear weapons on the sea e.g. South Asia was irreversibly nuclearized in 1974.

Brig. Kazmi outlined two major factors to understand the Indian diplomacy and its political commitments towards the Indo-US Civil nuclear cooperation: (a) Status of Indian implementation of the deal, (b) political gains and technical hurdles in implementing it. While speaking on the first factor he noted that although India has taken various steps to improve its credentials but it appears that it has committed multiple violations of its pledges since the time of signing of the Indo-US nuclear deal. He quoted recent Belfer Center's finding on the subject that instead of separating nuclear facilities into two categories of civilian and military, India has placed these facilities under three streams "civilian safeguarded", "civilian unsafeguarded" and "military." This means that some Indian civilian facilities, despite operating under certain provisions of safeguards agreement with the IAEA, may contribute to India's stockpile of unsafeguarded weapons- usable nuclear material. According to an upcoming study, in reality, India has the capacity to produce three to four times more nuclear weapons than what is commonly believed and this capacity is increasing by the day. Recently, an Indian expert wrote that their weapons program has benefited since the waiver from NSG and consequent deals. He cautioned that as India's nuclear sector expands it will be up to India to decide whether to place new facilities under continuous safeguards or not.

On the exceptional trade waiver granted to India in 2008, Brig. Kazmi opined that it undermined non-proliferation ideals. It has led to 13 cases of horizontal proliferation in clear violation of Article I of NPT. Interestingly, there is no full-scope safeguard in the Indo-US deal that brings into question the American obligation under Article I of the NPT. In the absence of full scope safeguards, the U.S. has no peaceful means to ensure that the technology transfers are ultimately contributing to military developments.

While talking about the peculiar implementation problems of the Indo-US deal, Brig. Kazmi said, to date the US has not been able to supply even a single nuclear reactor to India because of differences about nuclear liability, materials tracking, and doubtful Indian commitments towards non-proliferation and nuclear testing. He added, the MoU reached between Japan and India on civil nuclear deal has also faced some political issues. Despite severe criticism and reservations on India as a non-signatory to NPT, Australian government agreed to provide nuclear related technology to India.

On the recent Indian application at NSG, he elaborated, unlike 2008, this time some states are opposing another exceptional treatment for India because not only it would harm the non-proliferation goals but would also have destabilizing effects. He concluded his speech by saying if the U.S. continually pushes for India's exclusive entry into the NSG, the bilateral relations with Pakistan would not be 'business as usual.' People of Pakistan would not accept such discrimination.

The speeches of the three speakers were followed by an interactive discussion in which the participants raised a number of high quality questions regarding the issues covered in the presentations and were answered comprehensively by the concerned speakers.

Dr. Cheema asked if the uranium being provided under the exemption to NSG is under the IAEA safeguards. Brig. Zahir Kazmi replied that it is under the safeguards but there are serious reservations on the tracking and inspection of the material that is being provided. India has a history and experience for diverting the fissile material being provided under obligations

for weapon purposes and this is how they conducted the first test. The experimental fast breeder reactor was built with the civilian assistance from various countries especially France under some safeguards. It was though civilian dedicated nuclear reactor but now it is out of the list and is the main hub of the fissile material supplies of the nuclear reactor. They are planning 4-6 more fast breeder reactor and the reprocessing plant as well.

Mr. Pervaiz Butt, former Chairman of Pakistan Atomic Energy Commission (PAEC) questioned about the possibility of taking the civilian nuclear energy from Russia. Brig. Kazmi said it is magnificent proposal if Russia is interested in building and operating reactors in Pakistan. We have bilateral mechanism with the Russians and their government should bring it up if they are seriously considering it. Amb. (R) Zamir Akram said Russians will be serious in cooperation when Pakistan will have the money because these reactors are not cheap. Dr. Cheema said that in the post-Cold war era no one will give free technology which was previously being given for free, so we should stop thinking on these lines. If Russian will give it, it will be on economically viable profitable basis.

Dr. Shabana Fiyaz asked, if our policy is proactive and we should lobby for the uniform standards rather than selective standards being followed internationally for nuclear deals, then what about having simultaneous membership with India? Is there any thinking about having strategic or nuclear dialogue with India to move together on this subject? Is it a workable option? She further asked what is nuclear lobbying and who has to do it? It is general perception that we are not active on lobbying and diplomatic circles have failed in their efforts, and strategic community should not lobby because it is hardcore government's job? How do you perceive the role of lobbying in this regard? Brig. Kazmi said, theoretically and principally lobbying is a wonderful idea but the issue is the generic environment in which the dialogues are frozen and both states are facing CBM fatigue. He also recalled Indian statement on NSG membership for both states that India would not like to sit on the table with Pakistan. He expressed that such a notion would not work out even if Pakistan proposes it. Amb. (R) Zamir Akram said that Pakistan already stated that simultaneous membership is in favor of both states as was mentioned by Turkey during plenary meeting, which Pakistan supports and encourage but India would not necessarily support it. About the US policies he said, US actually wants to prevent Pakistan to be given equal status to India. The US wants India to be recognized as an exclusively legitimate

nuclear weapon state which is at par with other P5. On the matter of lobbying he recalled that Pakistani-American lobbied very hard in past and succeeded in achieving goals but that was much easier to do in the absence of Indo-US strategic alignment. Today the dynamics have changed in the Hill, White House and Pentagon because India is now viewed as an ally against China.

Dr. Abdullah Khan asked why the Americans believe that in any substantial conflict with China, India will stand up for American interest keeping in mind that Americans have huge economic interests with China. Moreover, why the US bestows more preference to India albeit Pakistan serving American interest in history and the fact that they still need Pakistan? Amb. (R) Zamir Akram replied that the strategic convergence between India and the US is the key reason. There are no permanent friends or enemies but only interests. After the end of the Cold war, Indian and American interests started to converge against China in terms of military and economy. He doubted that India will go to war with China for US but there is a perception that India and the US with other partners in Asia can put extreme pressure on China in the future. However, China is already facing pressure in the South China Sea. He said new undeclared/unrecognized Cold war has begun between the US and China, in which many states are realigned and India has clearly chosen Americans as their partners. He suggested Pakistan should strengthen its alignment with China and also with Russia at a time when China and Russia are having common interest against the US. Dr. Cheema said it would be better if Pakistan does not become part of the new Cold war and remains neutral by not giving up with the US because the later has certain significance and also has interest in West Asia, in which Pakistan has been permanently placed and has very important role to play in the regional politics.

Ms. Rubina Waseem, PhD candidate at NDU questioned if Pakistan is relying too much on Chinese support? The last plenary meeting suggests that China is not practically helping Pakistan's policies because China does not want any of the two states to be part of the NSG whereas Pakistan is not blocking India but wants to be given membership simultaneously with India. Dr. Shahid suggested that Pakistan should not take Chinese support for granted rather Pakistan needs to take its own prudent measures by considering the unforeseen scenarios.

Dr. Cheema mentioned that Chinese position on this matter is very clear i.e. no non-NPT member could be part of NSG, which means it applies to Pakistan as well because it is not signatory to NPT. He asked if China continues to adhere to this policy, Pakistan will stand no chance to get membership, in such a case how could Pakistan reconsider that it does not become a permanent policy? Brig. Kazmi said that the Chinese statements regarding membership to non-NPT states should be looked through the obvious hints. Although China is not naming any state including India or Pakistan as to whether they should become a member but China did state that Pakistan is also interested in joining the NSG and it has some credentials. Thus, hints about Chinese position on the subject should be taken from such statements. Mr. Zamir Akram said that there should not be any misunderstanding on the Chinese position; it clearly maintains that either both states get in or both stay out.

Mr. Faisal, Research Associate at CISS asked, if Pakistan's objective is its mainstreaming then what is the policy to achieve this goal because China cannot guarantee a 'mainstreamed Pakistan' in international community as the consensus heavily depends on the US support. Amb. (R) Zamir Akram said that we need to get rid of this mindset that Pakistan's mainstreaming can only be done by US. The international community led by the Western states told Pakistan to roll back its nuclear weapon program but those demands died out and the recent demands to freeze its nuclear program will also disappear and eventually they will have to accept Pakistan as NWS.

Ms. Nida Khalid, Student from FJWU mentioned that India is far ahead of Pakistan in fissile material production. Ideally, if both Pakistan and India simultaneously enter into NSG, how will Pakistan cater to the difference of fissile material among the stockpiles? Mr. Zamir Akram said that idea is not to have parity in numbers but to possess sufficient fissile material to have effective and credible second strike capability. Brig. Kazmi said that Pakistan's policy is clear and that is to have credible deterrence with minimalism in it where minimalism is dynamic, so "balance" is what Pakistan is aiming to achieve and not the "parity" with India. Pakistan does not have the resources or will to be in the arms race with India. Dr. Cheema said that all future expansions of India are not directed against Pakistan, rather India wants to be an Asian great power as well as a global great power hence its expansion should be seen from a wide perspective. Brig. Kazmi further explained that the Indian land and conventional forces are however destined to be deployed against Pakistan and not China.

Ms. Sirsabeel Basharat, student at NDU, highlighted the issue of Kashmir and India's rapid advancement in its nuclear program. She asked if Pakistan has the capacity to bring India on the negotiating table to solve the Kashmir issue. How can a solution to the Kashmir issue be pursued in a situation of nuclear stalemate or nuclearized environment? Amb. (R) Naqvi said it is not appropriate to link nuclear issue with Kashmir problem as Kashmir issue has its own genesis. It does not have the military solution because it will escalate to nuclear damage so diplomatic and moral support should be provided to the Kashmir cause. Mr. Zamir Akram said that it is the "credible nuclear deterrence" capability of Pakistan against India that enables Pakistan to lend its support to the Kashmiri cause and to pursue it too. This could not have been possible in the absence of nuclear capability.

SVI's President Dr. Zafar Iqbal Cheema concluded the discussion with his remarks, stating that India's entry into NSG would put back Pakistani efforts for developing its infrastructure and industry by decades, besides having serious consequences for national security and economic and industrial development. He observed that the world in its obsession for India should not forget that India was one of the worst proliferators. Dr. Cheema urged the government to proactively continue diplomatic engagement with the NSG members over the issue of admission of non-NPT states. The In-House Seminar was attended by members of academia, think tank representatives, retired Generals, ambassadors, media personals and students of various local universities. Dr. Cheema profoundly thanked the august audience and mentioned that their presence made this seminar a successful endeavor. He offered special thanks to the guest speaker and expressed his appreciation to all the guests for actively participating and making the discussion interactive.

## **Press Coverage**

The proceeding of in-house seminar discussion was covered in following leading newspapers. The links are mentioned below:

### **Pakistan**

#### **Daily Times:**

<http://dailytimes.com.pk/islamabad/30-Jul-16/new-criteria-for-nsg-membership-being-debated-zamir-akram>

#### **The Nation:**

<http://nation.com.pk/islamabad/30-Jul-2016/indo-us-n-deal-nsg-waiver-impacting-region>

#### **Frontier Post:**

<http://www.thefrontierpost.com/article/400620//>

#### **Express Tribune:**

<http://tribune.com.pk/story/1152730/nsg-membership-waiver-india-will-destabilise-regional-security-experts-warn/>

#### **Dawn:**

<http://www.dawn.com/news/1274178>

#### **Daily Times:**

<http://dailytimes.com.pk/world/30-Jul-16/us-to-push-for-indias-membership-in-nsg-in-october>

*(Daily Times twice reported the event)*

#### **Pakistan Today:**

<http://www.pakistantoday.com.pk/2016/07/30/national/us-to-push-for-indias-membership-in-nsg-in-october/>

## **INDIA**

United News of India:

<http://www.uniindia.com/us-likely-to-push-for-india-s-entry-in-nsg-in-oct/world/news/572783.html>

Greater Kashmir

<http://m.greaterkashmir.com/news/kashmir/us-likely-to-push-for-india-s-entry-in-nsg-in-october/224296.html>

Central Chronicle:

<http://www.centralchronicle.com/us-likely-to-push-for-indias-entry-in-nsg-in-oct.html>.