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Ravi Palat

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By Ravi Palat

Ironically, in the very year when the fiftieth anniversary of the Bandung Conference is being commemorated, the Manmohan Singh government unceremoniously dumped India's long espousal of independence in international affairs and voted with the United States and the European Union to censure Iran for allegedly violating its obligations under the Non-Proliferation Treaty (NPT) Safeguards Agreement. The vote, at a meeting of the Board of Governors of the International Atomic Energy Agency (IAEA) on 22 September 2005, was doubly incongruous as the Indian Ministry of External Affairs' website clearly recognizes that these allegations were "not justified" and that it would "not be accurate to characterize the current situation as a threat to international peace and stability"[1].

Moreover, as Praful Bidwai has noted, the Manmohan Singh government's position is hypocritical because India has been the most prominent 'proliferator' of nuclear weapons: if India had not detonated a nuclear device in 1974 or nuclear weapons in 1998, it is unlikely that Pakistan would have followed suit. Moreover, since India has not signed the NPT—indeed had condemned it as 'nuclear apartheid,' the very phrase invoked by Iranian President Mahmoud Ahmadinejad in his speech to the UN General Assembly—the Indian government has no grounds to accuse Tehran of not living up to its NPT obligations [2].

New Delhi's abdication of its principle of non-alignment by supporting the US- and EU-sponsored resolution against Iran at a time when many smaller states abstained from voting—only Hugo Chavez's Venezuela opposed the resolution—despite considerable pressure brought to bear on them, must be located in a broader geopolitical context in which the US and its allies seek to contain China and more broadly, the Global South. In this context, Iran with its strategic oil reserves plays a key role, especially since China has emerged as the world's second largest consumer of oil and Iran is emerging as one of its most important suppliers [3].

In what follows, I first trace how a crisis over Iran's uranium enrichment policies was manufactured by the US and the EU, especially after the unexpected election of Mr. Ahmadinejad as president this summer and then examine the broader geopolitical context.

Manufacturing a Crisis

Concern about Iran's nuclear program heightened in December 2002 when David Albright and Corey Hinderstein of the Institute for Science and International Security published satellite imagery of the construction of a fuel fabrication facility in Natanz and a heavy water research reactor in Arak, while noting that under existing safeguard regulations, Iran was only required to allow IAEA inspections of new nuclear installations "six months before nuclear material is introduced into it" [4]. Iran was not even required to inform the IAEA of the construction and location of these facilities as the six months' clause was standard in safeguard agreements till the 1990s when the IAEA asked member states to accede to 'subsidiary agreements' mandating the transmission of designs of new facilities six months before construction. Iran signed these agreements only in February 2003 and was thus in full compliance with its international obligations at the time [5].

Nevertheless, the George W. Bush administration, which had listed Tehran in its "axis of evil" to be targeted for 'regime change,'played up allegations that Iran was covertly developing 'weapons of mass destruction,' and seemed poised, after its invasion of Iraq in March 2003, to strike against the Islamic Republic. If we now know that the US was in no position to march on Tehran after Baghdad, the overwhelming military strength of the US and the proclivity towards military adventurism demonstrated by neo-conservatives in the Bush administration made the threat plausible. A year later, on May 6, 2004, the US House of Representatives passed a resolution calling on the Bush Administration "to use all appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons" by a margin of 376 to 3. This was widely interpreted as sanctioning a 'pre-emptive' strike against the Islamic Republic. The resolution also called upon Britain, France, and Germany—the EU-3—to take the lead in negotiations with Iran [6].

These negotiations began on a promising note. Meeting in Paris in November 2004, Iran offered to voluntarily suspend its uranium enrichment-related activities as long as "negotiations proceed on a mutually acceptable agreement on long-term arrangements." In turn, the EU-3 undertook to provide "firm guarantees on nuclear, technological, and economic cooperation and firm commitments on security issues" [7].

Though the EU-3 recognized in the discussions at Paris that Iran's suspension of uranium-enrichment activities was a "voluntary confidence-building measure and not a legal obligation," soon after the election of Mr. Ahmadinejad—a "hardliner"—as Iran's president in June 2005, the EU-3 demanded that Iran permanently renounce its right to enrich uranium. This was a right accorded to Iran by the NPT it had signed in 1974 and by international law. The EU-3 also reneged on its "firm guarantees" of cooperation and promised only "not to impede participation in open competitive bidding" [8].

The Iranian government responded by notifying the IAEA of its decision to resume uranium-enrichment activities at its Esfahan facility, which remained under IAEA supervision. Indeed, almost a month after Iran's resumption of uranium enrichment, Director-General Mohamed el-Baradei certified that "all the declared nuclear material in Iran had been accounted for and, therefore, such material is not diverted to prohibited activities" [9]. Moreover, despite the manifest bad faith demonstrated by the EU-3, President Ahmadinejad offered in his speech at the United Nations last month, to enter into joint venture projects with foreign public and private sector enterprises for uranium enrichment in order to be as transparent as possible.

Yet, this offer was rejected by the EU-3 and the US on the grounds that once uranium enrichment technology is acquired, it could be used to produce weapons-grade uranium and hence represents a threat to world peace and regional stability. The resumption of enrichment activities at Esfahan was cited as a further reason for action despite all evidence to the contrary. It is instructive to recall that while the US and the EU-3 now argue that an oil-rich state like Iran has no need for nuclear energy, no similar argument was made in the mid-1970s when the Ford administration—which included the current Vice President Dick Cheney and Secretary of Defense Donald Rumsfeld—had approved the sale of up to eight nuclear reactors to the Shah of Iran [10]. This is all the more egregious when there is no condemnation of Israel's nuclear weapons even though it is now by far the strongest state in the Middle East and faces no military

threats from other states—only resistance from the Palestinians whose land it occupies against international law and Security Council resolutions that the US supported.

In fact the only plausible charge that the IAEA has made is that Iran has not provided a comprehensive history of its centrifuge program so that the Agency could be satisfied that there is no "undeclared nuclear material." Yet, if this were a sufficient basis to require referral to the Security Council for the possible imposition of sanctions, the IAEA should also move against Egypt, South Korea, and Taiwan as it has also found discrepancies in their account of nuclear materials over the last few years. Referring to Iran, Director-General el-Baradei has stated that an exhaustive investigation to conclude that there are no undeclared nuclear material is a "time consuming process" which could even be longer than usual in Iran's case [11]. And it is the time required to conduct such an analysis that the resolution steam-rollered through the IAEA's Board of Governors by the US and the EU sought to deny the Agency.

Clearly the most precipitate cause for the US and the EU insisting that the IAEA Board of Governors jettison its policy of acting by consensus and decide by majority vote to censure Iran and thereby provide the Agency with the legal basis to refer the Islamic Republic to the Security Council for the imposition of sanctions was that in October 2005 a new set of members including Cuba and Syria will join the Board of Governors in place of Pakistan and Peru, making any such resolution more difficult to pass. But more importantly, the US and the EU were determined to prevent the re-emergence of strong links between Iran and other members of the Non-Aligned Movement. India was a lynchpin in this strategy.

The Geopolitics of India's Vote Against Iran

Critics of India's vote in favor of the US- and EU-sponsored resolution of the IAEA's Board of Directors when many smaller states—Algeria, Brazil, Mexico, Nigeria, Pakistan. South Africa, Tunisia. Vietnam, and Yemen—abstained, have attributed it to a desire to maintain its July18, 2005, nuclear agreement with the United States, an agreement that India hopes will pave the way for technological transfer and weapons sales. While there is substantial force to this contention, it needs to be contextualized within a broader geo-political context.

These changes center on containing China and the Global South more generally. In the rhetoric on the 'war on terror,' after the 11 September, 2001, it is often forgotten that the Bush Administration came to office branding China as a "strategic competitor." Indeed, the 'war on terrorism' gave the US the cover to penetrate the one world region hitherto closed to it militarily—Central Asia. New US military bases in the Central Asian republics, and the resumption of military ties with the Philippines and Indonesia meant that a by-product of the 'war on terror' was that China was surrounded by an expanded arc of US bases [12]. Soon after George W. Bush began his second term, in a joint statement, the US and Japan called for "the peaceful resolution of issues concerning the Taiwan Strait through dialogue"—a call calculated to raise Beijing's ire.

The largest gap in the arc of US bases surrounding China was India. Though the Clinton Administration had courted India, the exigencies of the campaign against al-Qaida had vastly elevated the strategic importance of Pakistan as its president and its intelligence services abandoned the Taliban and Islamabad was accorded the status of a 'major non-NATO ally' of the US. But as China and India move closer to each other—China is already India's second largest trading partner after the United States, and the two are jointly developing oil and gas fields in Iran and Sudan[13]—the Bush Administration has sought to woo India away from its northern neighbor.

Thus, just before Chinese premier Wen Jiabao's visit to India in April 2005, the US announced that it would allow India to buy advanced jet fighters. Though the US also opened sales of fighter jets to Pakistan, the smaller South Asian state was dependent on $3 billion in aid to buy these jets, while India was expected to purchase up to 126 planes—with price tags beginning at $35 million each—over several years. If the US decision to sell advanced fighter planes enables New Delhi to replace its aging fleet and develop its aviation technology, it also gives the Bush Administration a new lever to influence India as well as to save jobs in the US [14]. Moreover, an increase in conventional weaponry does not change the balance of power in the subcontinent as nuclear weapons tend to negate India's overwhelming lead in such weaponry.

And just as the EU-3 were hardening their stance after Mr. Ahmadinejad's election, the US offered India a nuclear deal during Prime Minister Singh's July 2005 visit to Washington. The United States offered to provide India with dual-use nuclear technologies and to forge closer relations in space exploration, and in satellite launches and navigation as well as to urge its partners in the Nuclear Suppliers Group to establish full civil nuclear cooperation and trade. This was quickly followed by Britain and France, which also announced their intentions to water down their sanctions against India [15]. By facilitating the purchase of uranium in the world market, this agreement allows India to divert its domestic uranium supplies to weapons production. Some estimates suggest that this would allow India to manufacture about a thousand warheads and have the third largest nuclear arsenal after the United States and Russia [16].

US cooperation in dual use nuclear and space technologies with India provides the Bush administration with an appealing carrot to block the Iran-Pakistan-India gas pipeline that it has long opposed. Now, apart from threatening to invoke the sanctions mandated by the Iran-Libya Sanctions Act, the US Administration is likely to intensify pressure for India to vote against Iran at the IAEA Board of Governors as the price for ratification of the nuclear deal by Congress. At the same time, Iranian resentment at India's actions could jeopardize the gas pipeline, providing a self-serving Indian justification of the nuclear pact with Washington [17].

The US and the EU were particularly concerned about the gas pipeline because it symbolized a growing tendency among states of the Global South to cooperate amongst themselves. Though the leaders of liberation movements in Asia and Africa sought to forge themselves into an independent force on the world stage at Bandung in 1955, their economies were so disarticulated internally and linked so closely to their former colonizers and the economic and social ties among African and Asian states so weak, that this effort was stillborn.

Today, however, rapid economic growth and 'out-sourcing' of production and producer services has led to a multiplicity of ties between and among states in Asia, Africa, Latin America, and the Middle East, most notably China and India. In particular, the spectacular growth of industrialization has led to a drive among the larger economies in the Global South to secure reliable supplies of strategic raw materials and energy. In 2002, China alone accounted for 17 percent of the copper traded on the world market, 21 percent of aluminium, 23 percent of stainless steel, 24 percent of zinc, and a whopping 28 percent of iron ore [18]. India is China's second largest supplier of iron ore after Australia while China is also importing large and ever increasing quantities of agricultural products from Brazil and other Latin American states [19]. Chinese investments in turn have been on so large a scale that China has been accepted into the Inter-American Development Bank [20].

These inter-relations among the growing economies of the Global South has forged political alliances such as the Group of 20 (G-20)—with Brazil, China, India, and South Africa as the nucleus—which demanded concessions from high-income states during the World Trade Organization (WTO) Ministerial Conference at Cancun in 2003 and leading eventually to the collapse of negotiations. Brazilian President Luiz Inacio Lula da Silva has also won important victories against the US and the EU over agricultural subsidies in the WTO [21].

Along another axis, Venezuelan President Chavez and Cuba's Fidel Castro have combined to use their resources in oil wealth and medical expertise to advance their mutual interests in the Caribbean. Venezuela's PetroCaribe Fund, for instance, provides resources for Cuban doctors to examine patients in the Caribbean, and fly suitable patients for operations in Cuba along with a companion and provide them accommodation and treatment free of charge. Similarly, Venezuela is providing low-interest loans to many states to cover the bulk of their oil purchases in a scheme that casts US free trade agreements in an unfavorable light [22].

When relatively small countries like Cuba and Venezuela can mount such effective strategies against the US, the possibility of large and richly-endowed states like Brazil, China, India, Iran, and South Africa combining to advance their mutual interests threatens to undermine EuroNorthAmerican dominance. Notably these countries have all the natural resources, labor, and technology they need. The US, in contrast, is dependent not only on cash inflows from China, India, and other Asian states to balance its large and growing current account deficit but is also dependent on low-cost imports to hold down inflation. Despite the complementarity of their interests, the sheer novelty of economic and political relations between large states of the Global South and their ties to

smaller cash-rich states—especially in Asia, like Taiwan and South Korea—which depend on the US for military protection gives Washington considerable leverage. Nevertheless, growing intra-South commercial linkages and political alliances have the potential to fundamentally transform the world order over the next quarter century.

It is true that many East and Southeast Asian states—and China in particular—are dependent on exports for their economic growth. However, their governments also recognize the importance of developing domestic and regional markets, to reduce their dependence on high-income states. While the institutional changes to effect such orientations will take time to implement, several states are taking steps in this direction. At the same time, states in Latin America, Africa, and the Middle East are also forging mutually beneficial alliances with Asian states which reduce their joint dependence on EuroNorth America regarding flows of capital, technology, and resources.

This is the context that explains both why the US and the EU manufactured a nuclear crisis on Iran and why they cajoled India into supporting the resolution censuring the Islamic Republic. It also suggests that in the months and years ahead India will have important opportunities to return to some of its finest national traditions that go back five decades to Bandung and the origins of the non-aligned movement, but now placed on firmer economic foundations. If the IAEA were allowed time to conduct its investigations about Iran's "undeclared nuclear material," and were to come up with a report that failed to document Iranian deception, there would be no legal basis to insist on continuing sanctions against Tehran especially since the regime there had signed—but not yet ratified—an extremely intrusive Additional Protocol allowing IAEA inspections with less than two hours' notice in some cases. President Ahmadinejad could be expected to join leaders of other states of the Global South in trade negotiations and his control over strategic oil reserves makes him at least as formidable an opponent of the US as Venezuela's Chavez. By luring India with promises to make it a global power and offering military hardware and cooperation in nuclear and space technologies, the US and the EU seek to create antagonisms among the Global South. Notably, it has simultaneously pushed the Iran-Pakistan-India gas pipeline to the back burner and deepened India's dependence on the West.

Ravi Palat is Associate Professor of Sociology at Binghamton University and author of Capitalist Restructuring and the Pacific Rim. *He wrote this article for Japan Focus. Posted October 24, 2005.*

Notes

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[6] "108th Congress, 2nd Session, H.CON.RES.398, Concurrent Resolution) May 6, 2004.

[7] http://www.iaea.org/Publications/Documents/infcircs/2004/infcirc637.pdf

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[13] Andy Mukherjee, "China and India May Put Commerce Above Conflict," International Herald Tribune, 6 April 2005. Elsewhere—in Bangladesh and Myanmar—the two Asian giants compete against each other in energy projects, Tarique Niazi, "China, India and the Future of South Asia.".

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[15] Lora Saalman, "Redrawing India's Geostrategic Maps With China and the United States."

[16] Conn Hallian, "Sleight of Hand: India, Iran & the United States," Foreign Policy in Focus, 19 October, 2005.

[17] Bidwai, "India Diminishes Itself." Immediately after India's vote against Iran at the IAEA, an irate Iranian ambassador announced that a $21 billion deal to supply India with 5 million tonnes of liquefied natural gas annually for a twenty-five year period is off. Through some deft diplomacy, Indian officials were soon able to announce that the deal was revived. This does not refer to the pipeline deal that is still being negotiated.

[18] James Kynge, "Chronic Over-Investment, Excess Supply, and Endemic Corruption: Can China Keep Its Booming Economy?" Financial Times, 23 September, 2003.

[19] Randeep Ramesh."Chindia, Where the World's Workshop Meets Its Office," Guardian, 30 September, 2005.

[20] Jerry Harris, "Emerging Third World Powers: China, India, and Brazil," Race & Class, XLVI, 3, pp. 23-24.I am grateful to Bill Martin for bringing this article to my attention.

[21] Ibid., p. 21.

[22] Marc Frank, "Eye Surgeons Bring Ray of Hope to the Caribbean." Financial Times, 21 October, 2005.

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