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1

Introduction

Most recent studies of India and China put these quite different countries into a single category called "Asia's rising giants," followed by descriptions painted in broad-brush strokes. They have large populations – a source of some strength but also a source of terrible pressure on resources at home. Each is primarily a continental power, although each has long coastlines and substantial trade. Each has troubled borders, and each has one seemingly intractable territorial conflict that is bound up in its sense of national self-identify and its regime legitimacy – Taiwan for China and Kashmir for India. Each faces threats to domestic peace and internal stability, including poverty, inequality, and incomplete economic reforms, as well as ethnic, religious, and social conflict. Each has nuclear weapons and is modernizing its military capabilities. And, of course, each has launched a program of domestic reforms and integration with the global economy that has resulted in high rates of growth. This has put both on track to become economies that will – at least in absolute size – rival the U.S. economy within decades. Although they remain great power works-in-progress, Beijing and New Delhi may each harbor grand ambitions for what they will do with their growing power. Certainly, a shifting balance of power between states, such as the shift that appears to be occurring between the United States and the rising powers in Asia, has long been seen as an essential underlying cause of great power conflict.

The subtitle of this book, "Growing Power and Alarm," echoes a passage in Thucydides' *The Peloponnesian War*. Analyzing the causes of conflict between the great powers Athens and Sparta (Lacedaemon), Thucydides attributed the real cause of conflict to "the growth of the power of Athens, and the alarm that this inspired in Lacedaemon."[1] Yet Thucydides also

[1] Robert B. Strassler, ed., *The Landmark Thucydides: A Comprehensive Guide to The Peloponnesian War* (New York: Simon and Schuster, 1998), Book I, 23, and Book I, 88.

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highlighted difficulties a dominant state faces in accurately evaluating any challenge from rising powers. How does a dominant state judge the relative power balance – itself a complex mix of material, political, and moral capabilities? How does the international behavior of a rising state affect this judgment? In a world with multiple interests and threats, should the dominant state focus on a single potential challenger, or must it also beware potential challenges from other rising states?[2]

Today, the United States faces a shifting balance of global power. For Washington, the analytical and policy difficulties reflected in Thucydides' classic account resonate more strongly than at any point since World War II. This book addresses the challenges faced by the United States in evaluating the rising power of China and India. As Thucydides might have posed the question, to what extent should the United States be alarmed by the reemergence of these Asian states as great powers, and how can Washington respond appropriately and effectively?

Despite their key similarities, China and India are viewed differently in Washington. The growth of Chinese power is viewed with alarm by many in the United States. China is seen as a potential competitor more than as a potential partner. The reverse is true of India. Washington hedges against Beijing. Meanwhile, it seeks to increase Indian power and enlist New Delhi as a partner in its hedging strategy against China. In part, this divergent treatment is the result of a key difference in the two bilateral relationships. The United States has a direct interest in Taiwan, which could potentially draw it into a war with China, whereas there is no similar flashpoint that could draw the United States into war with India. This creates an analytical focus on security competition with China that shapes (and may skew) U.S. views of China's strategic intentions. In contrast, the fortunate absence of such a stark and potentially catastrophic conflict of interest with India means less rigorous American scrutiny of India's strategic behavior in South Asia and beyond. Unfortunately, that lack of attention and understanding may also expose both Washington and New Delhi to unrealistic mutual expectations.

Rising Chinese and Indian power also strikes at another question for American foreign policy. Should American leaders *expect* divergent

[2] In recounting speeches made by key participants in the conflict, Thucydides offers rich discussion of interstate relations and the "true" cause of the war: Sparta's fear of the growing "greatness" of Athens (including both material and political power), and how this alarm justly or unjustly "pressured" Sparta toward declaring war. See Thucydides, *History of the Peloponnesian War*, translated by C.F. Smith (Cambridge, MA: Loeb Classical Library, Harvard University Press, 2003), Book I, 23; 68–71; 73–78; 80–85; 86; and 88.

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behavior from these two states, rooted in the differences between their domestic regime types and political values? American conservatives have criticized "realist" foreign policies that move away from assumptions based on political values toward a greater focus on material interests and balances of power.[3] Such criticism has been especially strident with regard to Washington's treatment of authoritarian regimes such as China.[4] Critics from the center and left of American politics have also disparaged a "realist" approach, and for similar reasons. They argue that political realism excessively compromises American values and ignores essential differences in behavior and interest between states with different political systems.[5] The question of how to handle rising Chinese and Indian power thus touches on perennial debates in American foreign and security policy.[6] No single

[3] Aaron Friedberg, "Should we fear Obama's 'realism'?" *Foreign Policy*, March 9, 2009, http://shadow.foreignpolicy.com/posts/2009/03/09/should_we_fear_obamas_realism; Howard LaFranchi, "Obama at One Year: New Realism in Foreign Policy," *Christian Science Monitor*, January 19, 2010.

[4] Michael J. Green, "Obama's self-defeating 'realism' in Asia," *Foreign Policy*, October 6, 2009, http://shadow.foreignpolicy.com/blog/12381; Robert Kagan "Foreign Policy Sequels," *Washington Post*, March 9, 2009. Daniel Blumenthal, "Obama's Asia trip: a series of unfortunate events," *Foreign Policy*, November 18, 2009, http://shadow.foreignpolicy.com/posts/2009/11/18/obamas_asia_trip_a_series_of_unfortunate_events

[5] Richard N. Haass, "Regime Change is the Only Way to Stop Iran," *Newsweek*, January 22, 2010. "During Visit, Obama Skirts Chinese Political Sensitivities," *New York Times*, November 17, 2009. Stephen Zunes, "Human Rights: C+," *Foreign Policy in Focus*, January 25, 2010, http://www.fpif.org/articles/human_rights_c

[6] The struggle to balance both a concern for relative power and material interest and the promotion of American political values is a recurring theme in the work of many of America's most influential strategic thinkers. Alexander Hamilton, "Federalist 6," "Federalist 7," and "Federalist 11," in Gary Wills, ed., *The Federalist Papers* (New York: Bantam Books, 1982, originally published 1787–1788), 21–32; 49–55; Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace* (New York: Alfred A. Knopf, sixth edition 1985, first edition published 1948); George F. Kennan, *American Diplomacy* (Chicago: University of Chicago Press, expanded edition 1985, first edition 1951); Felix Gilbert, *To the Farewell Address: Ideas of Early American Foreign Policy* (Princeton, NJ: Princeton University Press, 1961); John Stoessinger, *Crusaders and Pragmatists: Movers of American Foreign Policy* (New York: W.W. Norton, 1979); Samuel P. Huntington, "American Ideals Versus American Institutions," *Political Science Quarterly*, 97:1 (Spring 1982): 1–37; Robert O. Keohane, ed., *Neorealism and Its Critics* (New York: Columbia University Press, 1986); Henry Kissinger, *Diplomacy* (New York: Simon and Shuster, 1995); Walter Russell Mead, *Special Providence: American Foreign Policy and How it Changed the World* (New York: Routledge, 2002); John Lewis Gaddis, *Surprise, Security, and the American Experience* (Cambridge, MA: Harvard University Press, 2004); Robert Jervis, *American Foreign Policy in a New Era* (New York: Routledge, 2005); Kenneth N. Waltz, *Realism and International Politics* (New York: Routledge, 2008); Paul Wolfowitz, "Think Again: Realism," *Foreign Policy*, September/October 2009, http://www.foreignpolicy.com/articles/2009/08/17/think_again_realism; Stephen M. Walt, "REAL Realism," *Foreign Policy*, August 27, 2009, http://walt.foreignpolicy.com/

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Excerpt
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volume can resolve all of these questions, but greater clarity and discipline can be brought to the debate.

The Purpose of this Study

This book sets out to put broad patterns of Indian and Chinese strategic behavior in comparative context. This will help clarify the challenges and opportunities the United States faces from both countries. We examine and evaluate the empirical track record of Chinese and Indian strategic behavior in four areas: (1) strategic culture; (2) foreign policy, use of force, and border dispute settlement; (3) military modernization, including defense spending, military doctrine, and force modernization; and (4) foreign economic policy and strategies, including international trade and energy resource competition. After concluding the empirical comparison, we also evaluate the utility of a prominent international relations theory, "the democratic peace," for predicting Chinese and Indian international behavior.

We do not examine the origins of U.S. policy toward India and China, or evaluate its effectiveness. American policy toward China and India may have multiple motivations. Certainly, policy can and has been justified in terms of concern for balances of power, economic interests, common values, or a combination of these. We do not attempt to determine which of these logics may be dominant, or which "explains" U.S. policy. However, our analysis does challenge some arguments that commonly appear in U.S. policy discourse about China and India: that China is an outlier in its behavior and that democratic India exhibits international behavior that is sharply different from authoritarian China and more "naturally" aligned with American interests. Such assessments have increasingly taken root as the conventional wisdom in Washington and appear to support a recent sharpening divergence in U.S. policies toward the two rising powers in Asia.

An empirical, comparative approach offers insight into what kind of great powers these two countries are becoming. Past behavior is no guarantee of future performance. However, side-by-side comparison provides context for evaluating which specific rising power interests, policies, and behaviors present the greatest challenges to the United States. Comparison can also help specify genuine differences between China and India as

posts/2009/08/23/real_realism; Zbigniew Brzezinski, "From Hope to Audacity: Appraising Obama's Foreign Policy," *Foreign Affairs*, 89:1, (January/February 2010).

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Excerpt
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international actors. This will assist U.S. policy makers seeking to maximize America's bilateral interests with both countries, while also securing America's broader interests in Asia.

The Significance of this Study

This book fills an important gap in the literature on security, power transition, and international relations in Asia. No major study follows the approach undertaken here: a structured, side-by-side comparison of a broad selection of Indian and Chinese international strategic behaviors. There is no shortage of studies of the two countries. China and India receive unprecedented attention from policy, scholarly, and media communities. Some proclaim a new world order on the basis of general descriptions of the rising relative power of China and India.[7] Others believe that the new global order will be shaped by Sino-Indian rivalry.[8] These studies focus on rising relative power and offer speculation on what China and India might do with that power, rather than providing analysis of their actual behavior.

Most comparative studies of India and China focus on their economic development, which is said to underpin their newfound global influence.[9] Some of these comparisons equate the two countries in a single category called "Chindia," a term that overstates the global economic importance of

[7] Daniel Drezner, "The New New World Order," *Foreign Affairs*, 86:2 (March/April 2007): 34–46. Other, more promotional accounts also argue that the next century will be dominated by either China or India, although these do not engage in any comparison that would permit a judgment of which of the two countries would lead, or how. See, for example, Martin Jacques, *When China Rules the World: The End of the Western World and the Birth of a New Global Order* (New York: The Penguin Press, 2009); Kamal Nath, *India's Century: The Age of Entrepreneurship in the World's Biggest Democracy* (New York: McGraw-Hill, 2007); Laurence J. Brahm, *China's Century: The Awakening of the Next Economic Powerhouse* (New York: Wiley Press, 2001).

[8] Robert D. Kaplan, "Center Stage for the 21st Century," *Foreign Affairs*, 88:2 (March/April 2009): 16–32.

[9] Tim Harcourt, "The Elephant and the Dragon: Can India's rise match China's?" Australian Trade Commission, Sydney, October 7, 2004. Pranab Bardhan "Crouching Tiger, Lumbering Elephant? The Rise of China and India in a Comparative Perspective," *Brown Journal of World Affairs*, 13:1 (Fall/Winter 2006): 49–62; Robyn Meredith, *The Elephant and the Dragon: The Rise of India and China and What It Means for All of Us* (New York: W.W. Norton & Co., 2008); David Smith, *The Dragon and the Elephant: China, India and the New World Order* (London: Profile Books, 2007); Ashok Gulati and Shenggen Fan, *The Dragon and the Elephant: Agricultural and Rural Reforms in China and India* (Washington, DC: International Food Policy Research Institute, 2007); Appa Rao Korukonda, Giovanna Carrillo, Chenchuramaiah Bathala, and Mainuddin Afza, "The Dragon and the Elephant: A Comparative Study of Financial Systems, Commerce, and Commonwealth in India and China," *The Icfai Journal of International Business*, 2:3 (August 2007): 7–20.

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Excerpt
More information

India relative to China and may mask more than it reveals.[10] There are many explicit, empirical comparisons of the two countries in the field of development economics.[11] One strain within comparative political economy focuses on the effect of different regime types – democratic versus authoritarian – on long-term modernization and development.[12] Another comparative approach studies Chinese and Indian domestic politics, including constitutions and other domestic institutions.[13] The literature on comparative political economy and development aims to identify the proper mix of policies for domestic Indian and Chinese development. These are critical issues, but they do not address the full spectrum of concerns for U.S. Asia policy, particularly with regard to security.

There are several excellent assessments of the China-India relationship.[14] Some of the studies of Sino-Indian relations specifically highlight implications of the Sino-Indian relationship for the United States.[15] These analyses come closest to side-by-side comparison of Chinese and Indian international behaviors. Their focus, however, is on assessing the prospects for bilateral Sino-Indian rivalry or cooperation, rather than on the regional (or global) strategic behavior of these two countries and the implications of those behaviors for U.S. Asia policy.

[10] See for example, Pete Engardio, ed., *Chindia: How China and India are Revolutionizing Global Business* (New York: McGraw Hill, 2007); Jairam Ramesh, *Making Sense of Chindia: Reflections on China and India* (New Delhi: India Research Press, 2005). Some business-oriented analyses do try to separate the two countries from the "Chindia" label, but still focus on broad generalizations about business culture and motivations; see Tarun Khanna, *Billions of Entrepreneurs: How China and India Are Reshaping Their Futures and Yours* (Cambridge, MA: Harvard Business School Press 2008).

[11] A recent example is L. Alan Winters and Shahid Yusuf, eds., *Dancing with Giants: China, India, and the Global Economy* (Washington, DC: World Bank, 2007). On the advantages of a comparative perspective, see Scott Kennedy, "Overcoming Our Middle Kingdom Complex: Finding China's Place in Comparative Politics," in Scott Kennedy, ed., *Beyond the Middle Kingdom: Comparative Perspectives on China's Capitalist Transformation* (Stanford: Stanford University Press, 2011), 3–21.

[12] Edward Friedman and Bruce Gilley, eds., *Asia's Giants: Comparing China and India* (New York: Palgrave Macmillan, 2005); Yasheng Huang and Tarun Khanna, "Can India Overtake China?" *Foreign Policy*, 82:4 (July/August 2003):74–81.

[13] See, for example, Sue Ellen M. Charlton, *Comparing Asian Politics: India, China, and Japan, Second Edition* (Boulder: Westview Press, 2004).

[14] For example, John W. Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century* (Seattle: University of Washington Press, 2001); Jing Dong Yuan, "The Dragon and the Elephant: Chinese-Indian Relations in the 21st Century," *The Washington Quarterly*, 30:3 (Summer 2007): 131–144; Pang Zhongying, "The dragon and the elephant," *The National Interest*, May 1, 2007; Waheguru Pal Singh Sidhu and Jing-Dong Yuan, eds., *China and India: Cooperation or Conflict?* (Boulder: Lynne Rienner Press, 2003).

[15] Francine R. Frankel and Harry Harding, *The India-China Relationship: What the U.S. Needs to Know* (Washington, DC: Woodrow Wilson Center Press, 2004).

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Excerpt
More information

Other sources compare Chinese and Indian military developments with a focus on U.S. interests, usually in separate chapters of a single volume.[16] Many of these studies have a strong regional focus, dividing East and Northeast Asia from South Asia. A number of edited volumes indirectly compare Chinese and Indian foreign policy, with different authors penning separate chapters on each country or region.[17] Despite editorial efforts to maintain a common focus or framework, however, authors in these edited volumes often adopt distinctive approaches and standards. These efforts result in fewer direct comparisons between China (seen primarily as an East Asian or Northeast Asian power) and India (a South Asian power).

Notwithstanding these many studies of varying focus and depth, side-by-side comparisons of Chinese and Indian international behaviors and strategies are rare. The few that do take an explicitly comparative approach do not evaluate actual international behavior across the issue areas of most relevance to U.S. foreign and security policy in Asia.[18] A detailed empirical comparison of Chinese and Indian international strategic behavior would be useful in itself, but the trend toward increasingly divergent American expectations about the behavior of these states makes such a comparison all the more timely and meaningful.

In the next section of this chapter, we begin with an overview of America's post–World War II relations with each country, then turn to focus on U.S. policies since the late 1990s. This section highlights the issue of Taiwan as an important factor shaping a divergent American approach to India and

[16] A useful example of this approach is found in Ashley J. Tellis and Michael Wills, eds., *Strategic Asia 2005–2006: Military Modernization in an Era of Uncertainty* (Washington, DC: National Bureau of Asian Research, 2005).

[17] This approach is taken in David Shambaugh and Michael Yahuda, eds., *International Relations of Asia* (New York: Rowman and Littlefield, 2008), and Muthiah Alagappa, ed., *Asian Security Practice: Material and Ideational Influences* (Stanford: Stanford University Press, 1998). Another approach to a theoretical framework for understanding Asian international order focuses on cross-border issues such as international institutions, but necessarily dilutes explicit empirical comparisons of national strategies. See Muthiah Alagappa, ed., *Asian Security Order: Instrumental and Normative Features* (Stanford: Stanford University Press, 2002).

[18] Rollie Lal's *Understanding India and China: Security Implications for the United States and the World* (Westport, CT: Praeger Security International, 2006) is one of the few studies that do compare national interests, identity, and foreign policies side by side. However, Lal's data and analysis are based on interviews with elites in both countries, with a focus on the motivations for international behavior, not on the empirical track record of actual behavior. David B. H. Denoon's *The Economic and Strategic Rise of China and India: Asian Realignments after the 1997 Financial Crisis* (New York: Palgrave Macmillan 2007) examines broad prospects for political and economic alignment among all Asian countries in response to the 1997 financial crisis.

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China. It also identifies several other propositions about India and China that shape U.S. strategic thought and policy. These ideas are evident in U.S. policy statements and actions, as well as in influential American policy analyses and academic studies. They inform U.S. leadership perceptions of China as an outlier in its strategic behavior and as a challenge that goes well beyond the Taiwan issue. They also fuel a perception that common values and common interests will support ever-greater alignment of U.S. and Indian interests and policies. Having reviewed the study's findings in the Preface, in the next section of this chapter, we outline the structure of the book. We conclude this chapter with a brief overview of some enduring questions and debates in international relations that this study engages.

China and India in U.S. Strategic Thought and Action

The United States has had an uneasy relationship with both India and China since Indian independence in 1947 and the founding of the People's Republic of China (PRC) in 1949. Both relationships have been characterized by alternating conflict and cooperation. After the Communist victory in China, the United States denied the legitimacy of the Chinese Communist Party (CCP) government. It supported the Kuomintang (KMT) as China's legitimate government, defended the KMT on Taiwan, and found itself in frequent conflict with the Chinese regime over foreign policy issues and Beijing's treatment of its own people. American and Chinese forces fought each other in the Korean War, with terrible casualties on both sides. The United States and China have continued to confront each other across the Taiwan Strait. The Taiwan issue in particular remains an enduring conflict of interest and is prone to periodic crises. Both China ("unofficially" in 1995) and the United States ("officially" in 1958) have raised the specter of using nuclear weapons against one another over Taiwan. The United States and China have also come to loggerheads over other national interests. In the 1960s and into the 1970s, China supported violent revolutionary movements in developing countries, including a murderous regime in Cambodia. China was a key source of both nuclear weapons and missile technology proliferation, especially in the 1980s.[19] It also has asserted views

[19] Via Pakistan, Chinese nuclear technologies were proliferated to North Korea, Libya, and Iran. Some suspect that via North Korea, these originally Chinese nuclear technologies may have been spread to countries like Syria. For a brief but authoritative history of nuclear weapons development and proliferation, see Stephen M. Younger, *The Bomb: A New History* (New York: Harper Collins, 2009).

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on maritime rights and maritime claims versus its Asian neighbors that differ sharply from American perspectives.

Still, Sino-American relations have also seen the development of significant common interests. China joined the United States in balancing against the Soviet Union from the 1970s through the 1980s. China and the United States also conducted limited intelligence sharing and military exchanges in the 1980s. During the same period, China also purchased some U.S. military equipment. This was suspended in the wake of the June 1989 Tiananmen incident in which Chinese troops attacked and killed Chinese civilians demanding political and economic reforms. Since that time, Sino-American military-to-military relations have been limited and punctuated by stops and starts.

Although China continues to maintain a cooperative relationship with North Korea, Beijing has also played a constructive role in the Six-Party Talks process to address the problem of North Korea's nuclear weapons program. Since the 1980s, the United States has encouraged China's reforms and integration with the global economy and supported China's decision to join the WTO. Like other powers, China has engaged in certain protectionist policies. But China supports a relatively liberal global trade and financial system, as well as institutions such as the WTO, World Bank, IMF, and G20. Despite remaining cautious about burden sharing, Beijing wishes to be seen as a "responsible" power. The Sino-U.S. trade and investment relationship, despite its frictions, has become a critical source of mutual benefit to both sides.

The United States and India have also had a history of mixed relations. The two countries share important political values, including a respect for rule of law and political systems based on separation of powers, electoral democracy, and universal suffrage. Indian and U.S. forces have never fought against each other. India assisted American attempts to support Tibetan forces against Chinese troops in the 1950s, and the United States provided significant intelligence and military support to India during and after its 1962 border war with China.

However, India frequently opposed U.S. diplomacy during the Cold War period on ideological grounds. India was aligned with the Soviet Union during key periods of the Cold War, developing close defense ties including large-scale purchases of Soviet military equipment. New Delhi refused to condemn the Soviet invasion of Afghanistan in the 1980s, and it contested U.S. policies in Afghanistan due in part to America's reliance on Pakistan in that effort. Like China, India continues to maintain close ties with the

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defense industry of a revitalized, authoritarian Russia. Unlike the Taiwan issue with China, the United States does not believe it has a core interest in India's claim on Kashmir or other territories. Yet the United States has frequently opposed Indian policies toward Pakistan and has engaged in coercive diplomacy against India during some of the latter's conflicts with Pakistan.

India's nuclear program has been a source of friction in U.S.-India relations. India has not directly transferred nuclear weapon technologies to dangerous third parties as China did with Pakistan. However, by the example of its own nuclear program, nuclear weapon tests, and its unwillingness to join international nonproliferation regimes, India has challenged U.S.-led international efforts to contain the proliferation of nuclear weapons. Many American officials saw both India's "peaceful nuclear explosion" in 1974 and its much more advanced 1998 nuclear weapons tests as significant challenges to core U.S. interests, because they accelerated nuclear development and weaponization in an unstable Pakistan and set a precedent that regimes in North Korea and Iran apparently intend to imitate.

Although the challenge of industrial espionage and illegal transfer of dual-use technology is less intense than with China, the United States has charged Indian firms and Indian government agencies with conspiracy to circumvent U.S. restrictions on the export of dual-use and weapons technology.[20] Washington has also placed sanctions on Indian as well as Chinese companies for proliferating weapons of mass destruction (WMD) and missile technologies to countries like Iran.[21]

Iran-related issues are likely to remain a potential source of conflict in relations between New Delhi and Washington.[22] Reflecting New Delhi's deeply held views, a November 2008 speech in Teheran by India's external affairs minister Pranab Mukherjee highlighted the potential for Iran to

[20] "U.S. Cites Indian Government Agencies in Weapons Conspiracy," *New York Times*, April 3, 2007. K. Alan Kronstadt and Kenneth Katzman, "India-Iran Relations and U.S. Interests," Congressional Research Service Report for Congress, Order Code RS22486, August 2, 2006.

[21] See Paul K. Kerr, "U.S. Nuclear Cooperation with India: Issues for Congress," Congressional Research Service Report for Congress, Order Code RL 33016, November 3, 2008, 9–10; Sharon Squassoni, "India and Iran: WMD Proliferation Activities," Congressional Research Service Report for Congress, Order Code RS2253, November 8, 2006; K. Alan Kronstadt, "U.S.-India Bilateral Agreements and Global Partnership," Congressional Research Service Report for Congress, Order Code RL 33072, March 10, 2006, 22.

[22] Bruce Stokes, "The U.S. and India: Friendship, Warily," *The National Journal*, February 13, 2010.

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