



Indo-US Nuclear-Deal

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Why in News

Recently, the former **foreign secretary of India**, Vijay Gokhale in his book claimed that the **Left parties in India were influenced by China** in their decision to **oppose the Indo-US nuclear deal**.

Although with the **Indo-US nuclear agreement**, India got a **special Nuclear Supplier Group (NSG)** waiver, the progress of **Greenfield projects is slow**.

Greenfield Projects:

- A greenfield project is one which is **not constrained by prior work**.
- It is constructed on **unused land** where there is no need to remodel or demolish an existing structure. Such projects are often covered by engineers.

Nuclear Supplier Group

- It is a **group of nuclear supplier countries that seeks to contribute to the non-proliferation of nuclear weapons** through the implementation of two sets of Guidelines for nuclear exports and nuclear-related exports.
- It was **created following the explosion in 1974** of a nuclear device by a non-nuclear-weapon State (**India**), which demonstrated that nuclear technology transferred for peaceful purposes could be misused.
- The grouping has **48 participating governments** and the NSG Guidelines are implemented by each member in accordance with its national laws and practices. The **NSG takes decisions by consensus**.

Key Points

- **Background:**

- The U.S. long considered India to be the leader of the non-aligned camp (**Non-Aligned Movement**) and held that it was **tilting toward the USSR** and, later, toward Russia.

India **purchased most of its weapons from Russia**, and it had a **pseudo-socialist economic regime**.

- The **U.S. tilted toward Pakistan** throughout the **Cold War** and in the years that followed.
- However, following the **rise of China**, the George W. Bush administration (**US**) **decided to lure India into the West's camp** and draw on it to help contain China.
- The **US** therefore **offered India civil nuclear technology and access to uranium**, the fuel it needed for nuclear power reactors.
- The Indian government agreed to sign a **123 Agreement (or the U.S.-India Civil Nuclear Agreement)**.
- The **Indo-US nuclear cooperation agreement** was signed in **2008**, that gave a fillip to the ties between the two nations, which since then have been on an upswing.

- **Indo-US nuclear deal:**

- **NSG Waiver:** A major aspect of the **Indo-US nuclear deal** was the **Nuclear Suppliers Group (NSG)** gave a special waiver to India that enabled it to sign cooperation agreements with a dozen countries.
- **Separate Programmes:** It **enabled India to separate its civilian and military programmes** and placed its civilian nuclear facilities under the **International Atomic Energy Agency (IAEA)** safeguards.
- **Transfer of Technology:** It **refrains India from transfer of enrichment and reprocessing technologies to states** that do not have them and India should also support international efforts to limit their spread.

- **Benefits of the Deal:**

- **Deals with Other Countries:**

- Post waiver, **India signed nuclear cooperation agreements** for peaceful means with the US, France, Russia, Canada, Argentina, Australia, Sri Lanka, United Kingdom, Japan, Vietnam, Bangladesh, Kazakhstan and Korea.
- Following the pacts, there have been **specific agreements for import of uranium** from France, Kazakhstan, Australia, Canada and Russia.

- **Recognition to India:**

It gave **India the recognition of being a responsible nuclear weapon state** with strong non-proliferation credentials.

- **Strengthened Indo-US Relations:**

- It gave a **fillip to the ties between the two nations**, which since then have been on an upswing.
- It also **gave fillip to military cooperation leading to expanded defence trade; increased energy cooperation**, including on renewables technology since 2014.

- **Technological Development:**

- India developed **Pressurised Heavy Water Reactors (PHWRs)**, which are **currently the backbone of the Indian nuclear power generation**.
- PHWR is a **nuclear power reactor**, commonly using unenriched natural uranium as its fuel. It uses heavy water (Deuterium oxide D₂O) as its coolant and moderator.

- **Increased Uranium Import:**

The Indo-US nuclear deal enabled India to **import Uranium from different countries**.

- **Issues:**
 - **Liability:**
 - Westinghouse went into **major cost overruns leading to a financial crisis 2008-09**.
 - Amidst this, the Westinghouse's new buyers have already **diluted the arrangement in India**.
 - They **will not construct the nuclear power project in India** and will only supply reactors and components because of which it would take nearly another 10 years to construct a reactor in India.
 - Given this, in case of a Fukushima-type nuclear accident in India, the **liability that U.S. companies would carry is highly uncertain**.
 - **India's requirements:**
 - India's own requirements from the India-U.S. civil nuclear deal have **changed considerably**.
 - Also India has also found **much more comfort in its existing agreement with Russia's Atomstroyexport**.
 - **Cost:**
 - Another issue relates to the **cost that India is prepared to pay** for nuclear energy through foreign collaborations.
 - Indo-French negotiations for six 1,650 MW European Pressurised Reactors (EPRs) in Maharashtra's Jaitapur are delayed over the **differences between the Department of Atomic Energy and French electricity utility EDF** which pertains to arriving at the **cost per unit**.
- **Present Status of Projects:**
 - The US has been discussing the **sale of nuclear reactors to India** since the 2008 pact, two **subsequent agreements were signed only in 2016 and 2019**.
 - A **project proposal** to set up **six reactors in collaboration with Westinghouse Electric Company (WEC)** has been announced, but work is yet to begin.
 - Another major project involving the **French state-owned operator Areva**, which was subsequently taken over by the **French electricity utility EDF is also delayed**.
 - It has submitted an offer to **Nuclear Power Corporation of India Limited** to supply engineering studies and equipment for the construction of six reactors in Jaitapur, Maharashtra .

Way Forward

- Despite the **historic nuclear deal (2008)**, **civilian nuclear cooperation** has not taken off. In international politics, there are **no permanent friends and no permanent enemies, only permanent interests**. In such a scenario India must continue to pursue its foreign policy of **strategic hedging**.

- India-US relation remains critical for the shaping of world order in the 21st century. **In order to realise the full potential of relations, the two governments must now strive to complete the unfinished agreements** and set the course for a Comprehensive Strategic Global Partnership.

Source: IE