Incentives in the New Global Order for Nuclear Security

by

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ABSTRACT

The 2012 Nuclear Security Summit in Seoul opened the door to the development of new ideas to improve the current global regime for nuclear security.

Most of the efforts are now being oriented in the sense of proposing an innovative design of nuclear governance, which includes architecture and strategic leadership mechanisms. The improved design would be able to overcome most of weakness already identified in the present regime, and therefore, to reach a better performance in reducing risks related to nuclear [and radiological] terrorism and illicit traffic. It is clear that a security system is as weak as its weakest parts are, so that the first step would to enhance such weak components.

One of the main weaknesses in the current nuclear security regime is, perhaps, its lack of universality which manifests as different levels of commitment [including denial] that states show in terms of proposing and implementing actions [at domestic and global levels] to reduce nuclear risks.

Clear signs in this sense are the disparity in awareness of nuclear dangers, different degrees of institutionalization of the national systems of prevention, different levels of adhesion to binding and nonbinding international instruments, and also, different attitudes toward cooperative work and transparency.

So that, making the effort consistent and universal, including states of very different profiles working in cooperation becomes one of the main priorities on the design and implementation of any improved global system for nuclear security.

In this line of thought, this paper analyzes the potentiality of incentives as a tool to reach the required minimum level of participation, taking into account the diversity of states and their circumstances.

The path to 2014 Netherlands Summit turns out a fruitful environment to develop and share innovative ideas for Global Security Governance, including this relevant issue. Such ideas are essential to give the whole NSS effort the desirable strategic importance as the seed for a positive transformation of the current regime to improved global governance.

INTRODUCTION

The voluntary and non-binding nature of most of the instruments in the current regime, together with a clear reluctance of many states to participate in global initiatives are noticeable weakening factors of the whole international effort to enhance nuclear security.

The perception of threats related to nuclear terrorism and illicit trafficking as issues of low priority or very far from national realities is very usual in many states, even in some of nuclear significance. In addition, concerns about the level of resources that states must devote to reporting duties related to their adherence to international commitments, as well as doubts about unfair intentions underlying requests of transparency and information sharing mostly when they come from western powers and multilateral organizations, erode in practical terms chances of full participation, and therefore, of achieving a robust nuclear security system.[1]

Measures to revert such weakening factors, which can be well summarized as lack of universal participation, lack of awareness, and mistrust about intentions among groups of states- are seen as a necessary core part of any future design of global governance.

In this sense, ways to achieve a broad cooperation as well as a clear understanding of threats and its consequences should be taken into account as priorities of design.

The desirable situation is that every state in the world could be involved in one way or another of cooperation in order to make the future global governance work. In this sense, the tactics should include planned actions to bring on board all states, even those recognized as more controversial.

ACHIEVING SUSTAINABLE COOPERATION

As said, one of the main drivers to successfully deal with nuclear threats is to find ways to achieve cooperation among very diverse actors. And it is clear that such cooperation should be **sustainable in time**, in order to keep in place a long-term effort to fulfil the ultimate goal of a world free of nuclear [and radiological] terrorism.

The issue is then how to achieve such sustainable cooperation.

It is evident that governments interpret reality and also that acknowledge it in terms of their perception of dangers/ benefits, with a main focus placed upon close domestic priorities rather than on issues of global concern.

The path to increase cooperation is then, to find elements, which would help decision makers see the fact of joining the global effort in nuclear security as a matter of close domestic priority and interest. So that, decision makers should find real rewards of participation that can be related to their closest environment. [2]

In the context of cooperation, **transparency** and **reciprocity** has been frequently highlighted as essential conditions. Moreover, counter arguments about the lack of transparency and/or reciprocity as obstacles to cooperation have been quite usual in position papers, public statements, and policy-making documents.

Within the nuclear environment, transparency can be seen as a 2-level matter. In fact, transparency can be related to the obvious material level, which involves arsenals and nuclear materials inventories, but at the same time, transparency can be related to states' intentions, ambitions, and attitudes.

A fully transparent player is the one whose assets and intentions are completely visible to others. Transparency is associated with revealing all the elements in the game and it is, therefore, an extremely challenging issue, which necessary raises **expectations of reciprocity**.

There are several questions of practical application key to further analyze the point: Is unilateral transparency a sustainable option? Who will be the first to be fully transparent? How to achieve the required reciprocity? What kind of transparency [physical, behavioral, or both] sets the necessary baseline for cooperation in nuclear security? Is transparency **a mean** or **an end** in the future nuclear security governance?

It is important to notice, that conditions of transparency and reciprocity, though **necessary,** are in no way **sufficient** to encourage a sustainable cooperation.

Other **incentives** are required to position the global pre-defined goal in the sphere of the closest interest of states' decision makers [and also to trigger perceptions of value and expectations of short term rewards].

When interests are appropriately identified, and expectations of rewards come up, the role of a central authority is less relevant and cooperation can be achieved through its own rules, with less external pressures. Behavior shifts its focus **from mandatory to voluntary.**

This is clearly the most desirable way to perform collaborative work in nuclear security, as it does not necessarily require of a heavy super-imposed authority. Cooperation turns to be a virtuous bottom-up process where inner conviction is strong, very different from a top-down process exclusively based on external power and authority. [3]

To put this approach to work, the main challenge is perhaps, to build up the required conceptual structure that could trigger cooperation based on interests. In this conceptual structure, all elements need to be interrelated and synergic.

Building up such structure implies:

a. **Actions to raise awareness of threats and their impacts on states' close interests** (on the wider sense explained before). The main fact is that among

nations not all of them share the same concern about nuclear terrorism, and not all of them has the same close interests. In order to make an effective impact, such diversity should be taken into account. Nuclear security seems to be a major concern for developed states while for developing countries it seems to be a distant issue. In order to bridge the gap, impacts of nuclear terrorism should described in black and white.

b. A **fair principle of equity of duties and benefits** underlying the processes.

c. **Low hanging high value opportunities,** likely of successful resolution, in order to maximize active participation of countries of diverse profiles.

d. **No rights intended to be eroded "by design."** Neither "golden rules", nor "a priori" encouragement of renounce.

e. A **strong but flexible scheme of incentive** in place, including the required funding to make it possible.

ON INCENTIVES FOR COOPERATION IN NUCLEAR SECURITY

As said before, incentives are a necessary component of the evolution toward improved global governance mechanisms. Which incentives work better and for whom, is subject of a still open discussion.

The key for successful cooperation is to find elements that make governments perceive that joining the global effort in nuclear security is a true matter of close interest (perceived value, and consequent reward). As such perception is very diverse among states (and their decision makers), **incentives are then, very difficult to standardize**, and also to make them universally valid.

Formulation of an effective scheme of incentives, able to spark cooperation in nuclear security, involves considering the situation nations in its multiple dimensions. It implies a deep understanding of political, economical, and technological issues underlying such reality. It is also essential to take into account the specificity of cultures and government styles.

To design adequate incentives is a challenging mission where some of the outcomes should be assumed as working for certain states, but not working for others. In business terms it would be equivalent to design a "tailor made" service for a particularly demanding customer.

The way that a project is communicated to the international community is, somehow, a way to offer states incentives or des-incentives for participation, taking into account that messages resonate very differently in different target audiences. The case of messages

about “threat” vs. “responsibility” to incentivize participation in nuclear security initiatives is a clear example of such differences.

Concerning incentives in nuclear security, there are several points that need to be addressed.

a. What actions should be incentivized: general cooperation or a particular issue, such as implementation of best practices or perhaps the ratification of a legal binding instrument as the CPPNM and amendment?

b. Should incentives be provided in advance? Should they be granted as a reward for an achievement already accomplished, such as implementation of best practices?

c. Which organization should grant incentives? States? Multilateral organizations? Privates?

d. What degree of universalization can be achieved with the incentive policy?

Categories of incentives go from pure moral to pure material, an there are different criteria for their classification. Incentives can be offered on a combined basis, and also, they can go far beyond the field of the requested action by the recipient.

A possible classification can recognize the following categories:

Moral incentives, said to exist where a particular choice is widely regarded as the “right thing to do”, or as particularly admirable. This concept is likely to be appropriate for developed states with fully covered primary needs. Such states are clearly seeking to act in favor of the global common interest. In general such nations do not need to be incentivized when projects make sense and they are clear and neatly formulated.

Political incentives imply for a state or for its dominant elites an expectation of increase in one or several dimensions of its current international weight, power, status, and/ or prestige. Such incentives could include political support from other key states to exert distinctive roles in environments where global or regional power is habitually managed and strategic decisions are made, for example multilateral nuclear general forums, or specific for nuclear security if such forum were put to work.

Cultural/ social incentives go in the sense of integration and recognition in a region r worldwide and include educational initiatives.

Technological incentives include aids and cooperation for technological development and technology sharing in diverse areas of interest, usually unaffordable by the target state on a stand-alone basis. In a wider sense, it also implies processes redesign in order to facilitate accomplish and information sharing by states with scarcity of

resources. All the effort to simplify reporting and participation could be included in this line of action. [4]

Economical/ Financial incentives imply direct or indirect social aids, investment plans with different purposes, smooth credits for industrial development and other purposes, inclusion in business opportunities, joint ventures, etc. As an example, funds could be used to incentivise states to improve their domestic protection, or business, could attract states with emerging nuclear industries, in the areas of conversion of HEU fuelled reactors to LEU ones and of the use of LEU targets for production of medicinal radioisotopes.

As was pointed above, incentives more likely to be applied to motivate cooperation in nuclear security are political, technological, economical/ financial or a mix of them.

Another point to consider is that effectiveness of incentives is variable in time, as several overlapping dynamics- global, regional, and domestic- combine to impose their own pace. It means that a basic attribute of an effective incentives scheme should be, without any doubt, flexibility.

Finally, it is necessary to take into account the big responsibility of states of high nuclear development, but with still pending issues concerning nuclear security, as their lack of action can turn out a demotivating issue with consequent adverse results. It is especially true in the case of big promoters of improvements in nuclear security such as the United States, pending it has the ratification of the 2005 Amendment to the CPPNM

OTHER PRACTICAL CONSIDERATIONS

To put a new nuclear security order in place turns out a 3-step process which overlap themselves, with 1 key roles in each. The **first step** is the **design,** where a clear vision is defined and all the appropriate elements are put together in alignment to such vision**.** Such elements cover those of the Structure Building, mentioned before, included incentives. The key role of this step is that of **designer**, mainly at expert level but potential intervention of governments. This first step ends with a solid proposal to be submitted to states primarily interested on the issue.

The second step is the decision making to advance in the sense of improving nuclear security governance, including the further seed implementation, where the key role is of **leading states.**

As nuclear terrorism is an issue of global concern, some states must take the lead in this process, building the conditions to achieve cooperation.

The US leading role on the issue has been put in clear evidence with the remarkable initiative of Nuclear Security Summits. In this stage of evolution, other relevant countries should take the leadership (as it is already happening) and work in cooperative terms in order to engage more new participations in the initiative to achieve enhancements in global governance for nuclear security.

This step forward can be carried out, at global and regional levels. The advantage of the regional approach lies on two bases: firstly, some countries within a region share common problems, which demand regional solutions. If in certain region, the main problems are border control and illicit trafficking, policies to deal with this will seek coordination among the states of the region. On the other hand, the regional approach has clear advantages in terms of promoting cooperation among peer states.

The regional approach must be complementary to the global one, where enough funding is provided to feed the incentives scheme. The main international players should also lead by example on nuclear security issues getting to a multilateral approach toward the elimination of fissile materials.

The link of both, global and regional spheres will raise the likelihood to engage different players in this game and the creation of international confidence environments for information sharing. As a result, their involvement in such environments turns to be an outcome of the cooperative process. If states advance jointly toward a brand new global order for nuclear security, trust among them will appear as a product and not as a goal previously set up.

Universal cooperative involvement is required to **complete the third step, where the new order reaches the former reluctant states.** So, if enhanced governance mechanisms will be designed for the future, they must be comprehensive, including, as far as possible, the whole international community. A healthy universality is in this case, a driver for success.

The key role here is possibly that of the **promoter state,** which multiplies its influence and seeks adhesion of the most reluctant members of the global community, with the support of the whole system and its multilateral organizations. The promoter state applies its guidance and also incentives to contribute to universalize the adhesion to the brand-new system.

As incentives are practical measures set to encourage countries to fulfil the requirements of the new system, balanced incentives can finally turn the “national sovereignty” paradigm into a matter of “close interest”, in which nations will face a shared common work under pre-agreed rules.

Another relevant aspect here is to assure a **base of information**, to be shared among cooperating participants. In order to satisfy the necessity of confidence, regular exchanges on the progress of the implementation of the different measures regarding

nuclear security, on one hand, and the interaction among peers on best practices and ways to reinforce the system as a whole.

CONCLUSION

Nuclear Security Summit as a high level process can be the adequate environment where **leading states** can push forward the idea of an enhanced nuclear security governance. In this sense, **Step one**, related to **the design and proposal** for the future nuclear security order should be completed before enough 2014, so as to open the necessary space for reflection and debate.

The path to 2014 Netherlands Summit turns out a fruitful environment to develop and share innovative ideas for global security governance, including the relevant issue of incentives for a broad participation in order to achieve universal cooperation.

Such ideas are essential to give the whole NSS effort the desirable strategic importance as the seed for a positive transformation of the current regime, hopefully to be implemented between 2014 and 2020.

[1] For more details on Irma Arguello's thoughts see: "Regime Change For Nuclear Security," the Bulletin of the Atomic Scientists, Sep 2011, < http://www.thebulletin.org/web-edition/columnists/fissile-materials-working-group/regime-change-nuclear-security> , and "Achieving a New Nuclear Security Architecture," Irma's remarks at the Session 4 "Nuclear Security beyond 2012," Conference on the 2012 Seoul Nuclear Security Summit and Next Generation Nuclear Security, IFANS-KINAC-FMWG, Seoul, November 2011. <http://www.fmwg.org/seoul_presentations/irma_arguello_ppt.pdf> .

[2] In some cases, personal or group interests or ideological preconceptions replace "national interests". Notice that we are not approaching "interest" as a concept necessarily derived from a rational process of thinking, but as motivational trigger of decision-making.

[3] The concept of a bottom-up relationship is the main foundation of the Argentina-Brazil nuclear cooperation. First was the decision to cooperate after elements of close interest for both states were identified, 1991, and then, as a consequence of the virtuous relationship, both states signed opened to the world agreeing with the IAEA, 1994, and signing the NPT, 1995 and 1998.

[4] It would be the case of a simplification of duties derived from international commitments in nuclear security for states with a low level of resources.