

# IDSA

## Issue Brief

# India's NSG Bid: Let's Set the Record Straight

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## Summary

Having secured membership in the MTCR and with assured membership in the Wassenaar arrangement and Australia Group, it was only natural that India should have sought NSG membership. There is no certainty of the fact that China would be agreeable to Indian membership of the NSG at any point. Hence the question of waiting for the “right time” does not arise. The Seoul Plenary was not in any manner a “setback” for India's efforts to become a NSG Participating Government. Rather, it kick-started the process to initiate India's inclusion. Membership in the NSG is essential to safeguard future interests in nuclear commerce, even if it is not a necessary condition for India to engage in nuclear exports.

It is time to set the record straight. India's membership bid for the Nuclear Suppliers Group was not delusional, untimely, hyped or an over reach by Prime Minister Modi, but is something that India has been working on for many years. Let us give the Indian policy makers their due, keeping in mind the fact that foreign policy is not a 100 metre dash, but a long race.

This Issue Brief addresses the following questions:

- 1) Was the Seoul NSG plenary outcome a "setback", i.e., something unexpected, with respect to India's application for membership?
- 2) Was the outcome of the Seoul plenary a function of the premature timing of the application?
- 3) Were Prime Minister Modi's travels and efforts excessive?
- 4) Was there an official "hype" about India's NSG application and admission?
- 5) What, if any, were the gains expected from NSG admission that have not already been gained under the NSG exemption?

If one were to cut through the noise of opinion and argue purely on the basis of facts, the inference drawn on the Seoul Plenary being a snub to India's hopes of joining that nuclear club would be discredited.

First, the timing of India's application at this point in time has been questioned and labelled as premature. To view the issue thus is not accurate. Despite there being no formal application from India, the past five NSG plenaries had regularly "discussed the NSG relationship with India." This process began with the United States circulating a "Food for Thought" paper in May 2011 to debate factors that need to be considered, but not mandatory, while weighing the membership application of a non-NPT country. These discussions were abstract since, to be considered for membership, India had to apply and its application had to be examined in terms of the NSG's criteria.

The outgoing NSG Chairman, Ambassador Rafael Grossi, confirmed this to *The Hindu*, when he said after the Seoul plenary that

"the issue has been on the radar and since the last time we spoke, we did receive an application from India, which changed the situation. Before that, everything was hypothetical and everyone wondered what would happen if India or another non-NPT country applied. And then this happened, as you know India wasn't the only country that applied. (...) Then we received the applications, and I convened a meeting in Vienna to see what Participating Govts would like to say. That was inconclusive, because there was never a plan to take a decision. And then we came to Seoul. Of course I have to respect the confidentiality of the deliberations, but it is clear to all that a

decision on the membership issue was not possible to be taken in Seoul, but there was a decision that the discussions must continue in one way or the other.”<sup>1</sup>

It is clear from Grossi's account that India had to initiate the process of its membership being considered after securing an understanding that its case would be weighed on merit. There was nothing premature or untimely about this decision which had been many years in the making.

In addition, if India wants access to advanced technology, then participation in all the technology export control regimes had to be resolved. Having secured membership in one of these regimes – MTCR – and with assured membership in two of the other three – Wassenaar arrangement and Australia Group – it was only natural that India should have sought NSG membership.

The criticism that the application was untimely seems to be centred on China's public resistance to India's bid. To be fair, there is no certainty of the fact that China would be agreeable to Indian membership of the NSG at any point. Hence the question of waiting for the “right time” does not arise. If India had not applied now, the NSG would be still discussing the issue hypothetically without any conclusion. Arguably, therefore, it was quite in order for India to make an application now, eight years after it received the NSG exemption.

Second, in the context of India's application for NSG membership, was the hype surrounding Prime Minister Modi's very public outreach to various countries an over reach? Certainly not. Foreign policy has been the cornerstone of Modi's prime ministership and his international outreach in pursuit of India's interests is not new. India, in fact, had kept quiet for weeks about its formal application for NSG membership. According to the press statement made on the Seoul Plenary by the spokesperson of the Ministry of External Affairs, the Indian letter of NSG adherence – a prerequisite for membership application – was sent to the IAEA on May 9, 2016, while the formal letter of application for membership to the NSG chair was made on May 12, 2016.<sup>2</sup> Once it came to know of the Indian NSG application, Pakistan sent its letter of NSG adherence to the IAEA on May 18, 2016 and made a formal application for NSG membership on May 19, 2016. This was immediately announced at a Press Conference by the Pakistan Ministry of Foreign affairs on May 20, 2016,<sup>3</sup>

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<sup>1</sup> Suhasini Haidar, “Members' concerns delayed India's NSG chances: Rafael Grossi,” *The Hindu*, June 28, 2016, <http://www.thehindu.com/news/an-interview-with-ambassador-rafael-grossi/article8780315.ece?w=alauto>, accessed on June 28, 2016.

<sup>2</sup> “Spokesperson's comments on NSG Plenary meeting in Seoul,” June 24, 2016, [http://www.mea.gov.in/press-releases.htm?dtl/26949/Spokespersons\\_comments\\_on\\_NSG\\_Plenary\\_meeting\\_in\\_Seoul](http://www.mea.gov.in/press-releases.htm?dtl/26949/Spokespersons_comments_on_NSG_Plenary_meeting_in_Seoul)

<sup>3</sup> Mariana Baabar, “Pakistan submits formal application for NSG membership,” *The News*, May 21, 2016, <https://www.thenews.com.pk/print/121627-Pakistan-submits-formal-application-for-NSG-membership>

unlike the Government of India which until then did not make any official announcement about its NSG application.

After having made the application, it would have been naive for India to expect other countries like the United States to do the heavy lifting. Nevertheless, after the Seoul Plenary, the US Under Secretary for Political Affairs, Tom Shannon, emphasised Washington's "commitment to having India join the Nuclear Suppliers Group," describing India's conduct in the nuclear arena as "worthy of it" and even went as far as saying "that the country that blocked India's bid must be held accountable" without naming China.<sup>4</sup> In the past as well, the United States had put its weight behind India, especially in 2008 when the NSG deliberated upon the India-specific waiver. At that time, President George Bush, in making the Presidential determination required under the Hyde Act on the Indo-US Nuclear deal, had even misled Congress by assuring them that "*the U.S. assesses that India has adhered to the guidelines and annexes of the NSG and the MTCR, and has done so in a manner consistent with the procedures and/or practices of those regimes*" even though India had not yet undertaken that commitment in writing.<sup>5</sup> Technically, India became an adherent to NSG guidelines only on May 9, 2016, just prior to making an application for membership.

It was hence up to Prime Minister Modi to rally support for Indian membership in the NSG from countries like Mexico and Switzerland which have had strong positions on non-proliferation in the past and had expressed reservations purely on principles, namely, India's status as a non-NPT member. Modi's outreach, including a special reaching out to China to address its concerns, has to be seen in this context.

Third, did India hype the expectations from Seoul and under-estimate the reservations to its inclusion in the NSG? If we examine the official statements made by India, nowhere is there a conclusive claim of expectations from the Seoul Plenary. On June 4, Foreign Secretary Jaishankar told the media that "this has been an objective that we have pursued for many many years now. We believe we have made a lot of progress and that has led us to formally apply to the NSG for membership some days ago. We are engaging all NSG members regarding this issue."<sup>6</sup>

External Affairs Minister Sushma Swaraj too underlined why the Indian push for NSG membership was a work in progress when she candidly stated the following at a media briefing:

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<sup>4</sup> Press Trust of India, "Country That Blocked India's Nuke Club NSG Bid Must Be Held Accountable: US," June 30, 2016, <http://www.ndtv.com/india-news/us-says-one-country-cant-stop-indias-nuke-club-membership-1426171>

<sup>5</sup> "Report Pursuant to Section 104(c) of the Hyde Act Regarding Civil Nuclear Cooperation with India," <https://www.hsdl.org/?view&did=233795>

<sup>6</sup> Transcript of Media Briefing by Foreign Secretary on Prime Minister's Five-Nations Visit, June 4, 2016, <http://www.mea.gov.in/media-briefings.htm?dtl/26868/Transcript+of+Media+Briefing+by+Foreign+Secretary+on+Prime+Minister+FiveNations+Visit+June+3+2016>

“We got waiver in 2008 but we are pursuing to become a member of NSG because it is the difference between sitting inside the room and sitting outside it. We are outside the room despite the waiver we got. When you are in, you are a part of the decision making process. You asked that why are we pursuing now? I would like to tell you that we are associated with the NSG for the last 12 years and the discussion is on for our membership for the last 5 years. This year when we announced our INDCs in Paris, we promised that by 2030, 40 percent of our energy would be from non-fossil sources (...) around one third of that would need to come from nuclear energy. The investors who invest in the country want a predictable environment (...) [for that] we should be a member of NSG. (...) This is the reason that we are making efforts to get the NSG membership this very year.”<sup>7</sup>

Thus, the run up to the Seoul Plenary had given enough cues that a decision on India's inclusion was not imminent. This was so because the discussions with various NSG Participating governments, especially those that had not given unconditional support for the Indian application, had not reached a conclusion. All the indications were that a decision on India's admission would be postponed, although the form that such a deferment would assume was not clear.<sup>8</sup> Therefore, the Seoul NSG Plenary was not in any manner a “setback” for India's efforts to become a NSG Participating Government. Rather, as Ambassador Grossi pointed out, it kick-started the process to initiate India's inclusion.

As far as misreading support for India's membership goes, the official statements from both Mexico and Switzerland “welcomed India's membership” but did not mention unconditional support. It may be true that there was some hype in the media about India's application. Since NSG procedural rules and discussions with any of the Participating Governments are not made public, there was naturally a lot of speculation. Here, it is quite likely that interpretations of background briefings on the subject gave a sense of great optimism about the success of the application. However, in a world where perceptions drive reality, this could only be expected considering no government official can be expected to go on record indicating slim chances of success.

Finally, many experts have labelled the Indian application for NSG membership an unnecessary one given that the 2008 NSG exemption had already freed India from restrictions on nuclear trade. Although this is true, the exemption is not without caveats. As outlined by Foreign Minister Swaraj, if India is to realize its goal of

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<sup>7</sup> English Rendering of Annual Press Conference by External Affairs Minister, June 19, 2016, [http://www.mea.gov.in/media-briefings.htm?dtl/26955/English\\_Rendering\\_of\\_Annual\\_Press\\_Conference\\_by\\_External\\_Affairs\\_Minister\\_June\\_19\\_2016](http://www.mea.gov.in/media-briefings.htm?dtl/26955/English_Rendering_of_Annual_Press_Conference_by_External_Affairs_Minister_June_19_2016)

<sup>8</sup> For one such conclusion, see G. Balachandran, Reshmi Kazi and Kapil Patil, “Membership Expansion in the Nuclear Suppliers Group,” *IDSA Special Feature*, June 22, 2016, [http://idsa.in/specialfeature/membership-nuclear-suppliers-group\\_gbalachandran\\_220616](http://idsa.in/specialfeature/membership-nuclear-suppliers-group_gbalachandran_220616)

increasing civilian nuclear power capacity in hundreds of GWe (Gigawatt of electricity), it will have to rely heavily on the supply of nuclear fuel, systems and components. While there are no difficulties in accessing the international market and especially the NSG countries, there is always the potential danger of NSG Guidelines being modified in future with an adverse impact on the Indian nuclear industry. Notwithstanding assurances, it is only with membership that India can ascertain that no decision inimical to its interests will be taken collectively by the NSG. Hence, membership in the NSG is essential to safeguard future Indian interests in nuclear commerce, even if it is not a necessary condition for India to engage in nuclear exports.

Let us also not forget that India's application is driven by its interest in gaining influence and becoming a player in the global high table. NSG being one of the pillars engaged in nuclear governance, it is only natural and fitting that India becomes part of such a global governance architecture in the important arena of nuclear science, technology and applications. India's goals in seeking NSG membership are both tangible and aspirational. Its NSG bid is a work in progress. The Seoul Plenary discussion on India's membership needs to be seen in this context and any obituaries on the same would be premature.

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