Arms Control Norms, Nuclear Exports, and Coercion

Lars Jørgen Røed · Henrik Limseth

Abstract It has been argued that small states can be norm entrepreneurs in international organizations (IOs) and that reputation motivates and enables small states to play that role. However, few studies explore under which conditions small states waive their support of a norm, nor asses the specific impact of large states on the ebb and flow of small-state norm entrepreneurship. Indeed, large states are frequently able to influence small-state behaviour in IOs through a combination of positive and negative incentives. We provide a model of an interaction between a large state and a small state, where the large state seeks to change the vote of the small state. We explore the implications of the model with a case study of the Nuclear Suppliers Group (NSG), a specialized IO focused on nuclear exports, where India and the United States achieved consensus on a controversial issue by pressuring member states. We conclude that coercion is more likely to be successful when the stakes are high.

Keywords Nuclear exports · positive and negative incentives · IOs

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1 Introduction

Under what conditions do states successfully dissuade other states from voting in contention in International Organizations (IOs)? Absent of positive and negative incentives presented by foreign governments, we assume that the behaviour of governments in IOs resonate with their ideology, foreign policy goals and the interests of their domestic audiences. Such policy goals will frequently overlap with the interests of other states regardless of differences in capacity. If, on the other hand, their preferred outcomes are at odds with the interests of other states, one might have to choose between different policy priorities.

To analyse how governments strike a balance between, on the one hand, preferred foreign policy and domestic interests, and, on the other hand, the influence and pressure of foreign governments, we propose a model between two states marked by an asymmetric difference in power. The difference in power is modelled by labelling one state "small" and the other side "large".

2 Norms and reputations

Small states can be defined in terms of size, such as the size of population, gross domestic product, diplomatic corps, and military expenditure (Archer and Nugent, 2002; Brown, 2000; Thorhallsson and Wivel, 2006). Whereas great powers are great, small states are not (following Neumann and Gstöhl, 2004, p. 4). However, perhaps the power that states exercise is more interesting than the power they possess (Mouritzen and Wivel, 2005). If so, being small is not so much a general characteristic as an identity tied to specific contexts (Thorhallsson and Wivel, 2006, p. 654). This relational definition serves as a device that directs our focus to "the experience of power disparity and the manner of coping with it" (Knudsen, 1996, p. 5, cf. Gärtner, 1993, p. 303).

In 1969, Robert Keohane noted that a small state could be defined as "a state whose leaders consider that it can never, acting alone or in a small group, make a significant impact on the system" (Keohane, 1969, p. 296). In the contexts of IOs, however, small states have indeed played key roles, spearheading the development of new norms as well as challenging existing ones. Norms - or "standards of behaviour defined in terms of rights and obligations" (Krasner, 1983, p. 2) - tend to be imprecise (Sandholtz, 2009; Van Kersbergen and Verbeek, 2007; Wiener, 2004) and may cement inequalities (Müller, 2013), and therefore become sources of conflicts (Sandholtz, 2009; Van Kersbergen and Verbeek, 2007; Wiener, 2004). Many factors are capable of instigating norm changes, including wars, revolutions, technological advances, power shifts and power asymmetries (Finnemore, 2005; Sandholtz, 2009), especially if such systemic changes happen in combination with norm entrepreneurs pushing for norm change (Finnemore and Sikkink, 1998; Wunderlich, 2013).

To Finnemore and Sikkink, reputation is one of the motives of the norm cascade stage of norms (1998, p. 898). Successfully advancing a new norm or defending a good norm grants states, whether large or small, reputational benefits. The concept of reputation—however complex—is essential to why states engage in norm entrepreneurship. To de Carvalho and Neumann (2015), great power status is constituted through the recognition of other countries. Small powers, on the other hand, gain status "through making themselves useful to greater powers" (2015, p. 2). Some small-power status is certainly gained through serving the interests of greater powers. However, if great powers are great because they are recognised as such by lesser powers, then perhaps small powers too can gain status through the recognition of their peers.

If different actors contribute to determine a state's reputation or status, then perhaps states have multiple and interrelated reputations, as articulated by Guzman (2008). To Guzman, "there is no compelling theoretical reason to believe that a state will have either a single reputation across all counter-parties or an entirely compartmentalized one" (2008, p. 107). Countries have dyad-specific reputations, with one reputation for one counter-party and another reputation for another counter-party. Moreover, countries have issue-specific reputations, such as a reputation in human rights. A state's reputation in one area may, of course, spill over to adjacent issue areas. Likewise, a state's conduct towards another state influences how third-parties view that state. Some behaviour might be generalized to the extent that a state's general reputation suffers, as experienced by so-called rogue states (Guzman, 2008, p. 102). However, the reputational damage will be most concentrated in the issue-area and with the counter-party in question (von Stein, 2013, p. 481-483).

While reputation likely influences the pursuit of political or economic power (Chayes and Chayes, 1993; McElroy, 1992; Mercer, 1996), and it is likely that states pursue it to achieve such ends, reputation only rarely translates to tangible profits. To de Carvalho and Neumann, "it does not sell more cod" (2015, p. 16). Insofar as reputation sells more cod, the causal link is difficult to establish, especially considering the multifaceted nature of the term. A state has a reputation in each issue area or no reputation at all, and a reputation vis-à-vis each other state or groups of states. Furthermore, its leadership has a reputation vis-à-vis its domestic audiences. If an action is not consistent with an either better or worse reputation across issue-areas and stakeholders, states need to strike a balance between different foreign policy priorities.

3 Coercion and incentives

A balance of benefits and costs, acceptable to a critical number of member states, is essential to reaching agreement in IOs. Bernauer and Ruloff (1999) argues that in certain situations, *incentives*, defined as "additional measures tailored to the specific needs of one or more actors" may be a prerequisite for

successful cooperation (Bernauer and Ruloff, 1999, p. 2). Incentives are a form of issue linkage that are offered "with the aim of driving the behaviour of the recipient in a direction that is desirable from the point of view of the provider" (Bernauer and Ruloff, 1999, p. 2). We assume that decision-makers are motivated by material and immaterial incentives in a similar way to how they are motivated by ideology, pragmatic policy goals, and domestic audiences.

Economic incentives include side-payments, loans, aid, technology, and know-how (Bernauer and Ruloff, 1999). To Bernauer and Ruloff (1999), "(i)t is no secret that bilateral aid is often employed by provider countries as a means to promote their own political ends" (Bernauer and Ruloff, 1999, p. 26). However, in 1999, "hardly any empirical studies of development aid are available that try to measure the 'success' of provider countries in terms of promoting their own interests" (Bernauer and Ruloff, 1999, p. 27). In recent years, a number of studies have documented how large states influence the voting of small states in IOs through development aid, including grants and loans, which cast doubt on both the legitimacy and performance of IOs. Through focusing on the political economy of international organizations, recent research have documented that temporary members of the UN Security Council (UNSC) receive favourable treatment from the World Bank (Dreher et al, 2009a) and the IMF (Dreher et al, 2009b). A similar connection has been established between temporary members of the UNSC from Asia and favourable treatment from the Asian Development Bank (Lim and Vreeland, 2013).

Positive incentives may also be related to security. Positive incentives include military aid in the form of arms sales or security assurances. Negative incentives include sanctions and the threat of sanctions. Other incentives include diplomatic recognition; inclusion in diplomatic, cultural or sports events; supporting other states' candidatures to membership in international committees; offering support for leadership positions in IOs; or trading votes.

In IOs where each state has one vote, the vote of a small state is in theory worth the same as the vote of a large state. However, with regards to offering other forms of incentives, the difference between small states and large states—however blurry that divide may be—is key. States have unequal capacities that delineate their ability to influence each other's utilities in different issue areas. More resourceful states, whether in terms of gross domestic product, military power, or size of diplomatic corps, have more bargaining chips than less resourceful states. In the face of vast pressure, sometimes in the form of threats, ultimatums, and other forms of coercion, we assume that small states are more likely to realign on issues in IOs than large states.

There is, however, a form of transaction costs related to exercising such pressure and to realigning on an issue. Changing one's position may yield domestic audience costs, which implies that "(l)eaders that break their promises suffer electorally" (Smith, 1998, p. 623). Moreover, when a leader makes a move and then back downs, "it gives domestic political opponents an opportunity to deplore the international loss of credibility, face, or honor" (Fearon, 1994, p.

581). Having a reputation for inconsistency also affect to what extent a state is viewed as a reliable partner. Meanwhile, having a reputation for making threats and ultimatums towards other states might dissuade other states from interacting with the large state in the future, if perceived as uncivil.
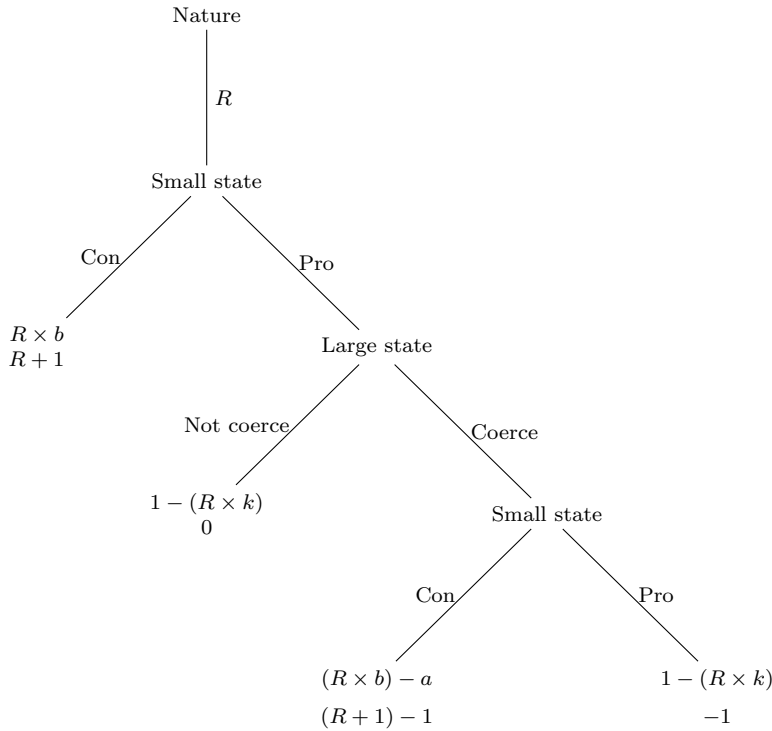
4 Theory and model

We propose that large state coercion effectively pressure small states to realign with the preferences of the large state in that particular policy area if the stakes are high. Coercion is the independent variable, policy realignment is the dependent variable, and how much is percieved to be at stake is the antecedent variable. Following Hollyer and Rosendorff (2012), we posit that the relationship between coercion and realignment is enforced by an *information effect*, which ensures that the small state—upon being coerced—learns about the preferences of the large state. This information might be sufficient to convince the small state to change its course (Hollyer and Rosendorff, 2012, p. 807-809). A *selection effect* implies that the large state only coerces if the vote of the small state matters to the large state and if the coercion is believed to be effective. A selection effect also implies that states tend to avoid pursuing policy they might have to realign on in the first place to avoid domestic audience costs (Hollyer and Rosendorff, 2012, p. 809-810).

We model the relationship between coercion and realignment as an interaction between a small state and a large state. Both states place some value in realising their foreign political goals. The small state gets 1 from realising its goals and the large state gets $R + 1$, where $R \in \{0, 1\}$. R represents the value of the small state position as perceived by the large state. The small state is informed only by its beliefs about R and cannot with certainty know if the large state will coerce. Rather, the small state acts based on a belief about R.

The small state decides whether or not to support a resolution in an international organization, {Pro, Con}. If the small state is "Con", the game ends and all pay-offs are realized. If the small state is "Pro", the large state makes a move.

The large stater may at positive cost coerce the small state, {Coerce, Not Coerce}. Coercion is made at a constant marginal cost of 1. This represents not only the damage that coercion inflicts on the bilateral relationship between the small state and the large state (to the large state), but also the transaction costs of applying coercion to another country. If the large state does not coerce, the game ends and all pay-offs are realized.

Next, the small state decides whether or not to realign on the initiative, {Pro, Con}. Inconsistency, or first selecting "Pro" and then "Con", is punished by a (audience costs). In this context, audience costs could be an electoral punishment, a vote of non-confidence from a member of parliament, loss of face

Nature

R

Small state

Con   Pro

$R \times b$
$R + 1$

Large state

Not coerce   Coerce

$1 - (R \times k)$
0

Small state

Con   Pro

$(R \times b) - a$ $1 - (R \times k)$

$(R + 1) - 1$ -1

Fig. 1 Game tree of an interaction between a small state and a large state in an IO. The top value denotes the pay-off of the small state and the bottom value denotes the pay-off of the large state. R is the value of the small state position as perceived by the large state, b is the benefit of cooperating with the large state, k is the costs of not cooperating with the large state, and a is the domestic audience costs suffered due to inconsistent decision-making.

vis-à-vis civil society or international organisations, or a combination of all three. Taking a position consistent with the interests of the large state will yield b (alliance benefits), which are the general political and economic benefits of being on good terms with a large state.). An consistent position will yield k (alliance costs), which are the general political and economic costs of being at edge with a large player on the international stage. The values a, b and k all have a maximum upper threshold of x, which is a measurement of what is at stage in the scenario. This is meant to reflect that some issues are likely to yield more benefits and costs than others, which affect the priorities and strategies of both parties.

Proposition 1: *If the stakes are high, the small state will realign after being coerced. If the stakes are low, the small state will remain "Pro" after being coerced. The tipping point at which the small state is indifferent is at $x = 2$.*

This proposition implies that the tipping point between when being "Pro" is a better choice than "Con" after being coerced is 2. If x is larger than 2, the

small state should be "Con". If x is smaller than 2, the small state should remain in favour of the issue even after being coerced by the large state.

The logic is straightforward. To the small state, the value of pursuing its preferred policy (1) deteriorates with an increase in the maximum value of a, b, and k. With higher stakes, the default value of pursuing one's policy goals suffers in competition with the comparatively greater influence of large states.

Although domestic audiences prefer policy consistency to inconsistency, their ability to direct the government to particular positive actions are inherently limited between elections. Upon electing the government in a democratic political system, domestic audiences' primary ability to influence their governments tend to be limited to opposition and punitive actions (e.g. protests and motions of no confidence). In contrast, large states have the ability to affect and direct the government of the small state with both positive and negative incentives.
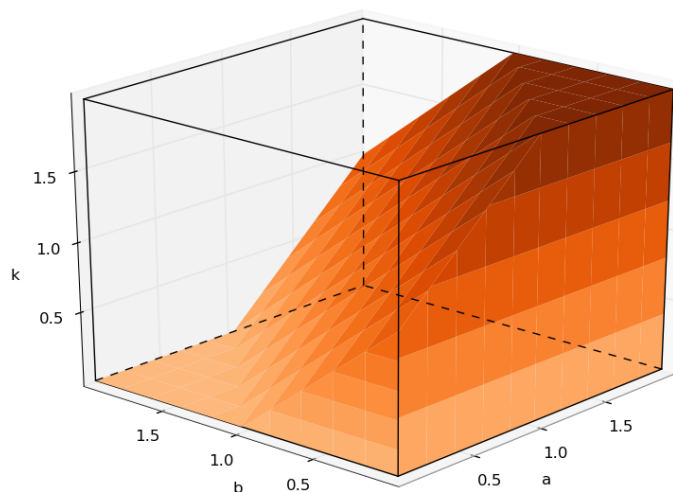
Fig. 2 Model of the space (coloured) where the coordinates of a, b and k indicates that the small state should remain "Pro" even after being coerced by the large state for $x = 2$.

Proof of proposition 1:

In the last tier of the game tree, the small state chooses between, on the one hand, ignoring the large state's coercion and remaining "Pro", and, on the other hand, conceding to the large state and changing its vote to "Con". Which one of these options is optimal for the small state is determined by the parameters of the model: a, b, k and R: If $1 - Rk$ has the highest numerical value, the small state should remain "Pro" to maximize its score. If, on the

other hand, $Rb - a$ has the highest value, the small state should change to "Con". In other words, the small state should remain 'Pro' if the inequality

$$1 - Rk > Rb - a, \tag{1}$$

is satisfied. If $R = 0$, the small state should remain "Pro" regardless of the values of a, b and k. Therefore, $R = 1$ will be assumed in the following analysis.

The inequality is thus $b - a < 1 - k$ or, equivalently, $k < 1 + a - b$. We assume that a, b and k are all positive and share an upper limit x. The set of all triples (a, b, k) that satisfies the inequality and the constraints $a, b, k \in [0, x]$ can be viewed as a geometric object in the three dimensional space spanned by a, b and k ("the political space"). By calculating the volume of this object and comparing it with the total volume of the parameter space, the cube of edge lengths x, we obtain the probability of "Pro" being the optimal choice as a function of x. This means that the small state can estimate which of its options is optimal if a, b and k are unknown while x is known (or conjectured).

If $x < 0.5$ all possible combinations of a, b, k satisfies the inequality: the minimum value of $1 + a - b$ is 0.5 and the upper limit on k is set to 0.5. This means that "Pro" always will be the best option.

If $x > 1$, the plots of the inequality suggests that the geometric object in question is a tetrahedron with its vertices cut off, as shown in figure 2. To see this, we continue the edges of the truncated tetrahedron until they meet in a vertex. To find the volume of the tetrahedron, we study the boundary surface:

$$k = 1 + a - b. \tag{2}$$

Note that this equation describes a plane in the political space and therefore is liable to be a face of a polygon. To get the natural extension to a full polygon, new boundaries on a, b and k must be found. This is done by examining where the faces of the supposed tetrahedron should intersect to form vertices. The three faces other than the plane of eq. (2) are given by $a = x$, $b = 0$ and $k = 0$ (see figure 3).

The $b = 0$-face must meet the $k = 0$-face and the plane to form a vertex. Inserting $k = b = 0$ into eq. (2) yields $a = -1$, which must be the new lower limit for a.

Similarly, the $k = 0$-face, $a = x$-face and the plane must meet in a vertex. Eq. (2) then gives $b = x + 1$, a new upper limit for b.

Lastly, the $a = x$-face, $b = 0$-face and the plane must form a vertex. Eq. (2) yields $k = x + 1$, the new upper limit for k.

The tetrahedron is thus described by eq.(2) along with the constraints $a \in [-1, x]$ and $b, k \in [0, x + 1]$.
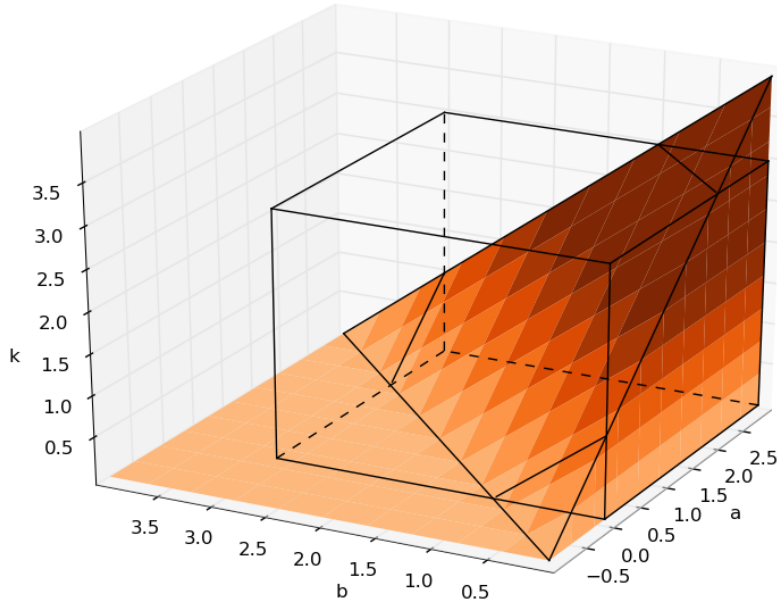
Fig. 3 Example of the full tetrahedron for $x = 3$.

The volume of a tetrahedron is given by

$$V = \frac{1}{3}Ah, \tag{3}$$

where A is the area of the base and h is the height measured from the base to the highest vertex. Taking the $k = 0$-face to be the base, this is a right triangle with side lengths of $x + 1$, so $A = \frac{1}{2}(x+1)^2$. The height is also $x + 1$, yielding $V = \frac{1}{6}(x+1)^3$.

To get the volume contained within the cube of dimension x, we need to subtract the volume of the three small tetrahedrons not contained in the cube. By congruence of the angles between the faces, they are all scaled down versions of the big tetrahedron. They have edge lengths 1 where the big one has edge lengths of $x + 1$ so by scaling down we see they each have a volume of $\frac{1}{6}$.

We thus obtain the volume of the "Pro"-region:

$$V_{Pro} = \frac{1}{6}(x+1)^3 - \frac{3}{6} = \frac{(x+1)^3 - 3}{6}. \tag{4}$$

Finally, take the quotient with the volume of the cube the "Pro" region is contained in, x^3, to get the probability that choosing to remain "Pro" is the best alternative as a function of x:

$$\frac{V_{Pro}}{V_{Tot}} = \frac{(x+1)^3 - 3}{6x^3}. \tag{5}$$

This is rendered in the following graph of the values of x that indicates that the small state should remain "Pro" after being coerced by the large state.
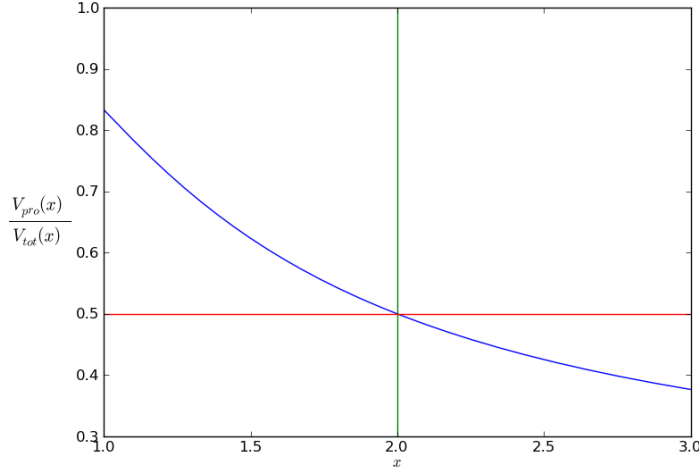
Fig. 4 Model of the values of x for which the small state should remain "Pro" even after being coerced by the large state. The y-axis denote the volume of "Pro" as a ratio of the total volume, where 0.5 is a situation where "Pro" is equal to half of the total volume.

This formula is valid for all $x > 1$. For $x = 2$ we have $\frac{V_{Pro}}{V_{Tot}} = \frac{1}{2}$ and from the plot we see that $\frac{V_{Pro}}{V_{Tot}}$ is monotonously decreasing as x increases.

A formula for the region $\frac{1}{2} < x < 1$ is not easily obtained as the tetrahedron is cut in a non trivial way, but the general behaviour is still that V_{Pro} fills most of the political space. Thus "Pro" is the best option for all $x < 2$.

$\square$

Proposition 2: *If the small state believes that its position matter to the large state with a probability greater than* 0.5, *then the small state believes that the large state will coerce. If the small state believes that the probability is less than* 0.25, *it believes that the large state will not coerce.*

This proposition implies that if the probability that the vote of the small state is considered important by the large state exceeds 0.5, the small state believes that the large state will coerce. If the probability that the vote of the small state is considered important by the large state is less than 0.25, then the small state does not believe that it will be coerced by the large state.

Note that the awareness that the large state is likely to coerce the small state does not in itself make the small state avoid a course of action deemed un-

favourable to the large state. However, the small state will never plan to first pursue one course of action and then change gears. b is always considered better than $b - a$. Although the pay-off changes upon being coerced, the real choice in the first tier is whether the small state wants $r \times b$ or $1 - (R \times k)$. Central to this is the value the large state places in the small state's position (R) and, as an integral part of this, the probably that $R = 1$ (q).

In the model, the large state is given a more dominant role than the domestic audiences. As such, they are not only able to mindlessly award costs after the game has ended, but is also able to signal their preferences and intentions by means of coercion. In a different model, domestic audiences would too be able to signal their preferences and make it clear how they will react. However, it is arguably easier to justify the government of the large state as a unitary actor than the domestic audiences of a state. The coherency of the opposition admittedly varies between states. In our model, the agency of foreign governments are allocated more focus than domestic audiences.

Proof of proposition 2:

The small state will from the beginning of the game be interested in knowing the probability that the large state will coerce. If this probability is substantial, then the small state should choose "Con" straight away to maximize its pay-off. We let q denote the probability that $R = 1$ as assumed by the small state. Accordingly, $P(R = 0) = 1 - q$ given that R only takes the value 1 or 0.

Furthermore, we let P_2 be the small state's estimate of the probability that $x < 2$. That is, $P(x < 2) = P_2$ and $P(x > 2) = 1 - P_2$. We assume that the large state will never coerce if $R = 0$, as this would yield a score of either 0 or -1 whereas not coercing will always yield a score of 0. Similarly, the large state will not coerce if it is believed that $x < 2$, since then the small state will remain "Pro" following the arguments above.

The probability that the large state will coerce is then:

$$\begin{aligned} P(\text{coerce}) &= P(R = 1 \cap x > 2) \\ &= P(R = 1) \cdot P(x > 2) \\ &= q \cdot (1 - P_2). \end{aligned} \tag{6}$$

The large state will not coerce if either $x < 2$ or $R = 0$, which occurs with probability:

$$\begin{aligned} P(\text{not coerce}) &= P(R = 0 \cup x < 2) \\ &= P(R = 0) + P(x < 2) - P(R = 0 \cap x < 2) \\ &= 1 - q + P_2 - (1 - q) \cdot P_2 \\ &= 1 - q + qP_2. \end{aligned} \tag{7}$$

Both calculations have been carried out under the assumption that the values of R and x are independent of each other.

Now, if the small state finds the probability of the large state coercing to be greater than the probability of the large state not coercing, it should choose "Con" in the first tier. This happens when the expression (6) is larger than expression (7), i.e. when

$$P(\text{coerce}) > P(\text{not coerce})$$
$$q \cdot (1 - P_2) > 1 - q + qP_2$$
$$2q \cdot (1 - P_2) > 1$$
$$q > \frac{1}{2(1 + P_2)} \tag{8}$$

If $q > \frac{1}{2}$, the inequality is always satisfied and the probability that the large state will coerce is greater than the probability that it will not coerce, regardless of P_2. Conversely, if $q < \frac{1}{4}$, the inequality cannot be satisfied, and the probability that the large state will coerce is less than the probability that it will not coerce.

$\square$

5 Nuclear Suppliers Group

This section empirically maps and analyses an empirical instance of the theoretical construct in section 4. Case study evidence is, of course, problematic in terms of assessing the effectiveness of theoretical effects (Achen and Snidal, 1989), and does not constitute definitive evidence of the information or selection effects proposed. Instead, the following case seeks to probe the potential validity of the model (Eckstein, 1991, pp. 147-148) as well as to suggest some of difficulties that researching state-to-state diplomatic pressure entails.

The case to be explored is a prolonged interaction between, on the one hand, India and the United States, and, on the other hand, Austria, Ireland, the Netherlands, New Zealand, Norway, and Switzerland (known as the "group of six") in the Nuclear Suppliers Group (NSG). The dependent variable is the group of six's position on a controversial norm push advanced by the United States, and the independent variable is pressure exerted by the United States and India on the group of six 2006-2008, which ultimately lead to consensus.

5.1 The waiver

The NSG is an international organization (or cartel) of nuclear supplier states that control nuclear and nuclear-related exports. The member states, which

in 2006-2008 numbered 45, implement two guidelines to curb nuclear proliferation: the guidelines for nuclear transfers (INFCIRC/254, Part 1) and the guidelines for transfers of nuclear-related dual-use equipment, materials, software, and related technology (INFCIRC/254, Part 2). The guidelines contain the "non-proliferation principle", which entails that NSG member states only authorize a transfer when confident that the transfer will not contribute to nuclear proliferation. In practice, this means that the recipient at a very minimum is party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). In the case in question, the United States, a member of the NSG, sought to convince the NSG to make an exception from their guidelines for India, which is not a party to the NPT, so that civil nuclear cooperation between the United States and India could ensue without violating the NSG guidelines.

As early as 2006, it was clear that a waiver from the NSG guidelines would not be easily obtained. The group is governed by the consensus rule, which means that NSG could not issue the waiver unless all members agreed to it. In May 2006, the chair of the NSG characterized the call for a waiver for India as "premature" (WikiLeaks, 2006). One month later, when the waiver was formally discussed at the NSG Plenary Meeting in Brasilia 1-2 June 2006 (Nuclear Suppliers Group, 2006), the NSG only agreed to continue discussions.

Prior to the NSG meeting in Cape Town 19-20 April 2007, India reached out to members of the NSG about the exemption. Several members, including Norway and the Netherlands, had reservations about consenting to a waiver (Outlook, 2007). The fact that India had not signed the NPT was one key concern, especially considering that India sought an "unconditional" and "clean" exemption from the rules governing nuclear trade (The Hindu, 2008c).

At the Cape Town plenary meeting, the waiver was not on the agenda (Boese, 2007). The waiver was not addressed in the opening statement of the South African Minister of Foreign Affairs on 19 April 2007. Reporting from the meeting, the Irish Minister of Foreign Affairs said that in his understanding, the NSG would not be asked to consider a waiver until the IAEA had concluded a safeguards agreement with India and the bilateral negotiations between India and the United States were finalized (Ahern, 2007). However, concurrent to the NSG meeting, but outside the NSG framework, the United States and India had moved their bilateral negotiations to Cape Town (Ahern, 2007). Indeed, Ireland and other like-minded countries had sought clarification from the United States on the state of the bilateral negotiations (Ahern, 2007).

At the Plenary Meeting in Berlin 22-23 May 2008, the waiver was allegedly still not on the principal agenda (The Hindu, 2008b). Unfortunately, it is difficult to report on the content of the Berlin meeting without resorting to assumptions: NSG deliberations are confidential and the press releases from the Plenary Meetings in 2007 and 2008 contain very little information on the items discussed (Nuclear Suppliers Group, 2007, 2008). However, to the extent that the waiver was discussed, no consensus was reached in Berlin either.

5.2 IAEA Safeguards

In July 2008, a draft agreement for India was presented to the IAEA Board
of Governors to apply IAEA safeguards to civilian nuclear facilities in In-
dia without rendering military nuclear facilities vulnerable to international
scrutiny. Prior to seeking IAEA approval, the United States suspected that
not all IAEA board members would agree to leave military nuclear facilities
outside the scope of the safeguards agreement. In a diplomatic cable from 14
July 2008, the United States Ambassador to the IAEA, Gregory L. Schulte,
identified Austria, Ireland and Pakistan as problematic board members, with
Pakistan as "the most likely potential spoiler" (WikiLeaks, 2008d).

The group of six only reluctantly endorsed IAEA safeguards for civil nuclear
facilities in India. In a joint statement, Austria, Costa Rica, Norway and the
Netherlands emphasized that endorsing the safeguards agreement "in no way
prejudge(s) the decision on a possible India-specific exemption in the NSG"
(Bidwai, 2008). Applying IAEA safeguards to some of India's existing nuclear
facilities was deemed better than the status quo. However, allowing states to
engage in trade in nuclear materials with a state that was not party to the
NPT constituted an entirely different matter.

On 1 August 2008, the IAEA Board of Governors successfully adopted the
"Agreement between the Government of India and the International Atomic
Energy Agency for the application of Safeguards to Civilian Nuclear Facilities".
However, it would not a slippery slope from IAEA safeguards to NSG consen-
sus. According to a United States diplomatic cable, New Zealand, Norway, the
Netherlands, and Canada asked for four to five weeks between the IAEA de-
cision and further NSG consideration (WikiLeaks, 2008d). New Zealand went
as far as to caution that "the default setting is no" (WikiLeaks, 2008d).

5.3 The waiver (continued)

The group of six did not get four to five weeks, but only three. The NSG
convened 21-22 August 2008 in Vienna for an Extraordinary Plenary Meeting.
The objective of the United States was to convince the NSG to issue a waiver,
so that civil nuclear cooperation with India could finally ensue. The hope was
probably that the NSG would mirror the process in the IAEA, which was
completed efficiently (DAE, 2008) and relatively easily (Rice, 2011, p. 697)

The United States forwarded a draft to the NSG chair on 7 August 2008 that
was circulated among NSG members ahead of the meeting (Mistry, 2014, p.
185). In a joint statement, Austria, Ireland, the Netherlands, New Zealand,
Norway, and Switzerland announced that they would seek to amend the pro-
posal. The amendments were to be proposed "in a constructive spirit" and

based on concepts enshrined in UN Security Council resolutions, domestic legislation, and bilateral nuclear supply agreements. Although the like-minded countries would work "towards an exemption for India", the waiver would have to meet "our non-proliferation objectives, as well as the broader interests of the NSG and the nuclear non-proliferation, arms control and disarmament regime, as established by the NPT".[1]

To make the proposed waiver more consistent with their non-proliferation objectives, the group of six submitted a large number of amendments at the August 2008 Extraordinary Plenary Meeting. Some sources indicate "over 60 amendments" (WikiLeaks, 2008b) while others indicate about 50 (Goff, 2008; Mistry, 2014). The six like-minded countries "collectively championed the majority of amendments" (WikiLeaks, 2008a). The amendments of the like-minded countries were supported by varying degrees by 10-15 other countries (Mistry, 2014, p. 189). The concerns of the group of six range from transfer restrictions and monitoring to proscribing nuclear tests and requiring India to sign the NPT (Ranganathan, 2014, p. 329, cf. The Hindu, 2008a).

Several news sources described the changes proposed by the like-minded countries as "killer amendments" (see e.g. Outlook 2008). On 28 August 2008, a United States Ambassador warned the group of six (by then sometimes called the "gang of six") that their amendments at the NSG meeting "shocked" the United States and jeopardized the agreement (WikiLeaks, 2008a). A few days later, India and the United States agreed that more political pressure was necessary to keep the group of six focused on the big picture (WikiLeaks, 2008b). Instead of viewing the waiver through the narrow lens of non-proliferation, one could look at the great potential of civil nuclear cooperation. The large number of amendments emphasised the disconnect between, on the one hand, the economic and geopolitical objectives of India and the United States, and, on the other hand, the non-proliferation objectives of the group of six.

Following the disastrous August meeting, it was clear that the United States Acting Under Secretary for Arms Control and International Security was having little success in bringing the "guardians of the non-proliferation regime" on board, which included Austria, Ireland and the Nordic countries (Rice, 2011, p. 697). To achieve the waiver, the United States decided to raise the waiver from a technical issue taken by arms control bureaucrats—which was identified as a problem in their diplomatic cables (WikiLeaks, 2008b)—to high-level political dialogue (Mistry, 2014, p. 185). To that end, then President George W. Bush and Secretary of State Condoleezza Rice reached out to the political leadership of the group of six by telephone. According to the autobiography of Rice, "(s)ecuring the consent of the Nuclear Suppliers Group was much harder" than getting the endorsement from the IAEA Board of Governors (Rice, 2011,

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[1] Transcripts from NSG deliberations are rare. We were able to retrieve this statement from the webpage of journalist Siddharth Varadarajan: `https://svaradarajan.com/2008/08/26/nsg-statement-by-the-gang-of-six/`. Unfortunately, we can only assume that the statement is authentic and is a final draft.

p. 697). On 4-7 September 2008, Rice was on on a trip to Portugal, Libya, Tunisia, Algeria, and Morocco. Prior to leaving Washington, she made more than 20 phone calls to bring more states on board. Albeit in Algiers at the time, she "stayed up all night making phone calls" during the final round of NSG deliberations (Rice, 2011, p. 698). Meanwhile, in Vienna, United States officials held discussions with several of the like-minded countries (Mistry, 2014, p. 192), putting additional pressure on the group of six.

Austria, Ireland, the Netherlands, New Zealand, Norway, and Switzerland ultimately agreed to the NSG-waiver, with India making a political statement on non-proliferation as their only condition. Here, the United States included the group of six in the process. According to Rice, the then Norwegian foreign minister Gahr Støre wrote "language that I approved to bring the recalcitrant states along" (Rice, 2011, p. 698). After additional discussions between India and the United States, the Indian Minister of Foreign Affairs finally made a statement in the morning of 5 September 2008 (Mistry, 2014, p. 192).

The US called for another NSG Extraordinary Plenary Meeting, which was held in Vienna 4-6 September 2008. On 6 September 2008, the NSG reached consensus and issued the waiver. India was exempted from the NSG requirement of full-scope safeguards and NSG members could now engage in civil nuclear trade with India. This included the transfer of "trigger-list items and/or related technology, nuclear-related dual-use equipment, materials, software and related technology" for peaceful purposes and for use in facilities safeguarded by the IAEA, given that transfers satisfy all provisions of the NSG guidelines (Office for Disarmament Affairs, 2009, p. 23).

5.4 Stakes

In the model in section 4, the ability of the large state to make the small state realign is moderated by high stakes. If the stakes are high, the coercion is more likely to be effective. If the model is to be relevant, the stakes needs to have been higher for the United States in August-September 2008 than at any prior NSG meeting. Indeed, there were many reasons for why the United States might have perceived that it was crucial to finalize the NSG negotiations.

Two reasons are rooted in the domestic politics of India and the United States:

1. In July 2008, India's ruling coalition, the United Progressive Alliance (UPA), had barely survived a confidence vote over the nuclear agreement with the United States. UPA had survived only "by the skin of its teeth" (Sasikumar and Verniers, 2013, p. 679): 275 members of parliament voted in favour of the government and 256 voted against. If the Indian government did not get the NSG waiver they wanted, and which they had risked staying in power for, the United States feared that India would walk out of the agreement.

2. On 2 September 2008, Congressman Howard Berman released a secret let-
   ter from Jeffrey T. Bergner, Assistant of Legislative Affairs in the US De-
   partment of State, to Tom Lantos, the former Chairman of the Committee
   on Foreign Affairs in the US House of Representatives (Chari, 2013, p.
   122). The letter revealed a tough American line on India. For instance,
   Bergner assured the late Lantos that the United States would terminate
   nuclear trade if India conducted another nuclear test. This was not con-
   sistent with what the Indian Prime Minister Singh had told the Indian
   parliament: "The Agreement does not in any way affect India's right to
   undertake future nuclear tests". The letter created further distance and
   tension between India and the United States, and the United States might
   have felt called to step up its efforts in the NSG to signal to India its
   commitment to the nuclear deal (Washington Post, 2008).[2]

Two reasons related to rules and protocol created additional urgency:

3. If the NSG did not issue the waiver that week, the window would close
   for United States congressional action, because lawmakers adjourned in
   September (Washington Post, 2008). Congressional approval was the final
   step of the long and arduous process, which has included amending the
   United States Atomic Energy Act of 1954, negotiating the bilateral Sec-
   tion 123 Agreement, negotiating a safeguards agreement for India with the
   IAEA, and negotiating the exemption from the NSG (Rice, 2011, p. 696-
   697). Since this was the end of President George W. Bush's second term
   in office, any further delay effectively meant that the agreement with India
   would be finalized by the next administration (Rice, 2011, p. 699). This
   was not desirable for the Bush administration, not least because it could
   prove important to Bush's foreign policy legacy (Washington Post, 2008).

4. Indian Prime Minister Singh was scheduled to visit the White House to-
   wards the end of September 2008. Official visits take a lot of planning,
   sometimes even years. If the deal was further stalled in the NSG, the offi-
   cial visit might have to be postponed, or, worse, cancelled. The upcoming
   visit further underlined the need for a swift process in the NSG.[3]

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[2] The "Berman letter" is 26 pages long and consists of 45 questions and answers about
the Indo-US nuclear agreement. The letter can be accessed on Washington Post's web-
pages: `http://media.washingtonpost.com/wp-srv/world/documents/Lantos_Letter.pdf`.
The letter is not to be confused with a letter written by Howard Berman to Condoleezza
Rice on 5 August 2008, which also concerns the Indo-US nuclear agreement and in which
Berman himself expresses concerns about the agreement. The latter letter can be found
on the webpages of the Arms Control Association: `https://www.armscontrol.org/system/
files/20080805_Berman\%20NSG\%20letter\%20to\%20Rice.pdf`

[3] Although the NSG issued a waiver, the deal was further delayed because it was not
yet approved by Congress. Nonetheless, Prime Minister Singh did meet President Bush at
the White House on 26 September 2008. The deal was approved on 27 September by the
House of Representatives with 298 votes in favour and 117 votes against. Due to what Rice
describes as Congress' "arcane rules", the Senate Majority Leader could only bring the bill
to the Senate floor through a "unanimous consent agreement", which could not be done
due to an anonymous hold on the bill. For reasons unknown, the Senate Majority Leader

Finally, two reasons related to great power politics created additional pressure:

5. The Russo-Georgian War took place between 7-12 August 2008. From the point of view of the United States, the Russo-Georgian War could have added a sense of urgency to the strengthening of relations with India. If Russia was to become a force to be reckoned with in international politics, it would be strategic to cement the US-India civil nuclear energy agreement, which would connect the US and India economically for years to come. The 2011 autobiography of Rice confirms that building a long-term partnership with India was a main priority: "The accord would now permit the United States to exchange peaceful nuclear technology with India, and, perhaps more important, establish a foundation for a new strategic partnership with New Delhi" (Rice, 2011, p. 699).

6. On 2 September 2008, a spokesperson of the Chinese Foreign Ministry cautioned that the demand for peaceful use of nuclear energy must be balanced against non-proliferation concerns (The Economic Times, 2008; Washington Post, 2008). This reiterated Chinese ambivalence about the NSG waiver, which had been expressed earlier, although less explicitly. If the NSG negotiations became prolonged any further, the United States might have to convince not only the group of six, but also China.

6 Conclusion

We have assessed on a theoretical level under which conditions small states support initiatives in IOs and further assessed the specific impact of large states on small state alignment and realignment. Our model suggests that small states have a degree of autonomy with regards to which initiatives to support or oppose, but that their room for manoeuvre is strongly limited as the stakes increase. When the stakes are sufficiently high (when the upper threshold [x] exceeds 2), small states are better off defecting on their principles and former action, even though they risk the realization of audience costs. If the small state fears large state interference, which is rarely in her interest, she might decide to realign with the large state *ex ante* in order to avoid additional costs. Miscalculating the interests of the large state can be costly.

The case study is consistent with the model: the small states (the group of six) in the case study only defected on their former position when the stakes were sufficiently high. Although one case cannot possibly prove or test our propositions, the case in question serves as an avenue by which one can probe whether the model has or is likely to have any relevance whatsoever. We believe the case study suggests that the model has some relevance and may be a tool for further exploring the decision-making of small states in IOs. This could,

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managed to get the unanimous consent agreement and the bill was passed in the Senate on 1 October 2008, with 86 votes for and 13 against (Rice, 2011, p. 698).

for instance, take the form of a computer simulation or a large-n quantitative inquiry. Relevant scope conditions that need to be explored include regime type, especially with regards to audience costs, as the ability to punish political figures for inconsistency can be expected to vary among regime type.

Finally, one also need to engage in a dialogue with practitioners. One of the contributions of this paper is that IOs does not always operate the way they are supposed to. To people with applied experience from foreign policy, this is a meaningless observation: *of course* states use their aggregate and issue-specific capacity for what it is worth to advance their policy objectives. That is, in a sense, the nature of international politics. Therefore, we will seek to draw on the experiences of practitioners in addition to archives and datasets.

In 2008, some countries warned that the NSG waiver would signify "the end of the non-proliferation regime as we know it" (WikiLeaks, 2008c). Others, such as Mohamed ElBaradei, the then director of the IAEA, were in favour (ElBaradei, 2011, p. 224-228). In 2007, ElBaradei expressed his support for the India Agreement in an opinion peace in Washington Post, arguing that "(e)ither we begin finding creative, outside-the-box solutions, or the international nuclear safeguards regime will become obsolete" (ElBaradei, 2007). As 2016 draws to a close, India is seeking membership in the NSG. Facing similar concerns from the international community as in 2008, including from non-proliferation stalwarts and from China (The Indian Express, 2016), India will either have to explore creative, outside-the-box approaches in detail, or get additional help from the United States. Chances are that help will come, and that the like-minded countries will yield, but only when the stakes are high.

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