

# Boom or Bust in Bombay

the new global reality

# US, Indian journalists explore India's rise and challenges ahead



Street Life. Above, a young girl holds her infant brother while begging for money on a jetty leading out to the Haji Ali Mosque in Mumbai, India. Despite India's booming economy, half of its population still survives on less than \$2 a day.

Learning Opportunity. Inset, USA TODAY reporter Sharon Carty, WMBC-TV reporter Nicole Israel, and Times of India reporter Rukmini Shrinivasan listen as nonprofit leaders discuss how they assist residents of Dharavi slum. (Photos by Sean Harder/The Stanley Foundation)

### Cover:

Contrast. Brick shanties border the commercial skyline of Gurgaon, India. (Photo by Amy Bakke/The Stanley Foundation)

umbai, India—Dine at any of Mumbai's growing number of gourmet restaurants, sleep in one of its swanky five-star hotels, or browse some of the city's budding art galleries and you'll see the economic signs of India's rise as a global power.

Step outside, however, to see children begging on the streets and sidewalk shanty towns filling the gaps between shiny new developments and you realize just how difficult India's rise will be.

"Clearly, India faces daunting challenges that must be overcome—and fast—or the incredible momentum of India's resurgence will suffer," writes Mira Kamdar in her newest book *Planet India*. "Despite a housing construction boom, 60 percent of Bombay's 18 million people live in slums or on the streets. The rich in India live amidst the most unimaginable squalor, seemingly unperturbed."

Six American and seven Indian journalists were exposed to these economic and social extremes during a journalism training workshop April 20-25 in Mumbai, the city many still know as Bombay. The journalists explored India's rise in the world and the challenges it faces during several reporting field trips. The workshop was the result of collaboration between the Stanley Foundation and Reuters Foundation.

# A Study in Contrasts

Throughout the workshop, journalists were able to meet members of Mumbai's young professional class, a group with a disposable income much larger than that of their parents. Increasingly liberal social norms, a growing sense of individualism, and eager consumerism are fueling urban growth and helping sustain the picture many Americans have of India's competition with the United States.

They also toured Dharavi, Asia's largest slum, and spoke with nongovernmental organization (NGO) representatives who work with the city's poorest and landless classes. They gained rare access to an outsourced call center and toured Mahindra Motors, a successful Indian automobile and tractor manufacturer.

The field trips highlighted the acute contrast in the economic development of Mumbai.

"You can't walk around Bombay and not realize that the wealth is not getting to the bottom levels," said *USA TODAY* correspondent Sharon Carty, one of the workshop participants. "On the other hand, you see the fact that there is a growing middle class, but I am worried that in India's drive to become a major superpower they are not looking at the bottom half of the nation."

India's IT, telecommunications, and financial sectors continue to flourish, driving the country's average 8 percent annual growth. Yet much of the country still lives without basic sanitation, education, and stable employment.

The challenges facing India emphasize the work that must be done to connect its people to the benefits of globalization. More than 1.1 million people live in Mumbai's Dharavi slum, a sprawling and industrious shanty town where most survive on less than \$1 a day and 75 percent live without sanitation.

Dr. M. A. Khatkhaty is a founding member and executive secretary of the Mumbai Educational Social and Cultural Organization, an NGO working to bring education and employment to Dharavi.

"The amount of work that needs to be done is colossal," he told the journalists. "We find the rich are getting richer and the poor are not benefiting."

Dipping under ramshackle roofs, navigating around piles of soon-to-be recycled plastics, and passing by children playing cricket in a landfill, the journalists witnessed the other side of India's rise.

Naresh Fernandes, editor of *TimeOut Mumbai*, a weekly Mumbai publication that covers all aspects of the city's political and cultural life, addressed the journalists. He reflected on this disparity.

"While it is said that a rising tide lifts all boats, it is not true that everyone even has a boat," he said. "This is especially the case in Bombay."

# Villages on the Brink

Still starker is the contrast between India's urban elite and its rural poor.

Villages in India's rural provinces often do not have Internet access, sanitary sewer services, or the infrastructure necessary to easily move goods and services to and from India's economic centers. The relative isolation of the villages has led to the persistence of the caste-system, despite the constitutional ban on caste-based discrimination and regulation. Naxalism, a strain of Maoism that traces its roots to a 1967 uprising in West Bengal, has found an eager following among India's landless classes. Violent uprisings have sprung up across rural areas and in Delhi, Bombay, and Kolkata. Prime Minister Manmohan Sing recently called these groups "the single biggest internal security challenge" facing India.

Villages are also dealing with water shortages, a problem throughout India, home to 17 percent of the world's population but only 4 percent of the world's fresh water supply. Farmers are having difficulty growing cash crops. The severe depression of India's rural areas has led to an increase in agrarian suicides as well as an exodus of young men opting for better opportunities in cities like Mumbai.

Krishna Poojari, co-owner and director of Reality Tours, a company that offers two-day guided tours into India's rural villages, said many send money back to support their families.

"They leave because farming life is hard in the villages," Poojari said. "They can make more money in the city and send it home to their families. So it's good for the villages, but it's also bad for the villages."

Agriculture makes up just 24 percent of India's economy, but some 850 million people depend on it to survive, Kamdar reports in her book. The survival of India's 600,000 villages will depend on agribusiness giants that are introducing new ways for farmers to get their goods to market, at market prices.

"The transformation of India's agricultural economy to an export-oriented, high-value one leveraging new cold chains to bring fresh produce quickly to urban markets or airports where cargo jets can get it to foreign markets will no doubt transform Indian agriculture and create new wealth," Kamdar writes.

—Christina MacGillivray and Sean Harder Program Associate and Program Officer, The Stanley Foundation

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courier

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Summer 2008

# Engaging Russia Historic St. Petersburg nuclear dialogue provides rare opportunity for interaction with Russian scientists



**Back to the Future.** Nuclear missiles and tanks once again rolled across Red Square during Russia's May 9, 2008 Victory Day parade, a revival of a Cold War tradition that once evoked feelings of pride in the USSR and unease in the West. (AP Photo/Artyom Korotayev)

s a global community, we are in a time of uncertainty regarding nuclear issues. Nearly twenty years after the end of the Cold War, we remain hamstrung by the legacies of the nuclear East-West standoff. There are the physical nuclear remains of that conflict: tens of thousands of excess nuclear weapons and thousands of tons of highly dangerous fissile material. And there are the military mental constructs it created: "mutually assured destruction" and "survivable second strike capabilities."

We want to move to a future where nuclear weapons play a greatly diminished role in world affairs, but we fear a future beyond our control, so we hedge our bets and cause others to react in turn. The result is a lacking sense of direction, which plays out as stagnant, calcified conversations within our official discussions at the United Nations and elsewhere. Meanwhile, new and

emerging threats continue from dangerous regimes and nonstate actors.

Turning to energy, we see the potential for a global nuclear energy renaissance that holds out the hope for cheap, carbon-neutral electricity for a growing, developing global community. At the same time, visions of Three Mile Island and Chernobyl loom in our collective memories, and real, unanswered questions remain regarding not only safety issues, but about nuclear waste, nuclear weapons proliferation, and even basic economics. Once again, our uncertainty holds back progress on policy discussions and decision making.

### A Rare Opportunity

Against the background of these challenges, in April 2008 the Stanley Foundation cosponsored the 2nd annual Russian Nuclear National Dialogue on "Energy,

Society, and Security," along with several high-profile Russian organizations, both governmental and non-governmental: Rosatom (Russian government nuclear agency), the Russian National Academy of Science (equivalent to the US National Academy of Science), and Green Cross International, an organization created by former Soviet president Mikhail Gorbachev. Over two days in St. Petersburg, 100 Russian and international participants from governmental, academic, policy, and civil society backgrounds met to discuss these critical issues from a Russian perspective.

Its role in nuclear issues has changed since the end of the Cold War, but Russia remains vitally important as a country striving to maintain its own security and leadership role in the region; rapidly developing from its vast oil and gas reserves; seeking to export its national technologies through increased trade; and acting as a key participant in setting global norms and settling international strategic crises, in the UN Security Council and elsewhere. Yet for all this, few real opportunities exist for free and open discussions between Russian and international experts across these different sectors of society, and so a conference such as the one held in April becomes all the more valuable.

Conference participants discussed how to improve the strategic relationship between Russia and the United States; the proliferation concerns stemming from "loose nukes" kept inside old Soviet bases and military warehouses; environmental cleanup of past Soviet nuclear crises, such as Chernobyl; how to spread nuclear energy to other countries without spreading technologies that could be turned into weapons; and how to deal with North Korea and Iran.

It was clear that this was one of the few opportunities for Russian lab officials to interact with international experts, for Russian citizens and environmental groups to interact with Russian governmental officials, and for an open forum where the once confidential nuclear topics could be addressed. International participants should take advantage of this open time to strengthen and deepen relationships with Russian experts and institutions, as a variety of significant challenges remain.

# Repairing the US, Russia Relationship

At the height of the Cold War, the United States and Soviet Union amassed more than 70,000 nuclear weapons between them and more than 2,000 tons of additional nuclear material. With the end of the Cold War and consistent bilateral negotiation, our strategic arsenals will be at the lowest point since the Eisenhower administration of the 1950s. This is undoubtedly a good thing, but many quantitative and, more importantly, qualitative challenges remain.

The strategic relationship between the United States and Russia is presently in poor health, and as Russia continues to assert itself more actively on the world stage, the strains in the relationship make progress on nuclear matters more difficult. Bilaterally, this complicates strengthening past strategic weapons reductions.

As well, there is a danger that the tremendous progress made in securing and eliminating Russian residual nuclear material from our Cold War legacy could be hamstrung by the current political tensions between the two former superpower rivals. For fifteen years, under the umbrella of "comprehensive threat reduction," the United States has been assisting Russia in a host of areas: the destruction of its excess nuclear weapons, the purchase of excess nuclear material (that now produces approximately 10 percent of US electricity), and the transformation of Russian personnel and infrastructure from military to civilian productivity. This unprecedented effort could falter if the US-Russian relationship continues to erode.

A resurgent Russia is key to managing and resolving critical external nuclear nonproliferation challenges. Russia is a vital participant in the two most public, challenging nonproliferation situations confronting the global community today: North Korea and Iran. Russia also participates in and contributes to a host of nonproliferation efforts, from long-standing efforts such as the Non-Proliferation Treaty and the related efforts of the International Atomic Energy Agency and the Nuclear Suppliers Group, to newer initiatives such as the Global Nuclear Energy Partnership and the Proliferation Security Initiative.

In a changing global environment, Russia is a major power on nuclear nonproliferation and its resurgence will maintain its critical position for the foreseeable future. Multilateral nuclear conferences, such as the recent St. Petersburg event, are an important channel of communication between Russia, the United States, and the international community on these critical nuclear issues. Progress depends on common understandings, which in turn rely on opportunities to share perspectives and views. St. Petersburg has historically been the pivot point between the West and the East, between Europe and Russia—a fitting location for an open dialogue on some of the most serious security issues facing our common future.

—Matt Martin Program Officer, Stanley Foundation

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This Market Is Up. Traders do business on the floor of the Brazil Mercantile and Futures Exchange. (Photo by Kristin McHugh/The Stanley Foundation)



# New public radio documentary examines how Brazil is challenging Brazil Rising and changing the global order

razil. It conjures up images of carnival, the beaches of Rio, The Girl From Ipanema, and the samba. But a new Brazil is emerging on the world stage. Brazil today is one of the fastest-growing players in the global economy, a bio-fuels pioneer on the fast track to energy self-sufficiency, a booming haven for

to governance in Latin America.

Can Brazil successfully chart a new path that overcomes the country's grinding poverty and its tide of violent crime, while still preserving the country's unique environment?

foreign investment, and a test case for a new approach

Will the new Brazil continue as a strategic partner for the United States or could it become a formidable competitor? How will the rest of the world accommodate Brazil's seemingly unstoppable growth?

These questions and more are examined in a new public radio documentary from the Stanley Foundation in association with KQED Public Radio and KUT-Austin. The program, "Brazil Rising," is hosted by veteran public radio journalist David Brown. Contact your local public radio station for air times, and listen online at www.stanleyfoundation.org/radio.

To close the broadcast, David Brown shared the following reflections:

I was sitting in the terminal lounge at Rio's Galeao airport as we wrapped up our journey through Brazil, trying to piece together the fragments of what we'd seen and heard: the state of the art jet factory churning out planes...the trucks hauling harvests out of the fields...the woman in the favella who'd launched a business in her garage.

But the images that were most persistent were those small things that individually don't mean much, but together leave you with impressions and emotions. Little things—like the comment of the farmer who told me his biggest problem was that John Deere couldn't make enough tractors, like the Chinese businessman who casually predicted Brazil would be the next economic tiger. I remember being astonished at the skyscrapers of São Paulo...how they seemed to stretch forever along the horizon. I remember the cars in the cities...how new they looked...the roads, how modern. I wasn't expecting the proliferation of convenience stores, upscale shopping centers, the easy availability of wireless broadband, and the astonishingly narrow distance between so much material prosperity...and so much poverty.

I thought about a conversation I had with a Brazilian official a few days earlier. We have so much in common, he said—referring to our respective countries. We're both vast places with tremendous opportunity, with a sense of destiny, a history of slavery, and a massive discrepancy between the rich and poor.

Henry Luce famously called the 20th century the American century—a period when the United States emerged from isolationism and asserted its growing economic and political influence on every corner of the planet. These days, it's become fashionable to talk about the end of that era, a transformation from a unipolar to a multipolar world. China. India. South Africa. A resurgent Russia. A robust Europe. That's all front page stuff.

But while everyone's been focused on those changes, Latin America's biggest country has positioned itself much as the US did a hundred years earlier. What we've seen as we've toured this enormous land is a place bursting at the seams with growth, fueled by massive amounts of foreign investment, a worldwide hunger for its natural resources. A Brazil that's embraced market economies and is actively rethinking its institutions to exploit its growing wealth. A Brazil that's literally feeding the rest of world.

And all this adds up to a Brazil that the rest of the world is becoming increasingly dependent upon.

It's going to reach critical mass very fast—the financial world is already betting on it. Picture São Paulo as a banking center rivaling London, New York, or Tokyo. It's easy to do. Imagine this place as a regional power broker, settling squabbles, serving as peacekeeper-in-chief for Latin America,

providing a political model for neighboring countries. A wealthy nation with a sense of its moment, commanding a bigger place at multinational conference tables. This is within Brazil's reach.

In fact, you don't have to squint very hard at all to imagine that the 21st century belongs to Brazil. Though they'll probably have to share it with others.

As our plane finally took off bound for Miami, the wing dipped over Rio for one more long look. That's when it struck me that there was something incredibly absurd about the fact that these changes are taking place with so little comment back in the states. Most of my friends back home have no sense of a multicultural American superpower emerging south of the equator. At the moment, the story of Brazil rising almost certainly represents one of the best kept secrets about the direction of the world.

Of course, it won't be a secret much longer.

### Resources.

The global order is changing. The 21st Century will be marked by many competing sources of global power. Across politics, economics, culture, military strength, and more, a new group of countries have growing influence over the future of the world. Visit www.stanleyfoundation.org/risingpowers for our complete "Rising Powers" feature and to explore these countries, the big issues that play a cross-cutting role, and the implications for the United States.



# Rethinking a Middle East in Turmoil Successful US leadership in the Middle East will require engagement, not a divide-and-conquer strategy

Resset to argue to both Israelis and the world that talking with rogue actors such as Hamas, Hezbollah, Syria, and Iran represented "appeasement" of the kind seen with Hitler in the buildup to World War II. The statement implied that current US strategies of isolation, economic strangulation, coercive diplomacy, and military threats are working to weaken these pernicious actors and empower peace-loving moderates throughout the Persian, Arab, and Jewish worlds of the Middle East.

Facts disprove the theory. The list of negative consequences of a decades-long US strategy of isolating unfriendly actors is now building to an intolerable crescendo.

The overall recent approach by the United States can best be described as "divide and conquer": identify the enemy; gather a strong bloc of like-minded friends in the region; and proceed to defeat decisively all enemies via economic sanctions, diplomatic coercion, domestic political isolation through aid to the enemies' own domestic opponents, and strong conventional military aid to all governments within the US-defined bloc of states.

# A Flawed Strategy

Unfortunately, this bloc-based approach has always rested on several extremely shaky assumptions, such as:

• Hezbollah is nothing but a proxy of Iran. In fact, it is a socially entrenched and respected actor in domestic



A Friendly Crowd. President George W. Bush is applauded by Knesset Speaker Dalia Itzik and Israeli President Shimon Peres after his address to Israel's parliament, May 2008. (AP Photo/Lior Mizrahi, Pool)

Lebanese politics and arguably the only credible representative for the relatively poorer and disempowered Shia religious majority.

- Iranians will oust President Mahmoud Ahmadinejad. The idea that conservatives and liberal reformists will band together to refute Ahmadinejad's hard-line populism if Iran is put under extreme diplomatic, financial, and military pressure is flawed. Hostile US policies seem to only strengthen Ahmadinejad's bureaucratic position against religious and business elites trying to contain him.
- There are "moderate Sunni states." There's an assumption these countries stand for both domestic and external moderation in regional politics. In fact, Saudi Arabia, Jordan, and Egypt continue to be troubled domestically by their own corruption and inability to squelch extremism.
- Friendly Arab states are more afraid of Iran than Israel or the United States. In fact, Arab states are increasingly distrustful of the motivations of all three sides—Iran, Israel, and the United States alike.

Let's look at the Middle East as it actually sits today. In the Persian Gulf, the populist, hyper-religious Iranian conservatives surrounding President Ahmadinejad continue to make strong claims about their right to an unfettered uranium enrichment capability with latent nuclear weapons potential. The Gulf Arabs fear the Iranian nuclear program, the potential for Israeli or American military strikes against Iran, and growing Persian and Shiite dominance in the region.

Then there is Iraq. A traditionally strong Sunni state in the past, the government is now led by Shiites, and Iran provides various forms of aid to a diverse, confusing array of factions inside and outside government. Meanwhile, the United States tamps down one form of sectarian violence only to find new forms popping up. Feeling like powerless bystanders in this strategic tug-of-war, marginalized in decision making, and weary of the constant downturn in their geopolitical position, Arab regimes have announced their strong intentions to embark on their own domestic nuclear energy programs—an outcome at odds with the global nuclear nonproliferation goals enunciated by the United States and its allies.

Looking West, the hard-won stable peace in Lebanon, negotiated in the 1990s after decades of civil war, is now broken. In response to roughly three years of attempts by the United States and Israel to isolate and even militarily defeat Hezbollah, the group has escalated its armed conflict against the Lebanese government. Hezbollah has virtually taken over traditional Sunni, Christian, and Druze areas of Beiruit. Military checkpoints proliferate while

human rights abuses against non-Shiite citizens are starting to mount. After at least a decade of strong efforts to rebuild Lebanese society, economy, and politics—with a good deal of Saudi assistance—Lebanon is again on the brink of destruction.

### What Can Turn This Around?

Thus far, the United States has banked everything on the failed policy of using threats and intimidation to weaken its enemies. But a strategic about-face is necessary: adopt an integrated strategy toward the region rather than a bloc-based, divide-and-conquer approach.

A more cooperative, positive-sum, multilateral approach would not appease actors such as Hezbollah, Syria, or the Ahmadinejad faction in Iran. Rather, it would recognize that reform-minded internal actors exist in all three places. Those actors could be progressively empowered over time by skillful US diplomacy, economic aid, and judicious military deterrence (as opposed to offensive-oriented threats). Ideally, new US policies would be fashioned with the long-term strategic goal of breaking down the regional divides of competing ethnicities (Jewish, Arab, Persian); competing religions (Jewish, Sunni Muslim, Shiite Muslim); and economic and military inequalities between both states and domestic factions.

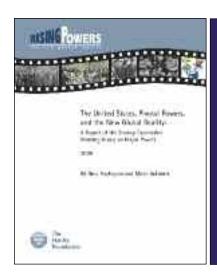
An integrative approach would recognize Hezbollah's valuable social role in southern Lebanon while still thwarting its destabilizing, anti-Israeli excesses. It would cautiously encourage Israeli-Syrian dialogue over a final territorial and political settlement for the disputed Golan Heights and try to bring Iran out of its self-imposed religious shell by depriving the most extreme Iranian factions of a "Great Satan" enemy. Pursued smartly and diligently, this new US approach would chip away at the image of the United States as a hegemon bent on exploiting the region's natural resources and thwarting the centuries-long Persian desire to be respected as a major regional actor.

This new approach would mean engaging troublesome actors as they are, rather than hoping increased pressure and isolation will transform them politically and socially before we engage them. Even if it were a good idea to precondition US engagement on domestic changes in these states (which it is not), the United States ultimately lacks the tools necessary to pursue its current coercive policies in the Middle East. It is a vain and delusional hope. And delusion does not a good foreign policy make.

—Michael Kraig Director of Policy Analysis and Dialogue The Stanley Foundation

# Stanley Foundation Resources

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# The United States, Pivotal Powers, and the New Global Reality

The primacy in world affairs that the United States has enjoyed since the end of the Cold War is diminishing. China, India, Russia, the European Union, and Japan, among others, have been gaining strength relative to the United States. How should the United States respond? That question was addressed by a Stanley Foundation Task Force on Major Powers that began work in the fall of 2006. Co-chairs Nina Hachigian and Mona Sutphen, authors of "The Next American Century" recommend ways the US can thrive in a changing world. May 2008 project report.

# **PUBLICATIONS**

# Scary Things That Don't Exist: Separating Myth From Reality in Future WMD

In the future anything is possible, but not all things are equally possible. This may be the most important thing to remember when it comes to thinking about future weapons of mass destruction (WMD). There are areas where the US government's assessment of future WMD threats—and possible countermeasures—has fallen short. Technology writer Sharon Weinberger examines how the US military's investment in science and technology reflects its thinking about future threats. June 2008 analysis brief.

# US Nuclear Weapons Policy and Arms Control

The practice of formal arms control is not dead, but it is definitely ill. Congressional calls for a new nuclear posture next year, combined with the inauguration of a new president, could provide an excellent opportunity to effect the first significant change to US nuclear posture in many years. In November, the Stanley Foundation convened a discussion in Washington, DC, with Bush administration officials, congressional staff, foreign diplomatic staff, and nongovernmental organization policy experts, as one of a series of organized discussions on US nuclear weapons policy. June 2008 dialogue brief.

### The Rise and Impact of Iran's Neocons

Iran is a country in which factional politics continue to reign. Its complex elite structure is divided between three distinct political camps: conservative, reformist, and neoconservative. Author Anoush Ehteshami examines the practical realities of the rise of Iranian "neocons" under President Ahmadinejad; the domestic and foreign effects of this rise; and likely future social, economic, and

foreign policy trends. He argues for balanced, long-term US engagement of Iran on its enduring geopolitical interests, the latter of which are shared between factions. April 2008 analysis brief.

# Implementation: A New Approach to Multinational Coordination in Afghanistan

Afghanistan is faltering as the Taliban continues an insurgency and the government of President Hamid Karzai struggles to deliver services. Around the world there are calls for new efforts at policy coordination among the donor countries who are aiding Afghanistan. However, former US Ambassador to Afghanistan Ronald Neumann writes that there should be less emphasis on policy coordination and more on implementation in the delivery of services to the Afghan people. In this brief he shows how greater emphasis on implementing existing strategy will produce better results. Further, he extracts lessons from the Afghanistan experience that could apply elsewhere. April 2008 analysis brief.

# Multilateralism as a Dual-Use Technique: Encouraging Nuclear Energy and Avoiding Proliferation

For smaller or less advanced countries, multilateral cooperation on nuclear energy development may be the only way to play an active role in a prestigious industry with evolving technology and potentially good profits. For all countries, it offers a gateway to security of fuel supply without political strings. John Thomson and Geoffrey Forden of the Massachusetts Institute of Technology propose a model multilateral arrangement that is applicable to any part of the nuclear fuel cycle. March 2008 analysis brief.

# Prospects for International Cooperation in Economic Development Knowledge Sharing With the DPRK

The Korea Institute for International Economic Policy (KIEP) and the Stanley Foundation convened a workshop in Seoul in November 2007 that brought together a diverse group to discuss ways to improve cooperation in knowledge-sharing activities with the DPRK. Overall, the workshop aimed to provide a forum for sharing of information and perspectives for those already involved in knowledge relationships as well as those considering future involvement, and discussing concrete ideas for moving forward. February 2008 report.

# RADIO DOCUMENTARY

# **Brazil Rising**

Hosted by David Brown, this radio documentary explores Brazil's emergence as one of the fastest growing players in



the global economy. Can Brazil successfully chart a path that overcomes grinding poverty and violent crime while still preserving the country's unique environment?

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Summer 2008

# **Brazil's Nuclear Policy**

### Dr. Odair Gonçalves

# An Interview With Odair Gonçalves

n April 9, 2008, the Stanley Foundation's Keith Porter interviewed Dr. Odair Gonçalves, president of Brazil's national nuclear energy center (known by the acronym CNEN). Below is an excerpt from that interview.

Gonçalves: The nuclear energy in Brazil answers for about 2.5 percent of the

electrical matrix. We have plans to reach about 5 percent—5 or 6 percent around 2030, which means building about eight more nuclear reactors by 2030. We have two, and we are now building the third.

Porter: Brazil has its own uranium deposits as well?

Gonçalves: We have the sixth-largest reserve in the world, but we have prospected just 30 percent of our territory and only to the depth of about 100 meters, which means that probably we have between the second- and third-largest world reserves in uranium.

Porter: We've talked to the people who are producing ethanol. We've read about the oil deposits that have been found. This is an incredibly energy-rich country.

Gonçalves: What we have to deal with is that we are a very rich country but not a very rich people. So I think we have to better distribute our resources, but I agree with you. We have a lot of conditions to reach a very good situation in the next few years.

Porter: Give us some indication of the kinds of things you do to prevent proliferation of any of that material, or the technical knowledge.

Gonçalves: Well, specifically about proliferation, Brazil is part of three big treaties. One is the Non-Proliferation Treaty (NPT), but even before we signed the NPT, we were part of the so-called Quadripartite Treaty, which involved the International Atomic Energy Agency and Argentina. We are also part of one international institution specifically for safeguards in Brazil/Argentina, which is ABACC (Argentine-Brazil Agency for Accountability and Control of Nuclear Materials), and we have our own system of safeguards also.

Porter: I assume Brazil has the capacity, not necessarily the desire, but the capacity to produce nuclear weapons, no?

Gonçalves: No. We are one of the very few—I think probably the only—country that explicitly has in the constitution of the country that nuclear power is just for pacific purposes.

Porter: But, technologically, don't you have all of the pieces that you would need?

Gonçalves: Technology has to submit itself to the constitution. There is no other way. We don't have conflicts in South America, just small disagreements, So we are in a, kind of, privileged part of the world where this is not the main problem. I think in our opinion, for a long time, the differences or the small conflicts could be solved with diplomatic actions.



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Porter: What do you say to the environmentalists, perhaps, who are very worried about nuclear energy?

Gonçalves: One of the main reasons we have nuclear power is environmental, because the nuclear power produces just water vapor. So I think nuclear energy will be the solution—at least part of the solution—exactly due to environmental problems.

## Resources.

The full transcript and audio from this interview is available at www.stanleyfoundation.org /risingpowers.