

## CHAPTER 7

### A REALIST'S CASE FOR CONDITIONING U.S. NUCLEAR COOPERATION

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The debate over the nuclear deal negotiated by the Bush administration and the government of India is too narrow. This is ironic inasmuch as the best argument for the deal is that it advances big strategic goals. Some administration officials admit privately that the purported nonproliferation benefits of the deal are thinner than the paper it is not yet written on, and they hope to convince Congress that, even if there are no nonproliferation gains, the grand strategic benefits still make the deal worth supporting. Strangely, nevertheless, the debate focuses on the nonproliferation aspects of the deal and leaves larger strategic questions relatively unexamined.

I will not rehearse the various arguments made by nonproliferation specialists who criticize the deal. By and large, these criticisms are correct. If the proposed deal would not undermine other countries' continued willingness to strengthen and enforce nonproliferation rules, the administration could prove this by allowing the 45 countries in the Nuclear Suppliers Group to debate the deal fully and offer ways of improving it *before* urging Congress to vote on the administration's proposal. If the U.S.-India deal is so harmless, then the Nuclear Suppliers Group (NSG) should not have major problems with it. If NSG members have major problems with it, the deal is not so harmless.

To put it another way, proponents of the deal say it will achieve nonproliferation benefits or, at least, will not cause a weakening of the rules and enforcement of the nonproliferation regime. Rather than accept this claim on faith, is it not prudent to test it in the marketplace of states that are vital to the regime's maintenance and enforcement, the NSG? What sound argument can be made to proceed without such a test? Concern that the NSG could adopt new rules ahead of U.S. congressional action and thereby give French, Russian, or other actors a commercial advantage, overlooks the fact that the NSG acts by consensus, and the United States can block proposed changes that disadvantage it, or delay the proposed changes until U.S. legislation can be adapted to conform with them.

Instead of dealing seriously with concerns raised by nonproliferation specialists within and outside the U.S. Government—and many other countries—the President's key advisors tend to dismiss them as pedantic and small-minded. Nonproliferation details are seen as getting in the way of grand historical change, or of a long-delayed honeymoon in relations between the United States and India.

Rather than argue that the nonproliferationists are right (or wrong), I want to question whether the story being created by the grand history makers is such a good one after all. I believe that the authors—current and former advisors to Secretary of State Condoleezza Rice and President George W. Bush—are careless in their assumptions about the virtues of nuclear power in both its forms, civilian and military.

In Realist terms, champions of the deal are inflating the value of nuclear weapons at a time when U.S. interests are best served by deflating it. By doing nothing to constrain India's capacity and will to

expand its nuclear arsenal and by hinting that a more robust Indian arsenal can help balance China's power, the United States sends an inflationary signal to the global marketplace. Indeed, the signal is stronger to the degree that Washington is rewarding India by removing all long-standing policies that penalize states acquiring nuclear weapons. These penalties were meant precisely to devalue this currency. A strong case can be made that rules need to be changed to bring India (and Pakistan and Israel) into the broad nonproliferation regime, recognizing that these states possess nuclear weapons and have not violated the Non-Proliferation Treaty (NPT). But changing the rules is not the same as abolishing them. Hasty, wholesale abandonment of rules that distinguish between the benefits that non-nuclear weapon states under the NPT enjoy, and those that nuclear India (Pakistan and Israel) might gain, devalues the restraint that countries such as Argentina, Brazil, Germany, Japan, South Africa, South Korea, Sweden, and others have exercised in forsaking nuclear weapons. More graduated benefits should have been considered.

As a consequence of the intervention in the Indian nuclear currency market, many Iranians speculate that, in short order, the United States will subordinate nonproliferation objectives vis-à-vis Iran, as it has with India. American officials (and analysts like me) can list correctly the vital differences between Iran and India, and insist that what is being done for India would not be done for Iran or any other non-nuclear weapons state under the NPT. Still, Iranians and many other observers calculate that Iran is greater civilizationally than Pakistan and on par with India. Iran has greater energy resources than both and occupies a vital geostrategic position. Therefore, some Iranians assume, the Indian model can be adapted to their country.

We should imagine that if Iran succeeds, Turks and Egyptians, and perhaps South Koreans and Japanese, may revise their own calculations. To the extent that these countries are friendly toward the United States, they will believe, with some reason, that Realist interests in America ultimately would accommodate their acquisition of nuclear weapons.

This currency intervention, as it were, contravenes Realist interests whether one favors an international model with the United States as an unrivaled, unipolar power, or a model with the United States as a liberal institution-builder. Either way, the United States is best served by diminishing the attractiveness of nuclear weapons both as military instruments and as symbols of power. In military terms, the spread of nuclear weapons to additional actors—states or terrorists—reduces the freedom with which the United States can project its military power or exercise its will in crises. Nuclear weapons can be equalizers; the United States is likely to be the equalizee, as former chairman of the House Armed Services Committee Les Aspin once put it.

Certainly the United States will try to deprive Iran and other hostile countries from acquiring this technology precisely to prevent limitations on American power projection. Yet Washington's capacity to rally the international coalition necessary to achieve this objective is vitiated by the specific strategy and tactics it is employing against Iran and the broader climate created by the India deal.

To the extent that states capable of producing nuclear weapons conclude from the India deal that they can begin to develop hedging capabilities, and bet that the United States or others gradually will accommodate them as it is accommodating India,

it is prudent to anticipate that Japan, South Korea, Indonesia, and perhaps Turkey and Egypt might move to achieve nascent fissile material production facilities. Other factors more immediate than the U.S.-India deal would be more important in driving such decisions, particularly the future of the North Korean and Iranian nuclear programs. Still, the accommodation being offered to India will increase, rather than decrease, the probabilities of such hedging by governments that know the United States will not see them as enemies.

If states in Northeast, Southeast, and Southwest Asia move to acquire overt or recessed nuclear weapons capabilities, the United States, as the world's greatest power, will face an overwhelming challenge. As Henry Kissinger recently wrote,

The management of a nuclear-armed world would be infinitely more complex than maintaining the deterrent balance of two Cold War superpowers. The various nuclear countries would not only have to maintain deterrent balances with their own adversaries, a process that would not necessarily follow the principles and practices that have evolved over decades among the existing nuclear states. They would have the ability and incentives to declare themselves as interested parties in general confrontations.<sup>1</sup>

It is reasonable to assume that the United States would have interests in all such confrontations, and therefore would face greater nuclear risks and challenges than any it has known thus far.

Beyond increasing the potential of more difficult balance-of-power challenges, the proposed deal undermines international institutions and rules that are vital to a cooperative security model, and is not useful to a model with the United States as the unipolar power. A unipolar power needs rules to help identify

the bad guys and rally support for its efforts to corral them. Indeed, even a unipolar power in today's world cannot solve alone most of the problems that really threaten it, so it needs to strengthen good rules and convince other actors to buy into them.

The NSG was created by the United States in the aftermath of the first Indian nuclear test in 1974, and each episode of its strengthening has been driven by the United States. Now the United States, perhaps with congressional blessing, is preparing to act as if the NSG is insignificant. It is difficult to see how this approach would strengthen the NSG or even be neutral.

And if the United States unilaterally removes all rules limiting nuclear cooperation with India before the International Atomic Energy Agency (IAEA) and India have established the terms of safeguards that India is willing to adopt, the United States would be undermining the IAEA. The IAEA is far from perfect. It needs improvements, many of which require action by the states comprising its board of governors. But it has in recent years taken steps to enhance significantly its capacity to detect efforts by states to hedge on their nonproliferation commitments. As my colleague, former deputy director of the IAEA Pierre Goldschmidt, explains, since 1998 the Agency has used improved detection technologies and new analytical approaches to strengthen the likelihood of gaining warning that a state's nuclear activities are not exclusively peaceful. The Agency's limitations pale in comparison to the lack of political will by China and Russia, as veto-wielding members of the United Nations (UN) Security Council, to act decisively to enforce compliance with rules. Nothing in the U.S. approach to the nuclear deal with India increases respect for the IAEA or the willingness of China and Russia to take more seriously

their responsibility to enforce compliance with nuclear nonproliferation rules. Rather than treating the IAEA as an afterthought and thereby weakening its salience, the United States should signal that it will not open nuclear commerce with India without knowing whether India will agree to safeguards that the IAEA deems sufficient.

Without explosive testing, it is difficult for a state newly acquiring nuclear weapons to be confident that it actually has a weapon that will work. Explosive testing also greatly improves a state's capacity to impress its own population (for political gain) and its neighbors (for power and deterrent purposes). These are major reasons why the Comprehensive Test Ban Treaty for decades has been a top nonproliferation objective. The United States has weakened the no-test constraint and its own legitimacy, by refusing to ratify the treaty, even as it has maintained since 1992 a moratorium on nuclear testing. Recognizing the importance of preventing the ripple effects that nuclear testing by any country would cause, the United States and India, in the July 2005 announcement of the proposed nuclear deal, emphasized that India would maintain its own moratorium. Yet, in subsequent negotiations and statements, the impression has grown that, in the event of renewed testing by India, the United States would seek to help India maintain supplies of fuel and other technology necessary to maintain nuclear reactors to be built as a result of the international cooperation opened because of the deal. This signal, too, alarms countries that are vital to strengthening and enforcing the nonproliferation regime.

Narrowing in on India, are the Realist implications of the proposed deal as positive as the deal's champions assert? Realism, like all statecraft, aims to increase

one's power so that one can affect others more than they affect oneself. But power has many components. The Soviet Union was a superpower militarily, but it collapsed because it lacked the economic productivity and innovation required to meet the needs of its people and compete in an international system. It threatened many of its neighbors and disposed them to balance against its power and compete in an enervating arms race. It lacked the political harmony and justice necessary to mobilize its human resources.

India is a stunningly diverse democracy of one billion people, hundreds of millions of whom are extremely poor. It is afflicted by secession movements, lawlessness in some places, a violent rivalry with Pakistan, unsettled borders with Pakistan and China, inadequate infrastructure, and other challenges. How is the need for more fissile materials for nuclear weapons among the top 10 Indian requirements to be prosperous, strong, stable global power? What is the scenario for military conflict with China? What circumstances today, or in the foreseeable future, would make it imperative for India to need more nuclear weapons to preserve peace with China, and what strategies should be pursued now to redress such circumstances? Are there alternatives, or greater priorities, than building more nuclear weapons?

To the extent that American officials and supporters of the proposed deal address this question, they seek to have it both ways. On one hand, they argue that India will not use international nuclear cooperation to build a significantly larger nuclear arsenal. On the other, they argue that India will not accept limitations on a potential build up of its fissile material stockpile for weapons, and the United States should not press India on this.

India's history, and the perspectives and priorities of its current leadership, indicate that the country recognizes the extremely limited utility of nuclear weapons and will eschew a major build-up. Given this perspective, why not devote more creative diplomatic energy to exploring with India, China, and Pakistan how to limit the potential for further nuclear weapons building?

Turning to the nuclear industry for civilian purposes, in small-"c"-conservative terms, proponents of the nuclear deal fail to appreciate that the scale of nuclear electricity generation in the world today derives from cultural, institutional, political, and economic patterns that cannot be changed radically without dangerous consequences.

Engineers sit at computer monitors and design miraculous new reactors and spent-fuel reprocessing and waste management techniques and pronounce that the world can and therefore must build thousands of new power reactors to save the planet, but people who walk around in places like Nevada or New York (to pick "N" states) or India or Iran or Indonesia (to pick three "I" countries) know a core conservative truth: that the people who must manage and live with this technology are not ready to do so with the enthusiasm and care necessary to turn engineers' dreams into real-world realities.

Markets are imperfect. They often do not internalize real social costs and therefore send erroneous signals. They often are distorted by subsidies and other forms of manipulation. But even imperfect markets indicate whether societies are politically, economically, and culturally "ready" to adopt major new technologies on a massive scale. This is one reason why markets reflect conservative wisdom: Markets may be more rooted

in the social reality of a place at any given time than centralized planning and investment are. The nuclear industry has never done well in market-dominated societies; it has done best in France, the Soviet Union, Japan, South Korea, and now perhaps China and India.

The nuclear project in India always has been dominated by a nuclear establishment that has formed a state within the state. This establishment has failed to deliver on its promises and now reluctantly seeks a bailout through the proposed U.S.-India deal. Prime Minister Singh, an enlightened economist, may hope that opening the Indian sector to international participation will engender some competitive discipline, but a market is hardly envisioned. The Indian state will be required to invest major subsidies, and the hope is that Russian, French, and perhaps American suppliers will do the same. This may turn out to be enlightened insofar as more market-oriented energy supplies, particularly fossil fuels, fail to internalize the social costs of climate change and health effects of coal emissions.

Yet conservative suspicion is warranted. We should ask whether societies are prepared to make the investment and site-choosing decisions necessary to add thousands of new nuclear power plants and the waste management technologies that would be required to reverse the growth of carbon dioxide emissions. We should ask whether other strategies can achieve more realistically and cheaply the desired public good.

These conservative Realist considerations suggest that if other alternatives to the proposed U.S.-India nuclear deal are not explored, there is a risk that Asia will experience a dangerous and costly build-up of nuclear arsenals—a nuclear bubble much more dangerous than housing or stock-market bubbles.

These considerations suggest the following: Why hasn't the United States vigorously and thoroughly pursued means to limit further fissile material production for nuclear weapons in southern Asia, including China? If China were to forego a major increase in its nuclear arsenal, then India would not feel the need to produce more plutonium or highly enriched uranium for bombs. Pakistan would likely follow along with such constraints if China and India were to do so, with U.S. encouragement. India could then put almost all of its nuclear facilities under safeguards, which would buttress, rather than erode, the global nonproliferation regime. International partners could sell India nuclear fuel without thereby augmenting India's nuclear weapons arsenal.

Pursuing this objective would earn the U.S. global credibility it badly needs to lead the struggle against proliferation in Iran and elsewhere. If the President could announce to the world that, "As of today, no country is making additional nuclear weapons, none is adding to the global glut of weapons plutonium and highly-enriched uranium," it would be much easier to rally all countries to prevent Iran, North Korea, or other challengers from producing materials that could be used in nuclear weapons.

To make this objective a reality, China, India and Pakistan are key. (Israel most likely would go along, strengthening prospects of nonproliferation in the Middle East). But China will not cut short the expansion of its nuclear arsenal if the United States does not reassure Beijing. U.S. plans to develop the capability to preemptively destroy China's nuclear forces and command-and-control infrastructure intensify China's nuclear requirements. Faced with such a scenario, China will not limit the expansion and modernization

of its nuclear arsenal, which means that India will not agree to limit its potential nuclear bomb production.

U.S. officials have never even tried to discuss with Beijing, New Delhi, and Islamabad whether a nuclear arms build-up can be avoided. Instead, they have endorsed a bilateral deal with India that pushes in the opposite direction, knowing that China will then seek to reciprocate by offering nuclear cooperation with Pakistan to keep up. Perhaps an Asian nuclear arms competition cannot be avoided, but Congress should not allow the United States to fuel one before the administration has tried. The administration should be required to report to Congress on the conditions under which China, Pakistan, and India would agree to join the United States, Russia, France, and the United Kingdom—nuclear weapons states that have already publicly undertaken moratoria on producing fissile materials for nuclear weapons.

To make such an assessment, the United States will have to talk with these countries about the issue. Because Congress would dismiss the interests of any country making far-fetched demands, each would have an incentive to take the issue of a global moratorium seriously. India might discount Chinese willingness to declare a moratorium, by saying that China would still retain a stockpile of fissile material that can be converted to new weapons. Pakistan might say the same of India. From this could emerge the first serious discussion of the pros and cons of three-way regional nuclear constraints. In any case, Congress and the world would gain a clearer picture of the potential consequences of the proposed nuclear deal with India.

In parallel with a U.S. exploration of this issue with China, India, and Pakistan, Pakistan itself might consider whether to declare a voluntary cessation of

fissile material production through the end of the year, and offer to extend it indefinitely if all countries with unsafeguarded fissile material production facilities join it. (Pakistan would not do so without the blessing of China.)

Beyond the fissile material issue, there are two important initiatives related to the NSG that should be considered. If we cannot wait for the NSG to deliberate and test the proposition that the deal as proposed will not cause other leading members of the international community to weaken their support of the rule-based non-proliferation regime, the United States at least should propose a process for strengthening international rules in light of the India deal. One example would be to work within the NSG to clarify the terms under which a "safety exemption" should be allowed for nuclear cooperation. Russia's recent use of such an exemption to provide fuel to the Tarapur reactor invites a further weakening, rather than a strengthening, of NSG rules.

Returning to the nuclear testing issue, the United States should reconsider its resistance to ratifying the Comprehensive Test Ban Treaty. If, as is likely, the necessary two-thirds majority cannot be mustered in the Senate to this end, the United States should clarify at a minimum that it will not abet an Indian decision to test by promoting work-around nuclear supply arrangements.

It is possible that the U.S.-India deal is too far advanced to improve it significantly. In that case, the United States has a greatly increased responsibility going forward to exert concentrated, sustained leadership to minimize the undesired effects of the deal. The natural temptation after completing the arduous process of passing the deal will be to move on to less demanding issues. This could gravely

undermine the Realist interests of the United States and the international system.

#### **ENDNOTE - CHAPTER 7**

1. Henry Kissinger, "A Nuclear Test for Diplomacy," *Washington Post*, May 16, 2006, p. A17.