
The Indian Nuclear Deal

In December 2006 the US Congress voted the Hyde Act, which provides the legal framework for nuclear trade and cooperation between the United States and other countries. One of its aims was to encourage the cooperation with India, with a view to sign an agreement under section 123 of the Atomic Energy Act.

India had been first isolated by the international community as a consequence of the 1974 nuclear tests. Later on, in 1998, the BJP (nationalist) government issued a military nuclear program which led the country to face a harsh international regime of sanctions and technology denial. The new agreement - which took more than one year of negotiations - is intended to open up again the doors of world nuclear trade for India.

In the policy lines underlying the Hyde Act, the re-engaging of India in nuclear commerce is considered as a key move in the promotion of non-proliferation goals and a cornerstone of future stability in the Asian regional context. The 123 agreement states that India-specific safeguards have to be negotiated with the International Atomic Energy Agency (IAEA), and this in turn will allow the country to obtain a waiver from the current guidelines of

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the Nuclear Suppliers Group (NSG). In other words, it is a “single window clearance for India”, mainly defined on a bilateral basis with the US, that put an end to strategic and economic isolation in fundamental sectors: “The nuclear deal is much more than about nuclear energy. It is about breaking through a technology denial regime that has spread across many sectors of India’s knowledge economy – from IT to defence, space, pharmaceuticals clean energy, biotech”¹.

It is expected that negotiations with multilateral institutions will concern the continuation of the nuclear military program, as well as the imposition of a check on Indian reactors, the stock of nuclear fuels and military capabilities, the trade and management of fissile materials and so on. The Hyde Act states that the country has “to implement substantially improved protections against proliferation”, but also “refrain from actions that would further the development of its N-weapons”. Nevertheless, the bilateral text agreed on (123) is silent on nuclear testing by India, and it makes clear that the Pact will not hinder New Delhi’s military program. Indian comments underlined that the Hyde Act is not binding on India, but only on the US, and that the parties “agreed to differ”². Actually, the deal looks very advantageous from the Indian side. If India conducts a test, the US would have the right to take back all the fuel they gave to the partner. But this right of return does not come automatically into effect. The US administration has to choose explicitly to stop cooperation with India and take back fuel (and one clause of the 123

¹ “India’s credibility will take big hit if N-deal is nuked”, *The Times of India*, August 21, 2007, p. 9.

² “Dr. Heckle and Mr Hyde”, *Hindustan Times*, August 23, 2007.

agreement pledges to provide India with an ample fuel stock to guard against a possible disruption of trade caused by a new nuclear testing). Even then, US will take into account whether the nuclear test is “a response to similar actions by other States” or is due to “serious concerns about a changed security environment”. Whether or not this fits with the legislative intent expressed in the Hyde Act is not an Indian concern.

The deal’s operationalisation is quite complex. The first step is the signing of the safeguards agreement between India and IAEA. Then, the 45-members of NSG have to grant an exemption from the current regime of sanctions, and, finally, the 3 texts (123, IAEA and NSG agreements) will go to the US Congress for an up or down ratification. The full completion was planned to arrive by the end of 2007, before the Bush administration entered its last year in charge.

Nevertheless, in the summer of 2007, when the text of the agreement was made public, Indian politics was upset by a bitter debate. The Congress Party – leader of the government coalition – was isolated by the combination of right-wing and left-wing opposition to the deal. On the one side, nationalists of Bharatyia Janata Party and their allies (so-called NDA coalition) claimed that the deal would have a negative impact on the previous nuclear strategic program, imposing constraints on the Indian right to take care of its own security. In their view, the 123 Agreement signed with the US would prove harmful for national sovereignty and independence. Much more important in the current state of affairs is the opposition of the Left parties, whose votes are necessary to the government in order to reach the majority of the Parliament.

Apparently, the Left opposition seemed to repeat nationalists' arguments: 123 is a long-term agreement that has serious implications for India's independent foreign policy and sovereignty. However, behind this label, there is a much more interesting story – a tangle of arguments that grasps the essential core of this deal for contemporary world politics. In fact, what does mean the Left by “serious implications for India's independent foreign policy”? Exactly this: “a wider strategic alliance with Washington”³.

For the Left parties, the negotiation was driven by the Prime Minister Manmohan Singh's ideological belief that “the United States wanted to help India to become a great power; that of all the Presidents, George Bush was the friendliest towards India and that in a globalised world Indo-US relations [are] the key”⁴. Quite obviously, pro-deal opinion makers reacted to the Left's stand by affirming that these parties are driven by the Chinese government (“their comrades in Beijing”), finally focusing on the real issue at stake, that is the future of the political balancing in Asia.

In fact, despite of the deal's technical and legal complexity, it seemed very easy for the public opinion on both sides to understand its real implications. The pro-deal side looked at the bilateral agreement with the US as an historical opportunity to get out of the isolation and join the “great game” at the global level. No other “white knight” can offer a deal at the same terms that India got in 123. Then, a reject of the agreement by the Parliament would terribly harm the relations with US, seriously affecting the Indian

³ “Prakash Karat (leader of the Communist Party of India), “Why the CPI and the Left oppose the nuclear deal”, *The Hindu*, August 20, 2007, p. 12.

⁴ “Put the nuclear deal on hold”, *The Hindu*, August 20, 2007, p. 12.

ambition to a permanent seat at the UN Security Council, not to tell of its diplomatic credibility. The opposition to the liberation of India from “technological apartheid” could be compared to the opposition to economic liberalisation in 1991. “The US and the international community in their own interest have now moved to lift the technology apartheid without requiring India to join the NPT or give up its nuclear weapons. The international framework is being modified to bring in India – and India alone – as a member of the bigger non-proliferation regime”⁵. Moreover, fears of becoming a US satellite are not justified: since the independence India has been able to manage an autonomous foreign policy, resisting pressures by external powers and maintaining its tradition of non-alignment. Now, it’s not about becoming a US ally, but to build a strategic partnership which serves the interest of both: Washington thinks that a rising democratic India will help its objectives (maintaining the balance of power in Asia and conserving its economic and technological supremacy); India has no better alternative and is aware of the value of its partnership for the US. After all, the re-opening of nuclear trade is not just as a tightening of indo-US relations: also nuclear powers like Russia and France can be interested in reinforcing their relations with India, and these countries strongly support a multipolar view of world affairs.

Those who criticised the deal, on the other hand, did not entirely disagree with this analysis; they just looked at it the other way around: just because this is an India-specific agreement, with special conditions that no other partner

⁵ K. Subrahmanyam, “Let’s Believe in Ourselves”, *The Times of India*, August 20, 2007, p. 14..

⁶ “Put the nuclear deal on hold”, *The Hindu*, August 20, 2007, p. 12.

can grant, it is going to provoke exactly the opposite of what it is planned to do - i.e. an undermining of the political balance in Asia. This perspective seemed to be confirmed by the international contingency in which the discussion took place. In August, the Japanese Prime Minister Shinzo Abe visited India, offering cooperation in the field of energy. In his address to the Parliament, he proposed the creation of a quadrilateral group for strategic and economic cooperation in the Asia-Pacific region, the "Arc of Freedom and Prosperity", comprising India, Japan, Australia and the US.

In the debate on the nuclear deal, this was immediately interpreted as the launching of the "Asian NATO"⁷, an eastern alliance of democracies - actually looking very much as an alliance of conservatives - with the fundamental aim to contain China. This epitomized exactly that kind of tight strategic commitment with the leadership of the United States that an important part of Indian public opinion wished to avoid. And the new did not come alone. India, Japan, Australia, Singapore and the United States had already planned for September a unprecedented joined military exercise in the bay of Bengal, called "Malabar 07". According to some experts, this initiative has to be considered as an American response to the joint military exercises recently conducted by Russia and China. Washington was worried about the growing closeness between these (re-)emerging powers, fuelled by the Russian regained centrality on the energy market and the Chinese unstoppable economic growth. Furthermore, a meeting between China's leader Hu Jintao and the Iranian president Ahmadinejad, in August, seemed to foreshadow a support to

⁷ "As Comrades Listen, Abe Moots Asian NATO", *Hindustan Times*, August 23, 2007, p. 1.

Iran in the face of US attempts to isolate it on the nuclear question. This raised questions about Beijing's role in pushing US towards the bilateral nuclear pact with India. But also Pakistan entered the game. While the debate on the nuclear deal was dividing India, Beijing and Islamabad were "getting their acts together to lobby with the Nuclear Suppliers Group that instead of making an exemption for India, it should supply nuclear material to Pakistan as well"⁸. These countries, indeed, perceived the 123 agreement between India and US as a discriminatory approach that altered the strategic balance in Asia and the world.

So, a new rigid bipolar structure seemed to emerge in the global security scenario, and it was not sure that the traditional Indian principle of non-alignment could feel at ease within it. A strong feeling of distrust towards US helped public opinion outside the ruling middle class to perceive the India-specific nature of the deal as a double standard practice: "Non-transparency, which has been in evidence for much of the time this nuclear deal has been in process, has taken its toll of political and public support; and unprincipled compromises such as the US-coerced ganging up against Iran in the governing board of the IAEA and deepening military relations with the US have had their influence on political perceptions of the 123 agreement"⁹. Add to this the government's fears of losing Muslim's favours, and we finally have a suitable picture of the split that troubled Indian politics and society in the second half of 2007.

⁸ "Pause in Delhi, fast-forward in Beijing & Islamabad", *The Indian Express*, August 23, 2007, p.1.

⁹ "Put the nuclear deal on hold", *The Hindu*, August 20, 2007, p. 12.

The negotiations with the IAEA officials are still going on in December 2007. Problems seems to arise about the regime of special inspections, and especially about Indian claims to have a formal acknowledgment of its right to uninterrupted nuclear supply and to build a strategic reserve of N-fuel¹⁰. In the meantime, the “conservative” democratic alliance is gone – Abe has resigned, Howard has lost the election, after ten years in power, and George W. Bush is entering his last year in charge.

This is a chronicle of very important events – one year in which the engine of history seemed to turn on again. But we can not conclude it without mentioning the name of the big absent in the whole story: Europe. Has anyone heard the voice of Europe in this “great game”? Does anyone know the opinion of Europe about the Indian nuclear deal? Has Europe an opinion about that? In this case, we are not dealing with the usual “Kissinger” question: “who *speaks for* Europe?”, but we are wondering whether Europe *speaks about* the issue at all.

India is a fundamental pillar of new international system; Europe can not ignore it. It is a European (and collective) interest to engage India in the governance of global affairs. Traditional principles of autonomy and non-alignment of Indian foreign policy have not to be turned into isolationist or nationalists temptations. The biggest democracy in the world should be helped to reach the status of great power – with its rights and obligations – in a peaceful and non-threatening way. This is a tremendous undertaking, certainly one of the most important of the XXI century. Does the 123

¹⁰ Cfr.: <http://ipsnews.net/news.asp?idnews=40566>.

agreement fit with this purpose? European citizens will be glad to know the opinion of their leaders about this fundamental question. Probably, this long path can not be undertaken by unilateral initiatives and bilateral deals. Currently, the framework of international governance in the nuclear field is one of the most confuse and ineffective. It is fragmented among limited multilateral forums, like the Nuclear Suppliers Group, collective multilateral norms like the old non-proliferation treaties and a number of bilateral or regional ties. This is not the best context to promote the involvement of India. Nonetheless Indian analysts are right: so far, there are no alternatives to the special relationship with the US, which is the only player with the political, economic, and technological weight needed to start a serious initiative in this field. Unfortunately, the United States, the only credible and capable actor, are engaged in a unilateral policy of containment, and this premise shed a bad light on the Indian nuclear deal as well.

Hence, the only viable alternative risks to prove itself a fanciful initiative, because it deepens polarisation and cleavage lines among the great powers in unsustainable ways, and bring up allegations of double standard practices. The Iranian nuclear program is something very different from the Indian deal - it is secret and illegal, Iran is a fundamentalist regime and in recent history the two countries showed completely different attitudes on the issue - but it looks very different from how the West uses to present it when you see it on the backdrop of the whole Asian context, and when you also put in the account the US withdrawal from the Anti-Ballistic Missile treaty and the US-Russian tensions about the Defense Missile Shield in eastern Europe. Probably,

this is the point where the European Union should resume the thread of collective security.