

Time to sell uranium to India

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The Age, January 21, 2011

The Gillard government should proceed for the sake of economics, climate change and international fairness.

THIS week's visit by India's External Affairs Minister S. M. Krishna is rekindling a difficult debate in Australia's relations with the rising giant of south Asia.

In this newspaper yesterday, Krishna cautiously revived Delhi's call for Canberra to lift its weary ban on uranium exports, pointing out that nuclear energy could be a climate-friendly way of helping to meet the massive electricity needs of a nation seeking to lift hundreds of millions to a decent quality of life.

His comments confirm that the Labor policy forbidding uranium sales to India is a thorn in what will be one of Australia's crucial 21st century bilateral relationships.

Diplomacy, strategy, economics, climate change and notions of international fairness - all these imperatives support a rethink. It is time the Gillard government mustered the political courage to agree to sell uranium to India for civilian use. Any exports would be subject to the same protocols and safeguards we apply to others such as China and Russia. If India then did not accept reasonable conditions, the deal would be off and it would no longer be Australia's problem.

But Canberra's refusal even to negotiate defies the fact that Australia and India are natural partners: multicultural democracies facing shared challenges and hopes in the Asian century. The new India's rapid economic growth and wealth of human capital complement Australia's resources and proximity. We are neighbours in the Indian Ocean. We face common security concerns, from terrorism to the potentially destabilising impact of China's rise.

To be fair, the Rudd and Gillard governments have done much to build relations, including with greater diplomatic resourcing, high-level visits, a 2009 defence declaration, security co-operation at the Commonwealth Games and preparations for a free trade pact. Canberra took reasonable steps to respond to the dreadful attacks on Indian students.

Trade has boomed. Australian coal, gold, copper, diamonds and services make India our third-largest export destination. And India is finally shedding misperceptions of an Australia tilting China's way, thanks to WikiLeaks cables on Kevin Rudd's realism about Beijing.

Privately, many well-informed Indians understand that today's Australia is precisely the opposite of the prejudiced, unsophisticated, unimportant, unreliable nation caricatured in India's media.

But, after the student crisis, championing Australia in India is hardly a popular move. It remains an open question whether Indian Prime Minister Manmohan Singh will make a substantial visit to Australia this year - beyond attending the Commonwealth summit - unless he can announce some policy breakthrough.

The uranium issue was almost resolved four years ago, when the Howard government decided in principle to export. Now, sadly, it is the relationship's barometer of trust. The leadership in Delhi thinks Australia is withholding uranium because we distrust India. India seems unwilling to invest in a real strategic partnership until that changes.

A proper partnership would serve both nations' security interests. It could include defence exercises, exchanges of actionable intelligence, and creative co-operation involving third parties, such as working with Indonesia or the US on maritime security.

So why not sell uranium to India? Critics warn it would weaken the legal regime against the spread of nuclear weapons, the 1970 Nuclear Non-Proliferation Treaty, which India has not signed. Under that pact, most nations swapped the right to build nuclear arms for international help in nuclear energy, plus promises by the nuclear-armed states to disarm, one day.

The theory is that exempting India might lead Pakistan, Israel, Iran or North Korea to conclude that one day they too can have both the bomb and respectable nuclear commerce with the world - as if they did not already have their own reasons for wanting atomic armaments.

But consider the Indian view. Indians see the NPT as nuclear apartheid: allowing nuclear arsenals to be possessed by only the five countries that managed to test the bomb before an artificial deadline in 1967: the US, Russia, Britain, France and China.

India is in a dangerous neighbourhood with disconcerting nuclear neighbours in China and Pakistan, and, unlike Australia, no ally offering a handy nuclear umbrella. For all that, India's nuclear deterrent is small. Delhi has a doctrine of no first strike, and supports the Obama administration's push for global nuclear disarmament.

In any case, Australia's fastidiousness is fast becoming academic. Since a 2007 US-India nuclear deal, which Australia voted for in international meetings, America and many other nations have begun legitimate nuclear business with India. Canada has agreed to sell uranium. Even Tokyo, long our partner in disarmament diplomacy, is looking at selling reactor components as it forges strategic links with Delhi. Australia could soon be the world's only substantial nuclear exporter standing aloof.

There are no ideal outcomes in diplomacy, only imperfect decisions. Canberra's full engagement with a rising India cannot be deferred forever.

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