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The Costs of a Failed U.S.–India Civil Nuclear Deal

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In the face of growing pressure from leftist parties, Indian Prime Minister Manmohan Singh announced on October 12 his decision to slow negotiations with the United States on a civil nuclear deal. His decision surprised and disappointed U.S. Administration officials who had spent more than two years negotiating the deal and convincing a skeptical U.S. Congress to support it. With the U.S. presidential election adding a sense of urgency, Prime Minister Singh must forge a national consensus in support of a deal that will benefit India both directly and by strengthening its relationship with the United States.

Communist Parties Take Government to the Brink. The leftist parties hold about 60 out of the 545 seats in India's lower house of parliament, and the Congress-led government needs their support to maintain power at the center. The parties have long expressed dissatisfaction with the nuclear deal, particularly U.S. legislative provisions that question India's relations with Iran. The leftists argue that the deal would cost India its strategic autonomy and tie it too closely to U.S. foreign policies.

In an ironic turn of events, the leftist parties chose to ratchet up their opposition shortly after India and the United States concluded protracted negotiations on a bilateral agreement establishing terms of civil nuclear trade that met most of India's key demands, such as the right to reprocess spent nuclear fuel. Indian nuclear scientists who were initially skeptical of the deal acknowledged that the July bilateral agreement adequately clarified their concerns.

Rather than acknowledge New Delhi's success in the bilateral negotiations, leftist parties instead raised the stakes for Prime Minister Singh. They insisted that he delay negotiations on a safeguards agreement with the International Atomic Energy Agency (IAEA) or risk having them pull their support for the government, thereby causing it to collapse. The Indian Communist parties have a relationship with the Chinese Communist Party. Some Indians charge that these ties influence the parties' position on the civil nuclear deal.

Prime Minister Singh had appeared firm on his position to go ahead with the nuclear negotiations, even if it meant facing new elections. His stance shifted on October 12, when he acknowledged that his coalition was not prepared to fight an early poll and that he would back away from the deal until the disagreements with the leftists were fully addressed.

Prime Minister Must Lead. At this juncture, the only hope for salvaging the nuclear negotiations is for Prime Minister Singh to focus his full attention on building a national consensus in support of the deal, explaining how it benefits India's economic, global, and security interests. When leftists in India warn against closer ties with the United States, they

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miss the broader point: The deal is a tangible demonstration of India's rise on the world stage and will help it to strengthen its scientific position and meet its growing energy needs. The Singh government needs to highlight these points in the upcoming winter session of parliament.

There are risks in prolonging the nuclear discussions. By next spring, the United States will be in the midst of a presidential campaign, and the U.S. legislature will be less inclined to take up the issue with any deliberate speed. It is also uncertain whether a new U.S. president would place the same high priority on getting a nuclear deal passed with India. The deal has been highly contentious in the United States and has progressed largely because of the political capital invested by President Bush and his senior advisors. A new U.S. administration might decide to focus its attention on other, less contentious aspects of the U.S.–India relationship.

Fundamentals of Bilateral Relationship Remain Intact. Failure to finalize the nuclear deal because of Indian domestic politics would certainly break the positive momentum in the relationship between India and the United States, which over the last few years has been driven by the prospect of ending decades of misunderstanding on the nuclear issue. Such a failure would vindicate those in the United States and India who believe the two countries will never see eye-to-eye on nuclear nonproliferation. In a recent article in *Foreign Affairs*, Under Secretary of State for Political Affairs Nicholas Burns discussed the “diplomatic marathon of negotiations” between Indian and U.S. officials to hammer out the deal and how the successful conclusion of those talks demonstrated that “Americans and Indians can work together to achieve important goals on the most vital international issues.”

With or without a nuclear deal, both countries stand to benefit from closer cooperation on military relations, counterterrorism initiatives, economic and trade matters, and Asian security issues. Indian and U.S. armed forces have held as many as 50 joint exercises in the last six years and signed a 10-year defense framework agreement in June 2005. Bilateral trade between the two nations topped \$30 billion in 2006.

The nuclear deal is the core of a larger vision for a better relationship between the world's two largest democracies. This vision has alarmed the Left in India, and rejection of the nuclear deal would be a setback for its realization. If only for a brief period, the United States and India would likely lessen the intensity of their engagement and approach new initiatives with lower expectations and more circumspection.

Conclusion. It took 18 months for the U.S. Congress to debate, develop, and act on legislation necessary to implement this historic deal. If it weren't for the Bush Administration's vision and tenacity, the deal would never have made it this far. The Singh government must demonstrate the same kind of leadership and determination in order to forge a national consensus in support of the deal. Missing the opportunity to finalize the civil nuclear agreement would be a setback both for India's relationship with the United States and its own reputation as a major world player. Successful development of an Indian national consensus in support of the nuclear deal, on the other hand, would strengthen the mandate for better ties to the United States, which would in turn help insulate the relationship from the machinations of domestic politics in the future.

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