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# India's Emergence as a "Responsible" Nuclear Power

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## **India's Emergence as a 'Responsible' Nuclear Power**

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In 2005 India and the United States (US) announced a nuclear 'deal' whereby India's ambiguous status in the nuclear order was sought to be clarified. The sole superpower appeared to be recognizing India's status as a nuclear-armed state by opening up the possibility of nuclear co-operation. This announcement represented the fruit of many years of careful Indian diplomacy aimed at establishing its identity as a responsible possessor of nuclear weapons and forging a closer alliance with the US. This paper provides a concise description of the provisions of the 2005 India-US nuclear agreement, and analyzes its global, regional and domestic implications.

The paper argues that while the nuclear deal, like most other events, was the product of a convergence of circumstances (such as the ideological orientation of the administration in the White House and the recent revelations about nuclear transfers out of Pakistan), the main enabling condition was India's strategy constituting itself as a responsible nuclear power. The paper highlights the power of the concept of 'responsibility' which the Indian government has repeatedly made reference to. It will conclude by comparing the policy options available to the Canadian government in responding to this deal.

In July 2005, the Indian Prime Minister Dr. Manmohan Singh was welcomed to the White House with a state banquet, and on 18 July 2005 a Joint Statement was issued by Singh and US President George W. Bush. The statement contains various expressions of common interest and pledges the two governments to work together on counter-terrorism, economic and environmental issues. It also declares that “as a *responsible state with advanced nuclear technology*, India should acquire the same benefits and advantages as other such states” (emphasis mine). Many took this to mean that the US had accepted India’s self-declared status as a Nuclear Weapon State (NWS).

Just over seven years earlier, Bush’s predecessor President Bill Clinton had reacted to the news of India’s nuclear tests with dismay. After ordering the explosion of five nuclear devices in the Rajasthan desert in the summer of 1998, the then Prime Minister Vajpayee had declared “India is now a Nuclear Weapon State”. Clinton had described the tests as putting India “on the wrong side of history” and “at odds with the international community”, which was working towards nuclear arms control.

In 2005, however, it seemed that India had emerged on the *right* side of the nonproliferation regime. It had left its undefined and worrisome past behind and was now entering a new era with a validated nuclear identity. The next section will examine how India managed to pull off this feat. First, I briefly outline the features of the India-US nuclear cooperation agreement. Section Three deals with the incentives on the part of the US and Section Four discusses the global implications of the nuclear deal. In Section Five I take up the regional and in Section Six the domestic consequences. In the concluding section I discuss the policy alternatives available to Canada as it reviews its nuclear policy towards India.

### **Section One: The India-US agreement**

The most significant part of the agreement, obviously, is the statement above by the US President that appears to acknowledge India as a de facto Nuclear Weapon State (NWS). As per article IX of the Nuclear Nonproliferation Treaty, countries that exploded a nuclear device before 1 January 1967 are NWS and all other states are Non Nuclear Weapon States (NNWS). Thus, the US, the Soviet Union (now Russia), the United Kingdom, France and China are the only legitimate NWS.

India was the first country to test a nuclear device after the NPT’s identification of a nuclear explosion as the prerequisite for NWS status. However, since its 1974 explosion was presented to the world as a ‘peaceful’ explosion, unrelated to the development of weapons, this first test did not challenge the global nuclear order in the same way as the 1998 tests and the subsequent self-proclamation of NWS status. It is important to note that Indian authorities have not pressed the issue of recognition in the international arena. Instead, they have been waging a quiet and concerted

14 February 2007

Submission to International Journal

diplomatic campaign to win over support for India's entry into the global nuclear order as one of the nuclear 'haves'.

The US State Department spokesman Nicholas Burns was careful to refute the implications that the 2005 agreement would have for India's status: "By taking this decision, we are not recognizing India as a nuclear weapons state. We are simply opening up a channel in order to co-operate on a commercial basis and a technological basis on nuclear power itself and that's a very important distinction. .."<sup>1</sup>. However, the logic of the deal only holds together if India, at the very least, approximates to a NWS. How can one, for example, assert that India is a NNWS while recognizing that it operates both civilian and military nuclear fuel cycles<sup>2</sup>?

The agreement provides that over the next eight years, the Indian government will identify 14 out of its 22 currently functioning reactors as 'civilian' and render them subject to the safeguards of the International Atomic Energy Agency (IAEA). New reactors, when commissioned, could also be declared as civilian at the discretion of the Indian government. It is of marked significance that it is the Indian government that will be making the determination of the civilian status of the reactors. It also retains the right to move reactors from one list on to another. As and when the government decides to move a reactor from the military onto the civilian list, scientists would have to discharge all the spent fuel that it contains and re-fuel it entirely with fresh imported fuel. The Additional Protocol agreement that India and the IAEA would negotiate is similar to the voluntary accords that the five NWS have entered into with that organization. Such an accord would allow India to exclude military-related facilities and even certain portions of civilian facilities on 'national security' grounds.

India also pledged to continue its voluntary moratorium on nuclear testing, but has not promised to stop producing plutonium. The proposed separation of nuclear reactors into civilian and military would not reduce India's existing nuclear stockpile or limit its potential growth. In fact, granting India access to world nuclear markets and allowing it to purchase uranium would enable the government to divert indigenously produced fuel from currently 'peaceful' uses (electricity generation) to the production of highly enriched uranium and plutonium for weapons.

Furthermore, the nascent Fast Breeder Reactor program has been kept out of the purview of international safeguards. The Fast Breeder Thermal reactors are part of the country's ambitious three-stage plan for nuclear expansion. In the first stage, these reactors (currently there are two) would be fueled with depleted uranium-plutonium fuel. They would produce low enriched uranium which would then be used in thorium

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<sup>1</sup> "Briefing on the Signing of the Global Partnership Agreement Between the United States and India", 19 July 2005, [www.state.gov](http://www.state.gov)

<sup>2</sup> Ronald Stansfield, "The Impact of the US-India Joint Statement for Canadian and International Nuclear Non-proliferation Efforts", in Wade Huntley and Karthika Sasikumar (eds.), *Nuclear Cooperation with India* (Vancouver: Simons Centre for Non-Proliferation and Disarmament Research, 2006), 39.

14 February 2007

Submission to International Journal

breeder reactors. If this plan is successful, it would allow India to achieve nuclear self-sufficiency as it is rich in thorium reserves, but since they also produce large quantities of weapons-grade plutonium as a by-product, foreign observers view these reactors with suspicion.

For its part, the US promises to “amend domestic laws and to work with friends and allies to adjust the practices of the Nuclear Suppliers Group to create the necessary conditions for India to obtain full access to the international market for nuclear fuel, including reliable, uninterrupted and continual access to fuel supplies from firms in several nations. To further guard against any disruption of fuel supplies for India, assurances regarding fuel supply would be part of a bilateral US-India agreement, the US pledged to support India in its negotiations with the IAEA, and in its effort to develop a strategic reserve of nuclear fuel. If despite these arrangements, a disruption of fuel supplies to India occurs, the United States and India would jointly convene a group of friendly supplier countries to pursue such measures as would restore fuel supply to India”<sup>3</sup>.

On 26 September 2006, the Canadian Foreign Minister Pierre Pettigrew also announced that Canada was willing to resume trade with India in dual-use nuclear technologies without infringing on the rules of the NSG or the IAEA. An agreement to cooperate on nuclear safety measures was adopted<sup>4</sup>.

## **Section Two: India’s strategy of responsibility**

From 1999 to 2001, the Indian government which at that time was headed by the Bharatiya Janata Party (BJP), held talks with the US State Department representative Strobe Talbott on the nuclear issue. As Talbott himself admitted, he was outdone in diplomacy by the Indians<sup>5</sup>. In 2004, a 14-party coalition called the United Progressive Alliance, headed by the Congress party came to power in New Delhi, and continued these negotiations. In this section I examine the use of international norms as ‘resources’ by the Indian authorities in constructing India as a responsible nuclear power.

### *Responsible nuclear policy*

Even before the 1998 tests, Indian leaders had made much of the responsible and restrained character of the nuclear program. In fact, this responsible character was cited as the reason that they were refraining from testing and weaponisation. After May 1998, restraint became the cornerstone of nuclear diplomacy. This was expressed in two ways. First, the government turned its back on decades of public opposition to

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<sup>3</sup> Suo Moto Statement by Prime Minister Manmohan Singh in the Indian Parliament, 7 March 2006.

<sup>4</sup> “Canada Announces New Areas of Cooperation with India”, 26 September 2005, <http://news.gc.ca>

<sup>5</sup> Aziz Haniffa, “Jaswant Achieved More of His Objectives than I”, 21 September 2004,

[www.rediff.com](http://www.rediff.com)

14 February 2007

Submission to International Journal

deterrence as an evil *doctrine* and affirmed its commitment to using nuclear weapons solely as deterrents. Second, India tried to present its crisis *behavior* as responsible.

With all the fervor of the new convert, India pledged its commitment to responsible deterrence, and abjured the use of nuclear weapons to change the status quo. The Prime Minister declared in a statement shortly after the 1998 tests: “Our intentions were, are, and always will be peaceful, but we do not want to cover our action with a veil of needless ambiguity”. India declared it would be content with a “minimum” nuclear deterrent and promised that unlike other nuclear weapon powers, it did not intend to build a large arsenal or create an elaborate command and control system. It would induct nuclear weapons into the armed forces only if necessary and there was no time frame in which this process would be completed<sup>6</sup>. In fact, it is thanks to nuclear deterrence, which does not depend on matching weapon to weapon, that India would *avoid* an arms race<sup>7</sup>.

In this vein, the backers of the deal point out that India has not, until now, shown any great desire to accelerate the production of nuclear arms. If it had been intent on constructing a large arsenal, it would have already done so. Therefore, there is no danger that the fissile material floodgates to the weapons program would be opened by allowing India to become a consumer in the global nuclear market<sup>8</sup>.

Nuclear restraint has also been integral to military-diplomatic strategy. In May 1999, for example, the Indian army detected intrusions in the Kargil sector on the border with Pakistan. India successfully made the case to the international community that Pakistan had supported a terrorist incursion. India managed to clear the sector of all intruders at the cost of over a thousand lives. Pakistan’s greatest defeat, however, was the near-universal condemnation of its role. The US, marking a dramatic departure from its traditional tilt towards Pakistan, pressured it to rein in the insurgents. Similarly, the attack on Parliament in New Delhi on 13 December 2001 by terrorists allegedly supported by Pakistan triggered a military response on the Indian side, followed by Pakistani mobilization. The two armies faced off across the border until June 2002. As in 1999, India was more successful than Pakistan in gaining world sympathy, especially as the assault came a few months after the al-Qaeda attacks on the US.

However, while surveys showed widespread public support in India for attacks on terrorist camps and hot pursuit across the *de facto* border, the government eschewed these options. This restraint, in contrast with Pakistan’s inability or unwillingness to control jihadis on its territory, was repeatedly parlayed into diplomatic gain. National Security Adviser Brajesh Mishra said: “The recent operations in Kargil have

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<sup>6</sup> “Fernandes for campaign against N-weapons”, 13 May 1998, *Indian Express*.

<sup>7</sup> Jasjit Singh, “Press for Total Disarmament”, 4 June 1998, *Indian Express*.

<sup>8</sup> Ashley Tellis, *Atoms for War? US- Indian Civilian Nuclear Cooperation and India's Nuclear Arsenal*. (Washington DC: Carnegie Endowment, 2006); “Indian Official Defends Nuclear Deal”, 31 March 2006, [www.nti.org](http://www.nti.org).

14 February 2007

Submission to International Journal

demonstrated that our system and the political leadership believe in great responsibility and restraint, as you would expect from the largest democracy in the world”<sup>9</sup>. While India’s stance during Kargil marked it as a mature country, Western fears of nuclear escalation boomeranged on Pakistan. India’s identity as a victim of terrorism has enabled it to shift the terms of the security discourse towards a greater emphasis on its concerns, with India’s Foreign Minister even alleging that the US was paying too much attention to nonproliferation and not enough to terrorism<sup>10</sup>. It is important to note that at the meeting with Canadian Foreign Minister Pierre Pettigrew in September 2005 leading to the declaration on nuclear issues, the other substantive issue that was discussed was counter-terrorism.

### *Responsible proliferation*

One can argue that there is nothing responsible about holding entire populations hostage, but the equation of deterrence with stability has meant that, in the global nonproliferation order, responsible behavior is equated with strict controls on the diffusion of nuclear technology outside national boundaries. In stark contrast to China and Pakistan—a contrast that Indian diplomats have played up—India has kept a tight rein on its considerable nuclear expertise. Soon after the 1998 tests it was announced that India, “as a responsible state possessing nuclear weapons” was tightening export controls<sup>11</sup>. Addressing the US Congress in 2005, Prime Minister Singh said: “I would reiterate that India’s track record in nuclear non-proliferation is impeccable. We have adhered scrupulously to every rule and canon in this area. We have done so even though we have witnessed unchecked nuclear proliferation in our own neighbourhood, which has directly affected our security interests. We have never been, and will never be, a source of proliferation of sensitive technologies”.

Traditionally Indian diplomats had insisted that *nonproliferation* was discriminatory and inadequate. But after 1998, moving away from the traditional goal of general and comprehensive *disarmament*, India began advocating clearly incremental nonproliferation or counter-proliferation measures, such as a resolution on reducing the risk of unintentional or accidental use of nuclear weapons, and a global No First Use pact. In 2002 India joined the Vienna Convention on the Physical Protection of Nuclear Material. Most importantly, the government proclaimed its willingness to sign the Comprehensive Test Ban Treaty and enter negotiations on a Fissile Materials Cutoff Treaty (FMCT). Although India objects to the NPT on the grounds that it does not reduce the weapons already existing in NWS arsenals, it is now ready to sign an FMCT which only restricts further production and does not operate with retroactive effect to reduce stockpiles of material. Further, while India is not currently a full-

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<sup>9</sup> Waheguru Pal Singh Sidhu, “India’s Nuclear Use Doctrine”, in Peter R. Lavoy, Scott D. Sagan and James J. Wirtz (eds.), *Planning the Unthinkable: How New Powers Will Use Nuclear, Biological and Chemical Weapons* (Ithaca and London: Cornell University Press, 2000), 145.

<sup>10</sup> Jaswant Singh’s Interview with El Mundo, 17 February 2002, in Official Statements of the Government of India on Terrorism and Related Matters (New Delhi: Government of India, 2002)

<sup>11</sup> C. Rajamohan, “PM Rejects Demand to Limit Nuclear Capabilities”, *Hindu*, 16 December 1998.

14 February 2007

Submission to International Journal

fledged member of the Proliferation Security Initiative it participates in its less controversial components.

That India's policy of supporting restrictions on the diffusion of nuclear material has succeeded is proven by a close look at the statement by Nicholas Burns at the official Briefing on the Signing of the Global Partnership Agreement: "...India has a record of nonproliferation, which is exceptional; very strong commitment to protection of fissile material, other nuclear materials and nuclear technology; and there's a transparency about the Indian Government's program, which has been very welcomed".

### *Sustaining development*

The rhetoric of industrial development has been used to garner support for the nuclear program in India. 'Development' was not merely a cover for the use of a civilian nuclear program for other purposes. The idea that nuclear energy would spur development is still alive, although the official economic orientation has shifted from state-directed capital-intensive development to export-oriented growth led by the private sector. While earlier, Indians claimed that indigenous nuclear projects were essential for self-sufficiency, currently opportunities for international co-operation are stressed in keeping with India's image as an emerging market.

In his speech at the Carnegie Endowment, India's then Foreign Secretary Shyam Saran drew on the rhetoric of development to justify the nuclear agreement, foregrounding his discussion of strategic issues with lengthy references to economic partnership, more specifically, India's growing stakes in a "knowledge-driven society". The first paragraph of the statement on the implementation of the India-US agreement firmly situates the deal in the context of ensuring energy supply. The opening sentence reads: "The resumption of full civilian nuclear energy cooperation between India and the United States arose in the context of India's requirement for adequate and affordable energy supplies to sustain its accelerating economic growth rate and as recognition of its growing technological prowess."

In selling the agreement to the Indian public, the government has again played the development card. In his statement to Parliament, Prime Minister Singh predicted: "The scope for cooperation in the energy related research will vastly expand, so will cooperation in nuclear research activities. India will be able to join the international mainstream and occupy its rightful place among the top countries of the nuclear community. There would be a quantum jump in our energy generating capacity with a consequential impact on our GDP growth. It also ensures India's participation as a full partner in cutting edge multilateral scientific effort...".

### *Democracy*

Indian elites have made much of the fact that it is the world's largest democracy. As the US and its allies push for democratization in the Middle East and other troubled

14 February 2007

Submission to International Journal

regions, India can point to over five decades of a surprisingly resilient democratic experiment. While democracy has apparently very little to do with the legitimacy of nuclear weapons—Russia and China obtaining international recognition as NWS while they were not democratic—this factor is becoming increasingly important. We only have to note the frequent references to, and denunciations of, the autocratic regimes in Iran and North Korea when their nuclear programs are in question, to understand the crucial role of Indian democracy in legitimizing its arsenal. Another reason for India to strategically deploy its democratic form of government is that it implies the civilian control of nuclear weapons, which is usually considered more stable than military control. In fact, India separated its civilian and military plants following the US model.

### **Section Three: American incentives**

In the sections above, I have discussed the strategy of the Indian government and the resources it deployed. In this section I describe the incentives on the part of the US government, which also determined the form that the agreement has taken.

Recent Indian administrations have been assiduously cultivating military ties with the US. India was one of the first countries to propose its participation in George W. Bush's planned missile defense system. Strategic ties were consolidated after the 9/11 attacks on the US, with India offering military support to the US invasion of Afghanistan. More broadly, India intensified its campaign to reinforce the perception of the links between Kashmiri and other secessionists with Islamic militancy in general and with Al Qaeda in particular. India has successfully presented itself as a victim of terrorism and thus a 'natural ally' of the US. Another strategic motivation for the deal could be the American design to 'contain' China. Several commentators have advocated helping India to consolidate its power as a hedge against revisionist tendencies on the part of a rising China. Acknowledging its nuclear arsenal would be an important preliminary step in initiating a joint effort to balance against China. A few weeks before the nuclear deal was announced, India and the US signed a historic military partnership. India is reportedly considering the purchase of \$5 billion worth of conventional military equipment from the US<sup>12</sup>. While common strategic goals could have eased the path to the US' acceptance of India's arsenal, we must also remember that India now figures on the mental map of US strategic planners mainly because it has successfully portrayed itself as a responsible nuclear power.

Two other factors may have been important to American decision-makers. Pressure groups have been putting out figures about the new jobs that would be created by the deal<sup>13</sup>. It is also tempting to speculate about the unprecedented role of the Indian diaspora in drumming up support for the deal. Groups of Indian-Americans affiliated with both the Republicans and the Democrats have not hesitated to claim credit for influencing votes in an election year.

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<sup>12</sup> Dafna Linzer, "Bush Officials Defend India Nuclear Deal", *Washington Post*, 17 July 2005.

<sup>13</sup> Aziz Haniffa, "'270,000 new jobs will be created': US industry", 26 November 2006, [www.rediff.com](http://www.rediff.com)

However, while economic motivations and pandering to Indian-American voters may have swayed some politicians at the margins, the deal itself could not have come into being without a solid ideological commitment by the present administration in Washington DC. It is safe to say that no other US administration would have taken the bold step of accepting India into the global nuclear order at such a low price. The reigning orthodoxy on nuclear proliferation in the White House has been summarized by analyst William Potter in three propositions: nuclear proliferation is inevitable, there are good proliferators and bad proliferators, and multilateral mechanisms against proliferation are ineffective<sup>14</sup>. India, a stable economically dynamic democracy that is increasingly close to the US, does not pose a threat to international peace in this view, and should be brought into the system by unilateral initiatives.

Nicholas Burns blandly admitted to a double standard: “We treat India, a democratic, peaceful friend, differently than we treat Iran and North Korea and we’re very happy to say that. India is inviting the IAEA in, Iran is pushing the IAEA out. India is playing by the rules. Iran is not. If that’s a system of double standards, we’re very proud to establish that double standard on behalf of a democratic friend”<sup>15</sup>.

The India-US nuclear deal as of the time of writing, does not include permanent and/or facility-specific safeguards. The US does not retain the right to challenge India’s distinction between military and civilian reactors, which is important because only the latter would be subject to international inspection. In fact, press reports suggest that the Bush administration did not try very hard to include these conditions. While his negotiators were attempting to persuade their Indian counterparts to accede to the demand for permanent safeguards, President Bush ended up endorsing the Indian position that since India was interested in a permanent fuel supply, the safeguards would in effect be permanent whether or not this was specified in the agreement<sup>16</sup>.

#### **Section Four: Global implications**

What are the major global consequences of new nuclear cooperation with India? Technically, as India has never signed the NPT, the agreement with the US does not violate international legal norms. The US State Department argued that: “Nothing in the NPT, its negotiating history, or the practice of the parties supports the notion that fuel supply to safeguarded reactors for peaceful purposes could be construed as ‘assisting in the manufacture of nuclear weapons’ for purposes of Article 1”<sup>17</sup>.

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<sup>14</sup> William C. Potter, “India and the New Look of U.S. Nonproliferation Policy”, 8 March 2005, <http://cns.miis.edu/pubs/week/050825.htm>

<sup>15</sup> David Ruppe, “U.S. Acknowledges “Double Standard” on Indian Deal”, 14 April 2006, [www.nti.org](http://www.nti.org)

<sup>16</sup> “Deal a Win-Win for India”, *Hindu*, 4 March 2006; Lloyd Rudolph and Susanne Hoeber Rudolph, “Why Bush Blinked”, *Times of India*, 6 March 2006.

<sup>17</sup> David Ruppe, “U.S.-Indian Deal Would Violate NPT, Critics Say”, 23 June 2006, [www.nti.org](http://www.nti.org)

14 February 2007

Submission to International Journal

However, there are three ways in which the recent overtures to India transgress widely-held norms on nonproliferation. First, as explained above, the deal could end up freeing India's reactors for military purposes. Therefore, the deal could be seen as an indirect violation of Article 1 of the NPT, which enjoins on all members the duty not to "in any way ... assist, encourage, or induce any non-nuclear weapon state to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices."

Second, the deal goes against the spirit of international prohibitions on assistance to countries engaged in developing nuclear weapons, and strengthens the impression that the US is playing fast and loose with the nonproliferation regime. Since India has not been categorized as one of the five Nuclear Weapon States by the NPT, its possession of nuclear weapons has a highly precarious status in international law. Iran has been quick to criticize this acquiescence towards India's nuclear program and point to a double standard<sup>18</sup>. Third, the deal seems to violate other international agreements that are part of the nonproliferation regime, such as the export controls agreed on by the Nuclear Suppliers Group.

At this point we can only speculate about the effect of the India-US nuclear agreement on nonproliferation norms. The question to ask is: what lessons will other potential nuclear states learn from India's success story? On the one hand, they could conclude that once countries acquire nuclear weapons, there is a strong incentive for the international community to accept that as fait accompli. On the other hand, they could learn a positive lesson—noting that India was treated differently from Pakistan and North Korea and rewarded for nuclear restraint and responsible stewardship of its arsenal. They could, consequently, be persuaded to sheath their nuclear arms in the restraining envelope of adherence to international norms.

Aside from the consequences for nonproliferation, India-US nuclear cooperation would be of interest to observers across the world for three other reasons. First, if India is able to operate a full-fledged civil nuclear program with international aid, it could become a model for other developing countries with growing energy needs. Second, if India successfully exploits the opportunity to enter the global nuclear market, it would ease the chronic electricity shortage which has constrained economic growth. Moreover, it would reduce the harmful emissions produced by the burning of fossil fuels. In fact, the US State Department has cited an interest in alleviating global warming as one of the motives behind the deal. The real impact on global emissions is of course a matter of speculation, but some preliminary calculations have been done. Assuming that 20 GW of new nuclear capacity replacing the output of India's coal-fired plants, David Victor estimates 145 million fewer tonnes of carbon dioxide in the atmosphere. This is nearly as large as the entire commitment of 25 European Union

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<sup>18</sup> Pranab Dhal Samanta, "Iran picks on 'objectionable' Indo-US deal", *Indian Express*, 6 March 2006

14 February 2007

Submission to International Journal

nations under the Kyoto Protocol<sup>19</sup>. Third, nuclear cooperation would strengthen the friendship between India and the US, the world's largest democracies, with implications for many aspects of international relations from counter-terrorism, to United Nations reform, to global trade negotiations.

### **Section Five: Regional fallout**

What can we predict about the strategic consequences of the nuclear deal in India's neighbourhood? It seems to stand to reason that the nuclear deal, especially when read as a sign of increased closeness between India and the US, would escalate the arms race between India and Pakistan. In April 2006, a Pakistani official asked that his country receive access to the international nuclear market, and the next day, President Musharraf revealed that he was negotiating a nuclear deal with China<sup>20</sup>. However, Pakistani politicians know that realistically, there is little chance in the short term that they would receive the same treatment as India. In March 2006, Condoleezza Rice categorically ruled out a nuclear deal with Pakistan<sup>21</sup>.

Therefore, to counter the possibility that India would have access to a larger fissile material stockpile once the deal comes into effect, Pakistan would have to find ways to enhance its arsenal either qualitatively or quantitatively. It may be forced to search for new technologies in the clandestine networks that it already has some experience with. Such a quest would have dangerous ramifications for the entire nonproliferation regime. One source that it would consider is China, which is suspected to have made certain secret transfers of reactor design and components to Pakistan in the 1990s. A leading Chinese daily in fact hinted that since the US was now reinterpreting the nonproliferation norm, other countries have the right to do so<sup>22</sup>. The clear threat was that China now has no incentive to stop transfers of nuclear or missile technology to Pakistan.

China's response to the nuclear deal will be closely watched. As discussed above, the agreement was allegedly crafted to counter the rise of China. If China were to be alarmed by the emerging US-India strategic partnership, we would expect its leaders not only to forge stronger links with Pakistan, but also to ramp up their weapons programs and to challenge US positions on a variety of issues. In turn, countries like Japan, North Korea, South Korea and Taiwan would take fright and a vicious circle of escalation would be set into motion.

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<sup>19</sup> David G. Victor, "The India Nuclear Deal: Implications for Global Climate Change, Testimony before the US Senate Committee on Energy and Natural Resources", 18 July 2006, [www.cesp.stanford.edu/news/nuclear\\_testimony](http://www.cesp.stanford.edu/news/nuclear_testimony)

<sup>20</sup> David Ruppe, *op.cit.*, n. 15.

<sup>21</sup> Pervez Hoodbhoy, "South Asia Needs a Bombless Deal", *Economic and Political Weekly*, 15 April 2006.

<sup>22</sup> C. Raja Mohan, "Delhi's comrades slam India, Beijing's slam US for n-deal", *Indian Express*, 4 November 2005.

14 February 2007

Submission to International Journal

On the bright side, this scenario is not the most likely. Indian leaders realize that triggering an arms race would be disastrous for the country at this point in its growth and China is similarly preoccupied with economic consolidation. India is not likely to lend itself to being an American pawn in the region, and China's common interests with the US and its allies are only becoming more obvious. In November 2006, the Chinese President Hu Jintao visited India and issued a joint declaration, which was subtle but of enormous interest. On nuclear issues, it said: "the two sides agree to promote cooperation in the field of nuclear energy, consistent with their respective international commitments...international civilian nuclear cooperation should be advanced through innovative and forward-looking approaches, while safeguarding the effectiveness of international non-proliferation principles". Observers have read this as an acceptance of India's nuclear bargain with the US and as a hint that China would not oppose it when it is brought up before the Nuclear Suppliers Group.

### **Section Six: Domestic repercussions**

In this section I will summarize the reactions that these developments have elicited in India. I will focus on three interested groups—strategic analysts, politicians, and the technocrats in the nuclear program.

Although Prime Minister Singh assured Parliament that "strategic policies and assets are a source of national security and will continue to be so, and will remain outside the scope of our discussions with any external interlocutors", some constituencies regard the deal with the US as a surrender of India's assets. Some strategic analysts feared it would injure the delicate balance of opacity and transparency that grounds India's deterrent. Satish Chandra, a former member of the National Security Agency, worried that other powers would be able to make better calculations about the number of bombs India could produce as the size of its fissile material stockpiles would be easy to estimate<sup>23</sup>. Others claimed that deterrence would not be compromised since the "framework has not given any license for the US or the IAEA to probe into what we are doing",<sup>24</sup>.

The previous government headed by the BJP had also been negotiating with the US on the nuclear issue, but had not arrived at a deal. This does not stop the BJP from criticizing the present government, with most of its criticism referring to the unequal burden of commitments on India's part<sup>25</sup>. These sentiments are also echoed by the Left parties. Opposition politicians have also expressed concern about the effect of India's closeness to the US on its traditional foreign policy relationships. When India voted, along with the US, to report Iran's nuclear activities to the IAEA board, its long-

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<sup>23</sup> Sheela Bhatt, "World doesn't know India's Bombs", 25 August 2005, [www.rediff.com](http://www.rediff.com)

<sup>24</sup> A. Gopalakrishnan, "Baseless Criticism of the Prime Minister", 29 July 2006, [www.rediff.com](http://www.rediff.com)

<sup>25</sup> Atal Behari Vajpayee, "Statement on the Prime Minister's Joint Statement", 20 July 2005, [http://www.bjp.org/Press/July\\_2005/july\\_2005.htm](http://www.bjp.org/Press/July_2005/july_2005.htm); "India must re-negotiate its nuclear deal with US: Mishra", 7 February 2006

14 February 2007

Submission to International Journal

standing ally Iran expressed anger at India's tacit support of American attempts to divest it of its nuclear capability<sup>26</sup>.

Retired government scientists have expressed apprehensions about dependence on foreign technology. As expected, the official reaction from India's Atomic Energy Commission (AEC) was positive. Ashley Tellis lists the reasons why consummating the agreement is important for the Department of Atomic Energy (DAE)

- it provides regularized access to imported natural uranium since domestic production is hampered by the bottlenecks in its mining and milling infrastructure
- it permits the DAE's commercial operating arm to import higher unit output reactors which are more economical than the traditional low unit output facilities
- the ability to legally import brings with it the prospect of foreign financing, modern safety technologies, and new advanced designs
- it enhances the DAE's own ability to participate in the new global initiatives in fusion research, waste management, and reactor design
- finally and perhaps most importantly, the agreement provides India with a structural hedge in case the planned indigenous nuclear expansion program runs into trouble<sup>27</sup>.

India's flagship energy thinktank, the Tata Energy Research Institute supported the nuclear deal on account of its ability to provide cheap energy. At present, nuclear power makes up only 3% of total power generated in India. The bulk of the supply (55%) comes from coal burned in thermal power plants while hydroelectric power contributes 26%. Speaking at a conference in Vancouver in 2005, nuclear expert M. V. Ramana claimed, extrapolating from the AEC's past performance, that we cannot expect new nuclear inputs to satisfy India's growing thirst for power. However, Seema Gahlaut countered with the argument that isolation has contributed to the AEC's inefficiency, or at least has allowed it to make such a claim. Only time will tell whether the infusion of new technology will make the AEC more competitive.

The July nuclear deal impinges on India's energy policy in another way. Since 2004, India has been negotiating with Iran on a natural gas pipeline that would transfer fuel to India's west coast. The 2670 kilometre long pipeline would pass through Pakistan. The Bush administration expressed its disappointment at India's cooperation with Iran, a country that it considers part of the 'axis of evil'. Instead, it has been encouraging India to consider an alternative project, partly funded by the oil giant Unocal—the Turkmenistan Afghanistan Pakistan pipeline. American diplomats also made it clear to their Indian counterparts that Congress would approve the July deal only if the Indians were seen as cooperating with the US in their attempts to force Iran to give up its uranium enrichment program. Thus in the crucial vote at the IAEA on 24 September 2005, on the question of referring Iran to the UN Security Council, India broke with the nonaligned countries and voted along with the US. Iran responded immediately, indicating the \$21 billion gas pipeline was in jeopardy. This stance has since been softened. However, the question remains: can India afford to antagonize Iran? If Iran

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<sup>26</sup> Ali Asghar Soltanieh, "The Indo-US Nuclear Deal Can't Be Justified", *Outlook*, 19 June 2006.

<sup>27</sup> Ashley Tellis, op. cit., n. 8.

14 February 2007

Submission to International Journal

does withdraw from the pipeline project, will the shortfall in fuel supplies be made up by the US-supported project or by nuclear energy?

There were critics within India who saw the deal as yet another nail in the coffin of nonproliferation. But they were definitely in the minority, as even those elites who were not attentive to nuclear developments perceived the agreement as a recognition of the growing global status of their country. The effect of the agreement has been to strengthen the position of those who advocate a pro-Western foreign policy and globalization in economic policy. Kanti Bajpai has suggested that greater closeness with the US in fact signals a shift of power away from the foreign policy establishment in favor of the military<sup>28</sup>.

A short note about the latest developments in US politics and their impact on the chances of the deal's success: at the start, members of the US Congress were upset with the deal, for the simple reason that the Bush administration had not taken pains to keep senior Congresspersons informed. The deal was sprung on Congress as a "done deal" just as it had been sprung on the rest of the world. The deal was cooked up by Robert Blackwill, ambassador to India during Bush's first term, and Ashley Tellis, who had been his Senior Policy Advisor in New Delhi<sup>29</sup>. Indeed, the policy shift bears all the signs of a top-down administrative directive specifically designed to circumvent the inter-agency review process and to minimize input from any remnants of the nonproliferation lobby<sup>30</sup>.

However, it seems that members of Congress have swallowed their pique. In November 2005 the US Senate overwhelmingly, and more importantly, with bipartisan support, passed enabling legislation allowing the deal to go forward. The Senate legislation now must be matched to the House version, which passed in July 2006 by a vote of 359 to 68; both chambers then must approve the final language in what is known as the "conference stage." The package will not move forward until both houses agree to specifics of a nuclear-cooperation accord with India. India will also have to work out a complementary deal with the IAEA with regards to inspections and reporting.

### **Section Seven: Canadian options**

While the Indian nuclear tests in 1998 took the world by surprise, Canadians had already been severely discomfited by India's nuclear ambitions. In May 1974, the Indian government under Prime Minister Indira Gandhi, detonated a nuclear device with the claimed yield of 12 KT at the Pokharan testing site in the Rajasthan desert. The fissile material for the explosion came originally from the CIRUS reactor near

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<sup>28</sup> Kanti P. Bajpai, "Where are India and the US Headed?", *Economic and Political Weekly*, 6 August 2005.

<sup>29</sup> Dana Milbank and Dafna Linzer, "US, India May Share Nuclear Technology", *Washington Post*, 19 July 2005.

<sup>30</sup> William Potter, op.cit., n. 14

14 February 2007

Submission to International Journal

Bombay. Canada had supplied this CANDU-type reactor in the 1960s under very loosely worded safeguards, while the heavy water to fuel it was provided by the US. CIRUS was in fact named to recognize the contributions of Canada, India and the US.

As the dangers of unlimited nuclear co-operation became clearer, Canadian officials had pressed India to accept greater constraints on the disposition of the spent fuel from CIRUS, but had not made much progress by 1974. After the May 1974 explosion, which India insisted on describing as a 'Peaceful Nuclear Explosion', Canada first suspended all nuclear ties. A full review of all Canadian nuclear agreements was conducted, and led to their comprehensive overhaul. Co-operation with India was of course particularly difficult, especially after India refused to subject all reactors to multilateral safeguards, and was finally ended in May 1976.

In subsequent years, co-operation was resumed in an ad hoc and limited manner. Concerns among Canadian engineers and scientists about safety at CANDU-type reactors led them to confront the proliferation hard-liners. In 1989 the former obtained approval to help India with the sole purpose of ensuring reactor safety. The Indian government for its part, was wary of allowing foreign inspections.

In the meantime, Canadian officials had also worked hard to establish their country's reputation as a solid pillar of the nonproliferation regime. The emphasis on 'human security' concerns after the end of the Cold War and the persistent use of nuclear weapons as bargaining chips by the US only made Canada more determined to speak up for the interests of the regime. Thus, although India and Canada have diversified and deepened their relationship in recent years, the nuclear issue has been off the table (albeit a background irritant).

A major shift in Canadian foreign policy followed on the heels of the July 2005 agreement between India and the US, as symbolized by the Pettigrew statement. However, the relationship between India and Canada is certainly more fraught than the one that India enjoys with the US. India has chosen to permanently shut down the CIRUS reactor in 2010. This would ensure that Canada's original concern would be mitigated. Yet there are other issues of concern for Canadians.

First, Canada is a signatory to the NPT and a member of the NSG and as discussed above, entering into an exchange of technologies with India could be seen as a violation of those multilateral commitments. Second, and more importantly, Canada's carefully nurtured position as a defender of the nonproliferation regime could be harmed. Shortly after taking office, Canadian Prime Minister Stephen Harper, on being questioned about the deal, avoiding any direct comments but reiterated his commitment to the NPT<sup>31</sup>.

Nevertheless, Canadian leaders might decide that this issue is not worth the stress of breaking ranks with the US, and choose to render support to the Americans when they

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<sup>31</sup> "Canada to review civilian nuclear understanding with India: Harper", *Khaleej Times*, 16 March 2006

14 February 2007

Submission to International Journal

face questions at the NSG and other forums. In the larger sense, Canada may also consider this support to be essential to become a part of a new strategic alliance in Asia, as David Frum counsels<sup>32</sup>. The nuclear issue has, of course, tremendous symbolic significance for bilateral ties, so nuclear co-operation would be consistent with the Canadian focus on 'Chindia' (China and India) or 'Jandia' (Japan and India) in economic strategy. Moreover, as the CANDU project struggles to overcome its technical problems in time to profit from the next wave of nuclear commerce, establishing an alliance with Indian scientists and engineers may seem like a good idea.

### *Conclusion*

In many ways, it is premature to discuss the implications of the India-US nuclear cooperation agreement since the final version of the deal has not been drawn up. It is possible, although improbable, that disagreements over specific provisions would derail the agreement. For example, questions are bound to be raised about the inclusion of specific reactors or plants on the civilian and military lists; India currently uses the limited uranium enrichment capacity available at the Rare Materials Plant for producing fuel for nuclear submarine reactors. Since this plant can be upgraded to produce weapons-grade uranium, the US could demand that India place this facility on the civilian list<sup>33</sup>. Such a conversion would not only restrict fissile material production but also cripple India's 'blue water Navy' plans. Yet, because the deal is one of such far-reaching importance, this paper has attempted a preliminary investigation of the motives behind it and its possible repercussions.

In its attempt to construct itself as a rising power and a responsible one, India has found many allies. Even the Director-General of the International Atomic Energy Agency, Mohamed El Baradei came out in support of the deal, calling it an instance of "out of the box thinking"<sup>34</sup>. The remarkable level of support for accepting and tacitly recognizing India's nuclear weapons is a riddle that deserves to be answered. I have tried to show that the answer must include the adroit Indian diplomatic strategy of drawing on international norms.

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<sup>32</sup> David Frum, "Our Friends in New Delhi", *National Post*, 7 March 2006

<sup>33</sup> A. Gopalakrishnan, "A Question of Nuclear Separation", 14 January 2006, [www.southasianmedia.net](http://www.southasianmedia.net)

<sup>34</sup> Muhammad El Baradei, "IAEA Director General Reacts to US-India Cooperation Agreement", 20 July 2005, [www.iaea.org](http://www.iaea.org)