

# Companies ponder their role in non-proliferation and nuclear safety

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**What role should the nuclear industry play in non-proliferation and nuclear security when the industry is expanding into many more nations while becoming more integrated? Do industry and government need to work more closely together in designing and implementing stronger anti-proliferation measures to manage the so-called nuclear renaissance?**

Industry has tended to view nuclear non-proliferation as a political and security matter for government for which the nuclear energy industry has no direct responsibility. Governments have tended to agree. Abuses of nuclear technology are attributed mostly to rogue states and associated networks determined to develop nuclear weapons, or, more recently, to terrorists determined to obtain nuclear explosives.

However, most will agree that industry has an interest in a world free of nuclear weapons dangers. The nuclear industry can contribute to global efforts to raise the political, financial and commercial costs of proliferation through technical and practical expertise and unique networks. Industry is at the front line of development of dual-use nuclear technology. It has the capacity to prevent, limit or place conditions upon the spread of that technology, report on it, and influence the type of technology that is developed in the future.

A survey of the global nuclear industry in June this year conducted for the Australia-Japan chaired International Commission on Nuclear Non-proliferation and Disarmament (ICNND) tested some of these questions. We believe this is the first survey of its kind.

38 of the 163 respondents, or 23% completed the survey, 6 completed it half way and a further 14 opened it.

With the relatively low response rate, we cannot draw definite conclusions. That said, there were consistent responses, such as emphatic support for a strong nuclear non-proliferation architecture, nuclear safety and security. There was solid support for the consideration of additional measures to strengthen the nuclear non-proliferation regime and for a government-industry conference to discuss this. The survey results suggest that industry respondents are open to working with governments to act to support the integrity of the non-proliferation regime.



Also a role for nuclear CEOs?

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The survey confirmed that nuclear proliferation events had negatively affected industry interests. It also showed convergence on what the drivers for proliferation are: the political and strategic interests of supplier and recipient governments as well as the spread of nuclear technology and know-how. Most respondents include non-proliferation in their corporate social responsibility principles.

A majority of respondents thought government primarily responsible for nuclear non-proliferation in the civilian nuclear industry. Industry rated for a quarter of respondents. Even though three quarters of respondents thought their engagement with government and international organisations on these issues was about right, 74% said they would participate in a government-industry conference on nuclear non-proliferation.

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95% were in favour of a joint declaration supporting non-proliferation coming out of such a conference; with 89% in favour of negotiating a Code of Conduct to harmonise and share industry best practice on non-proliferation; 74% in favour of more regular government-industry dialogue, such as in the margins of the Nuclear Suppliers Group meetings and 55% in favour of steps to place more aspects of the nuclear fuel cycle under regional or multilateral control.

Other responses included:

- 34 or 90% in favour of reporting suspicious procurement to national regulators or the IAEA;
- 31 or 81% strongly in favour of strengthening export control regime in consultation with the NSG, and
- 27 or 71% in favour of supplying only to countries with the Additional Protocol ratified.

A higher level of scepticism existed on the value of more restrictive measures: placing the nuclear fuel cycle under multilateral control was considered quite effective (63%) although only 50% expressed willingness to collaborate in such a venture. 22 or 58% were in favour and 22% strongly against supplying nuclear equipment or material only to countries with a UAE type commitment not to enrich or reprocess.

There was overwhelming support for an industry-wide Code of Conduct for best practice on non-proliferation.

This survey will require detailed, qualitative follow-up. The ICNND has authorised the Lowy Institute to continue to conduct research and dialogue with industry calling on government and industry leaders to develop joint understandings on strengthening non-proliferation, security and safety, and to communicate these actions to the 2015 NPT Review Conference.

As to the convening of a government-industry conference on non-proliferation, there is a useful model in the chemical weapons field where Australia played a leading role in bringing government and industry together in 1989. The engagement of industry will require intense diplomatic effort. Large commercial interests are at stake. If there are to be additional standards, they will need to be widely supported. As one of the world's largest uranium producers with a strong international non-proliferation profile, Australia could again take the lead in convening such a conference.

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