

Iran's Nuclear Case and India

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Unable to restrain Iran from continuing with its uranium enrichment and reprocessing activities, the International Atomic Energy Agency (IAEA), has turned to the United Nations Security Council (UNSC) for help. The IAEA, a specialised agency under the United Nations, by deciding to send to the UNSC its March 2006 report on the status of Iran's implementation record on IAEA safeguards on its nuclear installations has indicated that the situation is serious enough to be taken up by the higher UN body responsible for international security. It also means that current diplomatic efforts to engage Iran has not been effective and the bargains being offered to persuade Tehran to suspend its enrichment programme are not attractive enough. Though opinion is sharply divided within the UNSC on how to tackle the case of Iran and to map out collective measures to deal with Iran's nuclear programme, the IAEA report to the UNSC has already made the case a global security issue.

The contentious issue between Iran and the IAEA and now the UNSC is of non-compliance with the Safeguards agreements in accordance with Iran's commitments as a non-nuclear weapon state party to the Nuclear Non-Proliferation Treaty (NPT). The present stalemate has emerged due to a collapse of diplomatic engagement between the EU-3 (France, Germany and Britain) and Iran, followed by Iran's breaking away from its voluntary suspension of enrichment related activities. The IAEA hopes that UNSC will use its authority to ensure Iran will work as closely as possible with the international inspection agency.

In all 27 of the 35 states, including India and the five permanent members of the UNSC, voted for a resolution at the Board of Governors meeting in Vienna on February 4 this year requesting the Director General to present a report in its meeting in March on the progress in Safeguard inspections and "immediately thereafter to convey, together with any resolution from the March Board, that report to the Security Council".

India also had voted in favour of the IAEA resolution at the Board of Governors meeting of September 24, 2005. The resolution drew on inspection assessments of over two and half years and scientific analyses of environment samples collected from various locations involving Iran's nuclear activities. India's Foreign Secretary, Shyam Saran, had stated just after the September 24, 2005 resolution that "India has all along taken decisions on issues of concern to itself on the basis of its own assessment, and on the basis of its own national interest."¹ In other words, the evolving situation is serious enough to be of deep concern to India.

According to the February 27, 2006 report discussed at the IAEA Board's March 2006 meeting, the Director General's assessment is that: "It is regrettable, and a matter of concern, that the above uncertainties related to the scope and nature of Iran's nuclear programme have not been clarified after three years of intensive Agency verification. In order to clarify these uncertainties, Iran's full transparency is still essential." Implicit in this statement is the view that Iran has not provided satisfactory clarification to the IAEA on many outstanding issues.

Based on the IAEA's reports and resolutions, the UN Security Council's Presidential Statement of March 29, 2006 called on Iran to suspend its uranium enrichment programme within 30 days and restore confidence with the IAEA safeguards mechanisms. Iran, however, has not shown any sign of accepting these demands and has insisted on continuing with the enrichment and R&D activities as a sovereign right under the NPT framework. In effect, a major internal crisis is in the making. Iran's posture has significant ramifications for India, ranging from nonproliferation, regional security, economic interests, energy security, to the management of diplomatic ties with both Iran and the key Western powers engaged in the issue.

The task ahead for India is to prepare for the next stage in case the situation does not improve within the IAEA framework and through current diplomatic efforts. The policy choices could be tough in case a situation demands 'either-or', because even if US, France, Britain and Germany seek from the UNSC tough line, including possible sanctions at some stage, against Iran, some countries such as Russia and China, who voted for February 2006 resolution at the IAEA and agreed to the Presidential Statement of UNSC, are not easily amenable to the wishes of the US and its Western allies.

What is the Scope of International Trouble Over Iran's Nuclear Programme?

Iran is a nuclear non-weapon signatory state of the NPT and the application of Safeguards is in force since the signing of the Safeguards Agreement between Iran and the IAEA in December 1974. With a moderate beginning in late 1970s, Iran has been pursuing consistently a planned nuclear research programme since the mid-1980s. By virtue of Iran being a member of the NPT that has renounced the option of developing weapons, it has the right to the development of nuclear fuel cycle related technologies, subject to the fulfillment of its IAEA safeguards obligations. Yet, Iran has in recent years been facing hurdles to exercise its legal rights because of IAEA suspicion based on lack of transparency and absence of full reporting. Despite numerous breaches of transparency requirements under the IAEA, the only relief for Iran is that it has not been concluded as yet by the IAEA to be in offence of diverting nuclear technology or material from its declared facilities (to the IAEA) towards military purposes.

Iran's critics in West say that to generate electricity from nuclear technology Iran does not necessarily require creation of the entire fuel cycle infrastructure. The nuclear fuel cycle consists of uranium exploration and mining, fuel fabrication, enrichment, heavy water production, reactor design and construction, as well as to reprocessing and spent fuel management. They also criticize Iran for withdrawing its voluntary suspension of enrichment and reprocessing that was in place since 2003 when it was engaged in diplomatic negotiations with the IAEA and the EU-3. Moreover, they argue, since the fuel for its Buser reactor is to be supplied by Russia then why cannot Iran wait for the IAEA to give a green signal to it to move forward with its activities.

The alternatives suggested for Iran were to abandon its ongoing pursuits of creating critical facilities like enrichment and reprocessing and to run the nuclear power plants by importing materials under international safeguards. However, it is unlikely that Iran would agree to waste the time and resources it has spent over the last few decades to build the different facilities related to the nuclear fuel cycle.

It is perceived by few optimists in West and the US that there is still a room for a negotiated solution based on the Russian proposal for Iran to enrich uranium on Russian soil. Both the Western powers and China

support this idea. The proposal to Iran to have an enrichment facility based in Russia to provide fuel for its power reactors however has not been accepted by it as an enduring solution. Such arrangements can only be implemented as a stopgap arrangement for confidence building between Iran and the IAEA till inspections confirm that nothing is found that is not keeping with Iran's declarations.

Iranian concealment of its nuclear activities in the past has included a wide range of imports of technology and material. The extent and completeness of its scientific abilities are not yet fully known. However, there are speculations relating to the Iranian nuclear programme even to the extent of it having nuclear weapon ambitions. If Iran wants to remain a non-nuclear weapon state, the decision is to be made by Iran itself as to how to respond to the criticisms of the IAEA.

A disclosure was first made public by the Deputy Director General of the IAEA in January 2006 about the undeclared studies in Iran "known as the Green Salt Project, concerning the conversion of uranium dioxide into UF₄, as well as tests related to high explosives and the design of a missile re-entry vehicle, all of which appear to have administrative interconnections."² Such revelations are bound to raise further doubts on the credibility of Iran's claims that its nuclear programme is purely for generation of electricity and that all of its nuclear projects are run under atomic energy authority and not the military.³ But, such conclusion requires more examination and information on its programme based on the assessments of the international inspection agency.

Could Iran Develop Nuclear Weapons?

If at all, Iran has any hidden intention of developing nuclear weapons, it is pertinent to examine few strategic and security dimensions too. There may be various reasons for Iran's weapon aspiration. First, Iran has two nuclear weapon powers in its neighbourhood — Israel and Pakistan — both of which are outside the NPT. Iran may decide to develop nuclear weapons as a matter of national pride or security. Second, Israel as a strategic partner of US with undeclared nuclear weapons capability remains the strongest regional adversary of Iran after the fall of the Saddam Hussain regime in Iraq. Third, Iran has always aspired to become the leading regional power in West Asia. The development of nuclear weapons would significantly enhance its military capability to match its ambition. Fourth, Iran has a

longstanding hostile relationship with the US. Iran may be willing to acquire nuclear capability to strengthen its deterrence capability against the US and deal with any potential crisis. The US military invasion of Iraq has reinforced this opinion in Iran. In addition, Iran is aware of the changing security challenges to the country with US forces based all around the country in neighbouring Afghanistan, Pakistan, Iraq, Central Asia and Turkey. Therefore, Iran may be looking for the nuclear deterrent more urgently than at anytime before. However, there is no proof available till date to doubt what Iran's consistent position that the purpose of creating nuclear infrastructure as solely peaceful.

In case Iran defies international pressure and continues with the advancement of research on dual use technologies (scaling up of the level of enrichment for military purpose- the same technology to be used for civilian use), then how would this affect India's interest is worth examining. In this hypothetical scenario it is obvious that the regional security environment as well as the balance of power would change radically. It will have an impact on US role and the security of its Arab states. China with its evolving strategic ties with Iran is the country that is most likely to gain. Chinese past support others with nuclear or missile exports remains directed towards creating nuclear and missile armed regional actors against the pre-eminent security calculus of the US and to keep Washington perpetually engaged in strategic adjustments with China. Even within the regional security matrix, China plays a meticulous role in enabling the mutually rival states with challenging military capabilities. For example, China has not only provided the Shiite Iran with various types of missile systems, it has also armed Iran's rival Sunni state Saudi Arabia with intermediate range missiles. By implication, China may utilise its leverage of military ties in achieving political and economic objectives in the event of any regional crisis.

How or Why India Should Look at the Iranian Nuclear Case?

The Iranian nuclear programme is a unique test case in itself. At a time when concerns for controlling proliferation are growing, the demand for equitable cooperation in peaceful use of nuclear power is also expanding across the globe. The dwindling confidence of the US and E-3, based on the assumption that a country bent on developing nuclear weapons can forever be prevented, has further complicated the implementation of institutional mechanisms.

Can India live with an Iranian bomb? This is an extreme situation to argue. For India, the immediate concern is to maintain a balance in the policy approaches towards its international commitments for nonproliferation and the international nuclear energy cooperation arrangements.

India is deeply concerned with the way international nonproliferation order has been ineffective in preventing the illicit nuclear and missile related transfers to North Korea, Libya and Iran by Pakistan and China. Chinese support to Pakistan's nuclear and missile programmes along with the imports made by Pakistan from European intermediaries, enabled Pakistan to acquire nuclear weapons. India can hardly afford to acquiesce with the proliferation acts of Pakistan and China in the case of Iran. It becomes even more pertinent to examine the trends of proliferation if the Arab world decides to pursue nuclear weapon ambitions following Iran. Chinese nuclear and missile proliferations in India's immediate and extended neighbourhood have posed a serious security challenge to India. Equally disturbing is the way China has transferred missile technology to Pakistan and West Asia. India therefore has interest and reason to strengthen the global nonproliferation efforts.

Apart from the questionable conduct of Iran with the NPT, its leadership has been making an attempt to add an Islamic dimension to its nuclear programme, similar to what Pakistan had done almost three decades ago. The way the Iranian President has expressed willingness to share nuclear technology with other Islamic countries reminds one of what General Zia ul-Haq in July 1978 had said, "China India, the USSR and Israel in the Middle East possess the atomic arm. No Muslim country has any. If Pakistan has such a weapon, it would reinforce the power of the Muslim world."

If at all Iran withdraws from the NPT and goes nuclear, it may further complicate the unstable West Asian security environment already under pressure from the Israel-Palestine issue, Israel-Arab tensions, the Shia-Sunni divide, and the worsening situation in Iraq. Saudi Arabia and Egypt could follow if Iran decides to go ahead with a weapons programme. However, the situation is not ripe for any brinkmanship. Iran has shown a willingness to remain engaged with the international actors interested in the security and stability of the region. Perhaps diplomacy has still a role to play in overcoming the current stalemate.

As far as the development of nuclear facilities for power generation in Iran is concerned, there seems no urgency to discontinue the suspension of enrichment and reprocessing that have been in place since November 2004. The construction and operation of a nuclear power plant in which the products of these facilities are to be used will take years to be realised. This gives scope and time for Iran and the Western powers to sort out the differences and possibly reach an amicable diplomatic solution.

If Iran rejects the call by the UNSC Presidential Statement and the IAEA, the situation may turn out to be worse for both Iran and the international community. Iran holds the powerful levers of oil and gas, but how to use it in a future crisis is a tricky and difficult task. In an attempt to caution the international community against possible sanctions the head of the Atomic Energy Organisation of Iran has stated, "In the past 27 years we had experienced many kinds of sanctions. But they should know that the artery of the world energy passes through the straits of Hormuz in the Persian Gulf."⁴ The countries having interest in Iran's oil and gas would not like any international crisis emerging out of a stiffening of Iranian stance or US military action. At the same time, Iran's economic ties with Japan, South Korea, China, Russia, European countries, and India are so crucial for its own economic development that the costs may be very high if Iran decides to isolate itself further from the global economy.

India's position on Iran's case should reflect its own interests and its discussions with both Iran and the major international actors. India may not opt to be a party to a military option by the US and Europe, but it will be deeply affected by the turmoil and the conflict as will be most other states dependent on Gulf oil and trade through the region. India may have autonomy to continue the bilateral relations with Iran till the UNSC calls for restraint on any specific interactions. For now, tougher actions against Iran are less likely especially when the Director General of the IAEA himself says: "Sanctions are a bad idea. We are not facing an imminent threat."⁵ How the Iranian case is handled will have significant ramifications for the efficacy of the NPT and the nonproliferation efforts in future.

At a time when India is poised to play an active role in international nuclear trade as a *de facto* nuclear weapon state, India has to take a strong stance on nonproliferation. India is gearing up to assume the same responsibilities and practices as other nuclear weapon states at the international world security stage. Therefore, if Iran is found of not paying

appropriate attention to its international obligations that have a potential destabilizing impact India needs to play a proactive diplomatic role. .

Reference/End Notes

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