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INDO-US CIVIL NUCLEAR DEAL: STRATEGIC IMPLICATIONS FOR INDIA

Abstract

Indo-US Civil Nuclear Deal also known as India-US Civil Nuclear Cooperation Agreement or 123 Agreement — named after section 123 of US Atomic Energy Act of 1954— is a bilateral agreement between India and the United States governing cooperation between the two sides in the field of civil nuclear energy. The framework of this was laid down by the US President George W. Bush and Indian Prime Minister Dr. Manmohan Singh on 18 July, 2005 by issuing a joint statement. In the joint communiqué, President Bush termed India as a “responsible state with advanced nuclear technology” and stated that it “should acquire same benefits and advantages as other such states.” Bush also assured Prime Minister Dr. Manmohan Singh that “he will work to achieve full civil nuclear energy cooperation with India as it realizes its goals of energy security.” Indian Prime Minister on his part stated that India would “assume the same responsibilities and practices and acquire the same benefits and advantages as other leading countries with advanced nuclear technology.”

Indo-US Civil Nuclear Deal was a very complex deal, as it had to go through several complex stages to see the light of the day. Besides being a complex deal it also turned out to be one of the most controversial agreements signed by India in post independence era. The Agreement went into trouble since the day it was announced because of severe criticism and vehement opposition. In India Agreement faced criticism on three main grounds. First, the deal would undermine India’s strategic nuclear weapons programme. Second, the deal would compromise India’s independent foreign policy. Third, nuclear energy is very expensive and huge investments in this sector will make hostage the development of other sources of energy.

In the United States deal faced a stiff opposition from non-proliferation community. It was argued that deal would set a precedent for other states to cut similar deals with their strategic partners. It was also argued that the deal would have an adverse impact on the countries that are parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) who have renounced their nuclear ambitions with this promise that the benefits of civil nuclear technology will be reserved for NPT signatory countries only. From the deal, these states would draw a message that developing nuclear weapons would bring international criticism and sanctions for a limited period of time, ultimately rewards would come and states would be accommodated into global nuclear order as has emerged in the case of India.

A number of strategic analysts also criticised the Agreement on the grounds that it would have far reaching consequences for the stability of South Asian region. It was argued that the deal does not place any safeguards on India's nuclear weapons programme, nor does it restrict her production of fissile materials. The deal provides India access to international fuel market and this would free indigenous reserves of uranium which India could extensively utilise to make qualitative and quantitative improvements in her nuclear arsenal. This could provoke other countries of the region to make structural changes in their nuclear weapon programmes and this could trigger an arms race in the region leading to its destabilisation.

This study attempts to provide an in depth analysis of all these issues. The study has been divided into five main chapters. Chapter one provides a broad overview of India's nuclear programme and the developments in Indian nuclear discourse since its independence. Chapter two deals with the genesis and development of India-US civil nuclear cooperation initiative. Chapter three covers the process of negotiations at IAEA and NSG. Chapter four analyses the domestic, regional and global implications of the deal and chapter five summarises the main findings of the study.