PREFACE

India is particularly sensitive about maintaining good relations with countries that hold a prominent position in world politics so as to concentrate on development. With this end in view, Foreign Policy Research Centre (FPRC) has launched a country-specific studies project. Each study seeks to highlight India’s relationship in bilateral and international perspectives. The initiative began in 2013 with Iran and has been followed by Studies on Pakistan, China, Japan and Israel.

The Studies on Australia, the sixth in the series, is a timely initiative as the recent growth of strategic and economic cooperation looks forward to the ushering in of the so-called “Asian century,” in which India and Australia are expected to be critical players.

In our venture, we have the support of national and international scholars who have agreed to come under the umbrella of FPRC to disseminate knowledge on Israel. We express our sincere gratitude to them for their cooperation in bringing this project to a successful culmination. They have always been a source of strength to us.

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Response to Questionnaire

1. Peter Varghese, former Australian High Commissioner to India has been quoted as saying, “Today it makes more sense to think of the Indo-Pacific, rather than the Asia-Pacific, as the crucible of Australian security.” Do you agree with the view that while the fluid strategic situation has prompted both India and Australia to hedge their bets, it is also working as a stimulant for them in striving for greater bilateral and multilateral defence cooperation?

Allow me to respond this question in two sections: first Indo-Pacific and the second Australia-India strategic perceptions.

First, I agree with High Commissioner Varghese regarding extension of Asia-Pacific region to Indo-Pacific, as it mirrors the post-Cold War geo-strategic realities. This is mainly against the backdrop of China’s rise and US engagement in Iraq and Afghanistan in its fight against international terrorism. In addition, rise of regional powers resulted in delousing the balance of power or statuesque that was maintained by the US since the end of the Second World War.

No doubt, China’s rise has offered economic and trade opportunities to the countries of the region but has also posed challenges in the strategic and security domains. China not only accelerated the process of military modernisation by consistently increasing defence budgets over a period of two decades, currently reaching to around US$145 billion, but also cast a shadow on the Asia-Pacific region by its expansive territorial claims in both the South and East China Seas, as well as against India through border incursions (claim over Arunachal Pradesh) and an increased naval military presence in the Indian Ocean. Beijing’s territorial claims expressed through its UN-submitted ‘9-dashed line’ map, its 2014-2015 building expedition, dredging-and-filling to create man-made islands in disputed areas of the South China Sea, as well as claims over (Japanese) Senkaku/Diaoyu Islands and the establishment of an Air Defense Identification Zone (ADIZ) in the East China Sea, backed up by aggressive military, maritime security and coast guard actions in both the South and East China Seas, have not only joggled Japan, Vietnam and Philippines but have also clearly signalled its intentions to the US. To further assert its dominance in the region, China is
developing an anti-access/area denial naval, air and missile strategy, through the first island chain (the Ryukyu, Philippines and Malaysia/Indonesia islands and archipelagos) to the second island chain, stretching from Japanese-held Bonin Islands and the US-held Northern Marianas, Guam, Palau and the Carolines to Guam with a motive to detract the US factor from the East Asian regional equation. In a sense, China’s submission of the ‘9-dashed line map’, its declaration of an ADIZ in the East China Sea, while threatening to declare an ADIZ in the South China Sea, potentially presents itself as a direct challenge to freedom of navigation in the these regions. So it is not just an issue of concern only in the Pacific Ocean but in the Indo-Pacific oceans.

Second, against these developments, both India as an Indian Ocean country and Australia sharing both the Indian and Pacific Oceans feel challenged. This was appropriately reflected in 2013 Defence White Paper that delineated the Indo-Pacific region as an area of supreme importance to Australia. And India’s upgradation of its ‘look east’ to ‘act east’ policy by the current Modi government brings Australia and India to connect Pacific and Indian oceans.

Overall, Australia and India both seek the strongest possible economic ties with China but at the same time consider the rising power of China and its proportionate influence in the region as a geo-strategic challenge. Considering this challenge, the concept of the Indo-Pacific as a shared strategic region does serve to bring Australia and India closer.

2. The Australia-India relationship has come a long way over the last decade, but it will require significant political will on both sides to give it more substance. Do you agree that Modi and Abbott offer change in a most favourable environment for India-Australia relations to move from the periphery to the centre?

We can develop response to this question in three different phases:

Phase 1: 1947-1990: A divergence in Indo-Australian strategic perspectives became obvious early during the Cold War when Pakistan became an alliance partner of the US. By this logic, Pakistan, a hostile country to India, thus became a de-facto co-ally of Australia. This resulted in Australia’s support for Pakistan vis-à-vis India on issues crucial to India’s basic security. One of these issues was that of Kashmir. Whether it was on the Sir Own Dixon Report to the UN Security Council on Kashmir or voting in the United Nations, or other attempts at mediation, including the Goa liberation issue, Australia’s position was invariably at variance with India’s interests. With their basic divergence in geo-strategic positioning, India and Australia also took divergent positions on most events of global significance such as the
Korean War, the Suez Crisis, the Soviet invasion of Hungary, and events in Cuba and Vietnam. On specific issues such as the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and later the Comprehensive Nuclear-Test-Ban Treaty (CTBT), both countries had differing views.

Phase II: 1991-2000: After end of the Cold War and India’s liberalisation of its economy gave rise to several complementary between Australia and India. India embarked on its new strategy to revamp its relations with its eastern neighbours and overcome the blinkers of the Cold War, this resulted in constitution of the Australia-India Council in 1992 to expand awareness and understanding between the two countries. Further impetus to the relationship was given by Australia’s Look West strategy, launched in August 1994. These initiatives appeared to purport singleness of purpose. As Australian Prime Minister John Howard appreciated complementarity to realise ‘full potential of Australia-India partnership’ in the 21st Century. However as against these initial positive overtures, in the wake of India’s May 1998 nuclear tests the relationship turned diametrically opposite. Australia not only strongly condemned the tests but also termed the tests as ‘ill-judged step’, ‘flagrant defiance’, ‘wilful disregard’ and in reaction suspended all defence contacts with India. India reacted sharply to Australia’s reaction, describing it as impetuous and highly unjustified. At the same time, New Delhi accused Canberra of double standards by choosing to ignore China’s violation of the international disarmament regime in its missile and nuclear technology transfer to Pakistan and its stance on the National Defence Initiative of the US. It lamented that Australia did not share India’s anxieties regarding China’s increasing presence in the Indian Ocean.

Phase III: 2001-2015: The acrimonious atmosphere, thick with accusations and counter-accusations, witnessed a thaw in bilateral relations as a result of frequent high-level official exchanges. With the unfolding of the events in the twenty-first Century in the Indo-Pacific region did begin to gently pull the two countries towards convergence and joint strategic initiatives. The first Australia-India Strategic Dialogue that started in August 2001 proved instrumental in widening bilateral security relations and raising a range of common regional security issues including maritime security and counter-terrorism.

As a follow up, a series of Security Round Tables proved productive in promoting mutual understanding in areas key to strategic and defence planning. Moreover, development of a second track dialogue framework resulted in further deepening the strategic dialogue and exchanges between civil society leaders from both the countries. To be specific, the areas identified, include among others, shared interests in the Indian Ocean ranging from the Indian Ocean Rim as a free trade area to protecting sea-lanes, controlling piracy, drug trafficking, and illegal human cargo. India, as an expanding naval power with the largest navy and coast guard of any
littoral state between Hormuz and Malacca Straits (the two most important commercial straits in the world), became an appealing strategic partner for Australia. Half of the world’s maritime trade passes through the Malacca and Lombok Straits, and the safety and security of these sea lanes of communication (SLOC) is equally vital for both nations.

In addition, Australia India defence and strategic relationship took a further significant step forward after the 2006 signing of a memorandum of understanding on Defence Cooperation. This was followed by a Joint Declaration on Security Cooperation by the two countries in 2009. Following this, the 2012 White Paper on *Australia in the Asian Century* highlighted India as one of the important countries that Australia considered as vital against the backdrop of the evolving strategic (im)balance in the Indo-Pacific region, raising the unstated but underlying issue of Australia’s perceived need for geopolitical ‘balancing’ in the face of a rising China.

In 2014, Australia’s Abbott Government managed to secure a deal for Uranium sale to India, an issue that had bedevilled the relationship since 1998. This was a historic moment, as past Australian governments had juggled with the issue for over a decade given India’s non-signatory status for the Nuclear Non-proliferation Treaty.

Against the backdrop of all these developments, Prime Minister Modi’s visit to Australia in September 2014 proved historic in the sense that both the prime ministers not only expressed their convergence on political, economic and strategic interests to promote regional and global peace, security and prosperity but also decided to establish a Framework for Security Cooperation to reflect the deepening and expanding security and defence engagement between the two. Further adding weight to the Framework also prepared an Action Plan to implement it. After the Modi visit, prospects of concluding a free trade agreement by the end of 2015 appear realistic.

No doubt, the above developments took the relationship from periphery to centre but this relationship is very fragile and it will remain so unless and until both address each other’s core interests.

3. Is it right to suggest that more than a common regional vision, the distinctive domestic and foreign policy priorities of the U.S, Australia and India are driving their new attention to the ‘Indo-Pacific’ as a geostrategic category?

Pragmatically, it is testing to disconnect domestic, foreign and regional policies of a country. In a sense, all three components have causal effect, may be degrees of emphasis vary at times but interdependency continues.

The rise of China not only raises security concerns within China’s immediate neighbourhood but transcends the Asian continent and poses challenge to the US’s post-WWII geo-strategic dominance in the region, in particular its
naval dominance. As a result, India and Australia, as well as the United States and most other Asia Pacific nations are reorienting their relationships in order to face this new and shifting strategic ambiance.

In its efforts, the US to pivot the region relies on its, China wary, alliance partners such as Australia, Japan, South Korea and Singapore. Outside the alliance partners, US also considers a defence and strategic partnership with India as a ‘linchpin’ in its unfolding defence strategy aimed at re-balancing its forces in the Asia-Pacific region.

Notwithstanding all this, Indo-Pacific region is turning volatile, defence budgets are increasing throughout the region, bilateral and multilateral security agreements are being signed. In case China is asserting its second island chain, claiming islands in the South China Sea and establishment of Air Defense Identification Zone, the United States is orchestrating a pivot or ‘rebalance’ in the region. India is limited to building a credible deterrence against China while maintaining strategic autonomy in its relations with the US, and Australia seeks autonomy within the parameters of its alliance framework with the US.

In addition to pursuing the domestic and foreign policies, India, Australia and the US are involved in common global goods such as preventing piracy, ensuring safety of SLOCs, controlling human trafficking as well as exploring potential for joint operations for oceanic resources. Moreover, the three countries share several common goals and aspirations in the Indo-Pacific region, such as maintaining peace and stability, sustaining a stable balance of power, and harnessing economic opportunities. However, the dominant position held by the US in its bilateral relations with both Australia and India puts them at different pedestals for example Australia acts as an alliance partner whereas India is considered just a strategic partner, this differential level of relationship prevents Australia and India from coming closer in terms of their strategic focus and achieving their national interests. Thus it is a mix of domestic, foreign and regional policies.

3. What is the response of Australia to Rise of China?

China occupies a special place in Australia’s trade and economic relations. Currently Beijing holds the position of the largest two-way trading partner in goods and services (valued at A$127.8 billion in 2011-12), the largest merchandise export destination (A$76.8 billion in 2011-12), and largest source of merchandise imports (A$43.4 billion in 2011-12). Although this vibrant business and trade relationship affords a strong bond between the two countries, however strategic issues raise serious concerns for Australian policy makers. For example, China’s modernization of its military and strengthening of its outreach capabilities, growing challenges to free navigation in the South China Sea and security of the SLOCs, pose challenges to Australia’s strategic calculus. Moreover, China’s continuous and sustained
record of a significant increase in its defence budget, roughly ‘140 per cent annually’ since 2000, poses serious concerns.

In order to address these concerns, Australia has the option to develop its own credible defence system, which appears to be unlikely considering the current defence expenditure of approximately 1.56 per cent of GDP. Other options could be continue to ‘free-riding’ off the US bilateral relationship, and/or develop strategic relationships with ‘likeminded’ Indo-Pacific states such as India.

An option to continuously rely on the alliance with the US poses a potential dilemma for policy makers, in the sense that, Australia naturally wishes to sustain a strong commodity-led trade relationship with China and at the same time secure a strategic relationship with the US. At present, these appear to be two non-mutually exclusive positions. The 2013 Defence White Paper for example underlined that there is no reason why “Australia must choose between its longstanding Alliance with the United States and its expanding relationship with China”. However, the longevity of this balancing position in the face of possible Sino-US tensions, particularly in regard to potential flashpoints such as maritime territorial disputes involving US allies, or tensions on the Korean peninsula, has been severely questioned by some vocal neo-realist strategic thinkers in both Australia and the US. Also, while the Asian countries in Australia’s region are rising, Australia cannot remain immune to these developments and hostage to the US policy postures for long.

Against this backdrop, although Australia recently signed a free trade agreement and has very strong trade relationship with China but cannot afford to be host to trade only. In the process Australia has strengthened its security alliance with the US, signed bilateral security agreements with countries like India and Japan, and continues to strengthen the regional institutions like Asia Pacific Economic Cooperation, East Asia Summit, Shangri-La Dialogue etc. There for what Australia proposes is a multi-layered approach starting from bilateral, trilateral to regional and multilateral levels to respond to a rising China though through use of soft power.

5. ‘How far is it correct to say - ‘Australia and Japan are: ambivalent Asians, ambitious regionalists’?’

Australia and Japan are not as ambivalent as they appear, rather both demonstrate specific policy directions and capacity to influence the regional security and strategic dynamics, but both can be stated as ambitious regionalists. Both countries aim to address three main developments in the region that include rise of China, re-balancing strategy of the US and uncertainty in the Asia Pacific region, through rules-based, regional and international order.
After disintegration of the Soviet Union and specifically 9/11 incident, shift in the US strategic priorities in Iraq and Afghanistan, China was quick to fill the power vacuum in the Asia Pacific region. This was demonstrated by Beijing through not only military modernisation but also asserting claims over the territories in the East China Sea, South China Sea and imposing restrictions on freedom of navigation. China’s rise not only posed strategic challenges to the regional countries in their bilateral relations with China but also shaped the external strategic environment for major countries like Australia and Japan.

To respond to China’s rise, both Australia and Japan support the US strategic ‘rebalancing’ in Asia and its unrivalled primacy, though seen eroding but both the countries usurped the relationship through greater cooperation and burden-sharing. Australia to deepen the United States ongoing presence in the region entered in an agreement with provisions for rotation of US Marines through Darwin and use of Australian naval and air facilities in Western Australia. In a similar vein, Japan expanded its Aegis-capable fleet and radar facilities to support the US-led regional ballistic missile defence system.

In addition to firming up the US presence, Australia’s 2013 Defence White Paper and Defense of Japan 2014 both underlined pre-eminence of Southeast Asian region and took serious note of the evolving security issues such as between China and the Philippines, China and Vietnam in the South China Sea. Thus both share the security and strategic challenges posed by a rising China.

Prime Minister Shinzo Abe with an intention to play a pro-active role and warn China emphasised that ‘Japan Is Back’. Moreover, as part of his networking strategy established strategic partnerships with major countries in the region such as Australia, India, Indonesia, Vietnam, and the Philippines. Further Abe’s regional aspirations can be gauged from the new interpretation given to the Constitution of Japan to develop ‘collective self-defence’ and departure from the Yoshida Doctrine that emphasised on exclusive dependency on the United States for external security. As a result of which Japan can honour its bilateral security agreements and use armed forces to defend allies and partners in a situation in which they come under attack from hegemonic powers.

Similarly, Australia also initiated several measures to play an active role in the region, for details of the measures initiated by Australia see response to Question 9. In the wake of the above strategic challenges, both Australia and Japan play a decisive role in regional affairs, regional institutions and in partnership with regional democratic powers.

In addition to meet the traditional security challenges, both have initiated measures to address non-traditional security threats that emanate as a
result of natural disasters, people smuggling, piracy and terrorism. For example, Japan played a vital role in the Philippines in late 2013 by deploying its security personnel in the wake of super-typhoon Haiyan. Similarly, Australia took operational lead in 2014 to search for the missing Malaysian Airlines MH 370. Both countries being members of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia contributed amply thanks to their maritime surveillance and enforcement capabilities.

Australia and Japan also share membership of key security cooperation bodies focussed on Southeast Asia including Five Power Defence Arrangements, ASEAN Regional Forum, ASEAN Defence Ministers Plus Process, the Expanded ASEAN Maritime Forum, the US-led Pacific Partnership and the Japan-led, Singapore-based ReCAAP. Therefore both the countries support an environment in the region that supports regional cooperation and safety at sea.

6. How Sino-Japanese security dilemma is viewed by Australia?

Over the past decades the relations between China and Japan have demonstrated strong trade ties. The trade relations reached an all-time high in 2014 to the tune of US$343.7 billion in two-way trade. Among trade partners, China ranked first in Japan’s total trade and imports, while in exports, it came second after the US. However trade relationship does not constitute a parameter for sound relationship, rather the two have witnessed deterioration in their geo-strategic relations. This is mainly because of China’s reaction to Japanese officials’ visit to Yasukuni war shrine and nationalisation of three of the five Senkaku/Diaoyu islands by the Japanese government. China objected to the act of nationalisation as a violation of its sovereignty and responded by patrolling the area around the islands aggressively and even within the 12-nautical-mile territorial zone with the intention to ‘protect’ its sovereignty. To heighten the conflict China declared the islands as its ‘core interest’. The ferocity in the relations reached to a precipice by December 2012 when China considered flights by Japan over the islands as a violation of its air space and in retaliation dispatched fighter jets to intercept the Japanese aircrafts. Tokyo accused the Chinese actions in its 2013 Defence White Paper of changing the status quo by “force based on its own assertion which is incompatible with the existing order of international law”.

To strengthen its regional strategic policy, Beijing not only issued instructions to its maritime law enforcement agency to stop and search ships that entered in the contested waters of the South China Sea but also established an Air Defense Identification Zone (ADIZ) in November 2013, which means any aircraft entering into the airspace must report flight plans.
to Chinese authorities, maintain radio contact and reply promptly to identification inquiries.

China’s aggressive postures, claims over disputed territories and SCS precipitated to the point of confrontation at the Shangri-La Dialogue in 2014 in which Japanese Prime Minister Shinzo Abe in his speech forewarned China to follow “rule of law at sea” that include “making claims that are faithful in light of international law, not resorting to force or coercion, and resolving all disputes through peaceful means”. As against these principles, China laid emphasis on international norms, rather than international law, that include “respecting sovereignty, independence and territorial integrity; non-interference in internal affairs; respect[ing] social systems and chosen development paths”. Against this backdrop, President Xi Jinping and Prime Minister Shinzo Abe during their meeting in November 2014 discussed risk reduction in the East China Sea but could not reach to any conclusive agreement.

Against this backdrop, the Abe government in addition to strengthening the defence ties with the US, enhanced security cooperation with Australia. In response to ADIZ, Australia’s Foreign Minister Julie Bishop expressed her concern about the potential threat to regional peace. Subsequently Australian Prime Minister Tony Abbott declared Australia as a “strong ally of Japan”, notwithstanding knowing full well that supporting Japan might have trade and economic implications, with clear understanding that since 2009 China had contributed higher proportion to Australia’s GDP than Japan or the United States. Though other countries such as Taiwan, South Korea, the Philippines, Canada, Germany, the European Union and Vietnam also voiced concerns over the ADIZ but Australia was specifically targeted for its statement against establishment of the ADIZ. Notwithstanding snub from the Chinese Foreign Minister Wang Yi that Chinese people across the board were “deeply dissatisfied with Australia’s public criticism” and jeopardised “bilateral mutual trust” and relations. In sequel, Abbott not only appreciated Japanese Prime Minister Shinzo Abe but also declared Japan as Australia’s “best friend in Asia”. In addition, Australian leadership opposed any coercive or unilateral actions that could change the statuesque in the East China Sea. In response, Chinese media accused Australia of siding with Japan in a dispute in which Canberra had no stakes. In addition to regular features such as holding bilateral and trilateral military exercises both Australia and Japan have signed and ratified an Acquisition and Cross-Servicing Agreement and more sensitive one on intelligence sharing and defense technology cooperation. Following the progression, Australia has acquired a place as Japan’s second most important defence partner after the United States and even the reverse also holds credence.

Furthermore, the Defence Technology Sharing Agreement is aimed at according new impetus to the bilateral defence collaboration. The warmth in
the bilateral relationship was visible when Prime Minister Abbott paid an official visit to Japan in April 2014, even before visiting China or the United states.

7. What is Australian perspective on US-China rivalry in East Asia?

Considering the predicament in which China and the US are placed, Australia considers that rivalry/conflict is avoidable mainly because of the US passing through the war fatigue, economic downturn, challenges in the Middle East and the Russia factor. For China, no doubt it is passing through an economic upswing but internal situation including increasing gap between the rich and poor and between the regions, and demand for more freedom and rights, and on the external front, US ‘re-balancing’ in Asia, simultaneously rise of regional powers like India and Japan collectively put sufficient pressure that instead of entering into military conflict (unless core interests being challenged), would like to accommodate the US and use the other regional powers one against the other.

Australia means relationship between China and the US based on the evolving fluid strategic partnerships in the region. As per the 2013 Defence White Paper, strategic competition between the two powers appears inevitable. While maintaining constructive bilateral relationship both will not only compete but will also cooperate. This is mainly based on the economic interdependency and China’s reconciliatory postures that were visible during the recently concluded Shangri-La Dialogue 2015.

Most probably both the countries would use soft power though their strategic calculations will vary based on China’s emphasis on unipolar Asia with a multi/bipolar world, whereas the US’s preference will remain to preserve the statuesque by supporting a unipolar world and multipolar Asia. Instead of entering into direct conflict with China, the US would maintain a balance of power through its alliance partners and democratic countries in the region. The United States has announced that its rebalance includes enhancing partnerships with India, Indonesia, Malaysia, New Zealand and Vietnam. For China, a major handicap is lack of allies. For example, except Pakistan and North Korea not many countries would come to its support or rescue. Yet another platform that Australia supports is the need for strengthening institutional framework that is ASEAN Treaty of Amity and Cooperation, East Asia Summit, US-India Joint Strategic Vision.

No doubt, Australia welcomes China’s rise, because of the benefits that were witnessed during the Asian Financial Crisis in 1997-8 and Global Financial Crisis in 2008-10. Also, Australia does not consider China as an adversary, but envisages China’s rise as peaceful while ensuring that strategic competition does not lead to conflict between the US and China or the US alliance partners. However, notwithstanding Australia’s positive aspirations,
China’s increasing power is being felt in its territorial claims with Vietnam, the Philippines, Malaysia, Brunei, India, Japan and other countries. Therefore to avert the hegemonic postures demonstrated by China, Australia supports a code of conduct in the South China Sea and elsewhere consistent with principles of international law.

8. How do you explain the enduring significance of the US-Australia relationship in the 21st century?

Australia enjoys a time tested security alliance (ANZUS Treaty since 1951) with the US since the end of Second World War. This alliance is based on shared values such as support for democracy, rule of law and shared strategic perspectives both at the regional and international levels.

At the regional level though the US and Australia do not have direct rivalry or conflict of interest but have concerns about freedom of navigation, China’s hegemonic perceptions in the South China Sea, establishment of ADIZ and strategy of Anti Access, Area Denial (A2AD).

In this case, no doubt Australia supports the US coined concept of 'Indo-Pacific', the US ‘pivot’ or ‘rebalancing' in Asia but the real question is how much autonomy Australia enjoys, considering its geo-strategic positioning, bilateral and multilateral relations with the countries of the region. Australia being an alliance partner is obliged to go along with the US against the countries even they do not threaten Australia, accept the US enemies as its own and limit its independence in security and strategic policies. In a sense, ANZUS at times appears to be a barrier to Australia’s closer engagement with Asia, rather than an enabler of such engagement. As indicated by former US President Richard Nixon, in Guam Doctrine in 1969, that the US would come to the ANZUS rescue on its own terms and in its own interests. Even in the instances such as West Irian, Malay emergency, and East Timor, the US declined to participate. However, Australia on its part participated in almost all the conflicts/wars along with the US. Commenting on the relationship, writers have labelled Australia as ‘deputy sheriff’, ‘suckling society’, ‘satrapy’ and the list goes on. To cap it, President George W Bush in October 2003 promoted Australia as the US ‘sheriff’ in the Asia Pacific.

Notwithstanding all this, the US has complemented and recognised Canberra’s role as ‘no better friend than Australia’, no better relationship in the world than between the US and Australia. In the wake of a rising China, the relationship is being further strengthened and reinvigorated as part of the US ‘pivot’ to the region with the provision of rotation of 2500 US Marines through Darwin. And extension of the airfield in the Cocos Islands to station US planes (P8-A Poseidon surveillance aircraft and Global Hawk High altitude drones), all this at the cost of Chinese displeasure. No doubt, the trade relationship between China and Australia has strengthened over the
years, but what baffles the Chinese, as they claim, are the Australian claims of threat from China.

No doubt, the ANZUS alliance has provided Australia confidence, security and deterrence. However, with the changing power dynamics in the Indo-Pacific region with the rise of big powers in the region and US conciliatory postures towards China, Australia’s identity as a sovereign nation at times is being contested. Moreover, US global strategic interests and shift in strategic priorities further puts pressure on Australia to reconsider its role in the Alliance.

9. Do you believe Australia, is a leading example of successful middle power with a pivotal rebalancing of interests and values?

Australia can be stated as a successful middle power with a pivotal rebalancing of interests and values. In this regard success of Australia can be assessed on three fronts: alliance partnership with the US, engaging a rising China and establishing partnership with other middle powers.

Given the geo-strategic location of Australia, that is culturally and emotionally attached to the West and geographically and economically linked to Asia, it requires dexterity to craft its autonomous space to play active middle power diplomacy that too at a time when China is asserting itself and the United States is rebalancing in the region. Being an alliance partner of the US, Australia is identified by some strategists as a ‘deputy sheriff’ of the US while at the same time other security experts label Australia as toeing the Chinese dotted line.

In veracity, while manoeuvring between China and US, Australia demonstrates its own autonomy in pursuing its strategic and security interests as a proactive middle power with its own defined middle power agenda. After 9/11 and partial withdrawal of the US from the Asia Pacific region, Australia witnessing a shift in the balance of power tailored its security and strategic heft to meet both the traditional and non-traditional security threats that include protection of SLOCs, non-proliferation, disaster relief, controlling human trafficking and fighting international terrorism. To address the new strategic dynamics, Australia reflected its line of action in the Defence White Papers released in 2009, 2013 and Australia in the Asian Century in 2012.

As a middle power, to maintain regional stability, Australia played a vital role in International Force East Timor (INTERFET) in 1999, Regional Assistance Mission to Solomon Islands in 2003, Tsunami relief 2004, nuclear disaster in Japan 2011, fighting terrorism in Indonesia 2002 onwards. In addition to contributing to regional stability, Australia also contributes actively in the regional institutional frameworks such as East Asia Summit,
APEC, IOR, ASEAN, and ARF. Further participation in Shangri-La Dialogue, Pacific Islands Forum, and Council on Security Cooperation in the Asia-Pacific contribute to shape the regional security dynamics.

With the rising power of China, strategic and security dynamics in the region in flux, Australia on the basis of its strengths has engaged China, to some extent accommodated, to avail the opportunities that China offers through trade. Currently China accounts for 18 per cent of the Australian trade and with the recently concluded free trade agreement it will further expand in the future. More important is the deal of directly converting Renminbi to the Australian Dollar in trade dealings, possibly at the displeasure of the US. Furthermore, taking note of ground realities, as against the US declaration of the 21st Century as the American century, Australia launched a white paper on *Australia in the Asian Century* in 2012. However, Australia's sensitivities are not immune to China's rise. To address China threat, Australia has reinvigorated its ANZUS alliance with the US by signing agreements to station US marines in thousands in Darwin, this decision is made notwithstanding displeasure of China and could cause tensions with China. As against the power politics, Australia demonstrates its autonomy to support 'rebalance' in Asia. 

Notwithstanding the US alliance, Australia has strengthened its regional security and strategic dynamics to hedge or built a concert of democratic powers. This is visible in its relationships with India and Japan by entering into quadrilateral and trilateral strategic dialogues. In addition, security declarations with Indonesia and South Korea appear to be aimed at hedging against China. Thus a coalescence of middle democratic powers could be instrumental in leveraging sufficient diplomatic deterrence against a rising China or a declining US.

Australia intends to leverage rivalries through the use of soft power that the leadership over a period of time has repeatedly demonstrated that rather than adopting a confrontational approach credence is accorded to conciliatory measures, such as former Prime Minister John Howard supported the role for Australia as an 'honest broker' and Kevin Rudd evinced Australia's role as Zhengyou (true friend who dares to disagree) between the major powers. Thus Australia demonstrates a constructive role expected from a middle power.

(2) **GRAEME DOBELL**

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From 2008 to 2012 he wrote 'The Canberra Column' for The Interpreter, the blog of the Lowy Institute for International Policy. He is Radio Australia’s Associate Editor for the Asia Pacific, an emeritus post honouring his work for Radio Australia and the Australian Broadcasting Corporation from 1975 to 2008.

Graeme was the ABC's South East Asia radio correspondent in Singapore (1989-91) and an ABC correspondent in London (1983-5). He did several stints as the Canberra-based Foreign Affairs & Defence Correspondent for Radio Australia from 1978 to 2008, reporting also for ABC radio news and current affairs programs. He worked as a journalist in the Parliamentary Press Gallery in Canberra in 1978-81, 1986-89 and 1991-2008. From 2001 to 2003, he was the presenter of ABC Television's weekly review of the week in Federal Parliament, 'Order in the House'.

Starting as a newspaper journalist in 1971 in Melbourne on The Herald, Graeme joined the ABC in 1975 and concentrated on reporting politics and international affairs, serving as a correspondent in Europe, America and throughout Asia and the Pacific.

In reporting on Asia, Graeme covered the security dialogue of the ASEAN Regional Forum, the East Asia Summit and a dozen APEC summits. Assignments in his career have included the Falklands War, coups in Fiji, Thailand and the Philippines, Beijing after the crushing of the pro-democracy movement in Tiananmen Square and the return of Hong Kong to China.

In 2011, Graeme was made a Fellow of the Australian Institute of International Affairs “for his distinguished contribution to journalism through his reporting on politics and international affairs.” He is the author of the book *Australia Finds Home — the Choices and Chances of an Asia Pacific Journey*, published in 2000.

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**RESPONSE to QUESTIONNAIRE**

1. Peter Varghese, former Australian High Commissioner to India has been quoted as saying, "Today it makes more sense to think of the Indo-Pacific, rather than the Asia-Pacific, as the crucible of Australian security." Do you agree with the view that while the fluid strategic situation has prompted both India and Australia to hedge their bets, it is also working as a stimulant for them in striving for greater bilateral and multilateral defence cooperation?

The balance of power is shifting. Power flux causes states to hedge. Naturally, India and Australia are adjusting. The facts change, policies respond.

For India and Australia, a striking new reality is in view. Relatively quickly, one of the great negatives in India's traditional view of Australia is turning
into a positive. Suddenly Australia’s alliance with the US makes us look interesting. Australia’s alliance addiction no longer counts against Canberra.

For decades, India saw Australia as little more than a pale reflection of US policy. At its most dismissive, this Indian perspective saw a US stooge that would do as Washington wished.

New Delhi may not yet be ready to give Canberra much credit for independent thought or action. But being rusted on to the US no longer causes India to dismiss Australia as essentially irrelevant in the geopolitical and defence discussion.

India seeks greater bilateral defence cooperation with Australia as an Indian Ocean actor with some useful assets. See this, partly, as India slowly responding to Australia’s long-held aspirations to improve naval cooperation. More importantly, it reflects India’s rising capabilities which are starting to lift to match India’s core beliefs about its central role in the Indian Ocean (one of many effects of the China challenge).

India is reaching towards a quasi alliance with the US, having already created the forms of a strategic partnership; in the slow moving realms of strategic realignments, this US-India partnership has been built in double-quick time.

Broadening the lens from bilateral to multilateral is where the reality shift shows vividly. The multilateral focus brings in the strongest US allies in the region – Japan and Australia. What for so long was a big negative when India bothered to think about Australia is starting to look like a positive.

An India in the process of arriving at the top would not want to see only two chairs in the throne room – the US and China. Concert rather than condominium is more attractive. And the rest of Asia is equally interested in a soft concert to get more chairs in the command space.

India’s choices are not as broad as it proclaims. Forget non-alignment – another time, another system, fading into the last century. India is a committed power. It must be committed to making the Indo-Pacific system work because India will have a huge stake in the system (however weak the concert may be). India can’t stand aloof. A lot of options are really impossible dead ends. India can’t and won’t align with China. These are rivals. The old Cold War friend, Russia, is a difficult comrade today. If Russia leans towards anyone in Asia, it will be China.

India can’t stand aloof from the emerging Indo-Pacific security system. The choice for India is how close it stands to the US, Japan – even Australia – a matter of degree, not choice.

2. The Australia-India relationship has come a long way over the last decade, but it will require significant political will on both sides to give
it more substance. Do you agree that Modi and Abbott offer change in a most favourable environment for India-Australia relations to move from the periphery to the centre?

The ‘significant political will’ of leaders has never been enough to get India and Australia together. The differences of history and beliefs and systems have easily defeated determined leaders pushing in sync in New Delhi and Canberra.

As a journalist, I’ve written several times over the decades about the aspirations sparked by surprising personal chemistry between Indian and Australian Prime Ministers. The oddest odd-couple was Moraji Desai and Malcolm Fraser in the late 1970s – a meeting of minds between an octagenerian leftist and a conservative patrician grazier. Desai and Fraser joined in an attempt to deepen the bilateral relationship and to broaden the remit of the Commonwealth to give it a stronger Asian focus. Both efforts faded fast as they left the scene.

In the 1980s, the chemistry between Rajiv Ghandi and Bob Hawke was even stronger. Hawke positively radiated exuberance and affection in talking about Rajiv. They bonded during battles inside the Commonwealth over sanction against South Africa’s apartheid regime. Fighting Margaret Thatcher stirred Hawke’s battle lust and sparked an unusual fire in Rajiv.

Again, though, great personal chemistry between leaders struck no real sparks in the void of the India-Australia relationship. Australia kept trying. Gareth Evans was central to driving the Indian Ocean initiative that created the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) and has now matured to become the Indian Ocean Rim Association. http://www.iora.net/ The original ugly name – IOR-ARC – tells you what a struggle it was to get this creation; this was more a battle between India and Australia than any consummation. Progress has been slow. John Howard chipped away but the Indian response to Howard seemed to be that this was merely Australia paying proper tribute. When, in retirement, Howard reached for the top administrative job in international cricket, he was vetoed by India; even cricket can be a metaphor for conflicting institutional ambitions.

The differences between Australia and India will be bridged more by systemic needs and policy problems than leadership will. Instead of leadership will, the drives can be the convergence of strategic interests and the great strengthening of economic ties, plus a growing Indian diaspora in Australia.

The two elements of this at the forefront of Canberra thinking for 2015 are:
* The endorsement of the Indo-Pacific as the reigning geographic construct in the Abbott government’s Defence White Paper. In embracing the Indo-Pacific, Abbott will be cementing a bipartisan position with Labor, which made the Indo-Pacific central to its 2013 Defence White Paper.

* Negotiation for an Australia-India free trade deal – a Comprehensive Economic Cooperation Agreement. Australia’s aspiration is to clinch this deal by the end of 2015.

Modi and Abbott will certainly play a part in highlighting the relationship narrative and driving commitments within their own governments. Modi’s visit to Australia in 2014 was a clear success (helped by the fact that Indian Prime Ministers so rarely get across the Indian Ocean to Australia). Granted, Modi came primarily for the G20 but, as stated, the rare visit by an Indian Prime Minister matters.

The meeting of minds between Modi and Abbott was of two political pros who see the potential for a lot of mutually beneficial business – both strategic and economic. The emotional content in the Modi tour was in his great gatherings with Indians living in Australia. Those events – rallies functioning as celebrations - were a marker for what India and Australia can aspire to, based on people not just policy commitments.

A big mutual policy agenda marks the lift in the temperature between Australia and India. And there is now the chance for some leadership chemistry that builds on a substantial economic and security agenda; the leaders don’t have to create sense of opportunity and aspiration.

Previous generations of leaders met once every two years at the Commonwealth summit; and the Commonwealth framed interactions between Australia and India in a comfortable rather than dynamic fashion (plus the Commonwealth policy challenge tended to be Africa not Asia). Little wonder that cricket was the dominant metaphor. These days, the leaders of Australia and India will get together at least twice a year, at the East Asia Summit and the G20. The multilateral framework can be used to enhance and drive bilateral ambitions – and even warm the personal chemistry.

3. Is it right to suggest that more than a common regional vision, the distinctive domestic and foreign policy priorities of the U.S, Australia and India are driving their new attention to the ‘Indo-Pacific’ as a geostrategic category?
If we wait for the US, Australia and India to develop a common regional vision, we'll wait forever. Consider, though, how economic need and trade policy shift the geoeconomic understandings of India and Australia, feeding directly into the geostrategic vision of the Indo-Pacific.

A Comprehensive Economic Cooperation Agreement (CECA) between Australian and India by the end of 2015 is being sold in Canberra as a major opportunity to align the two economies. Canberra wants a re-run of the magic dust China has sprinkled on the Australian economy. That magic means that in the 21st century, Australia is effectively de-coupled from US economy downturns; US recession no longer infects Australia. Australia's economic fate is now tied to Asia – China today, India tomorrow.

Trade and economic interests are not always definitive, but they have obvious weight and – most importantly – influence the hierarchy and slow re-ordering of national preferences.

The shift of economic weight has cumulative effects on preferences which feed into judgements about national interest.

What were once easy options can become unthinkable or at least look narrow and outdated because of these cumulative changes. This is not soft power influence, but the hard power calculations of dollars and cents.

Consider how Australian thinking about China and India has shifted using the APEC frame.

In 1989, Australia was happy to help create the key governmental expression of the Asia Pacific’s economic future, APEC, while not having China as an founding member -the first post-Cold War expression of the Asia-Pacific future did not even include China! It sounds extraordinary today. The horror of Tiananmen meant China could not be in APEC at its founding. And when, a few years later, Beijing did join, it had to walk through the door with Taiwan and Hong Kong; an equivalence that is unthinkable now.

When APEC was being created, India did not even stand on the threshold of membership. India is still out, but now APEC is the loser. Australia is guilty of a failure of imagination and leadership when it chaired APEC in 2007 for not crusading on India's behalf. China, particularly was quite happy with the existing membership, while ASEAN was more interested in India's role in the East Asia Summit. Australia did not push India's APEC membership when it had the chance.
If we were doing APEC from scratch today, both China and India would be so essential as to hold a veto.

4. **What is the response of Australia to Rise of China?**


The Project has obsessed Canberra for decades. The Canberra consensus on engaging China has been remarkably uniform as it has evolved since diplomatic recognition in 1972.

China, always an important part of the Project, once had to share equal billing with Southeast Asia, while conceding top spot to Japan. The Project has reordered that hierarchy reasonably smoothly as the facts have changed.

One dimension of this is that China is no longer just a 'foreign affairs' issue; the China boom reached into the workings of Australian domestic policy, it decoupled Australia from US recession.

The strain is starting to show, though, as Canberra peers ahead and tries to divine China’s future and the role Australia may play. Tony Abbott told Angela Merkel that Australia’s approach to China is driven by the greed and fear. That is vivid but accurate shorthand for Australia’s complex responses to China: the number one trade partner that is having a tectonic effect on Asia’s shifting balance of power.

5. **How far is it correct to say – ‘Australia and Japan are : ambivalent Asians, ambitious regionalists’?**

Australia and Japan have no choice. They are all-in – as Asians and regionalists. The next answer considers the Abbott Government’s view of Japan as an ‘ally’.

6. **How Sino-Japanese security dilemma is viewed by Australia?**

The Abbott government is treating Japan as both a bilateral and trilateral ‘ally’. According to Tony Abbot, Japan is Australia’s ‘best friend in Asia’ and Japan is a ‘strong ally’ of Australia.

Both remarks constitute a heightened calibration or elevation of the language about the Japan relationship. Abbott made the friendship pledge at his first meeting as Prime Minister with Shinzo Abe in October. 2013: ‘As far as I’m concerned, Japan is Australia’s best friend in Asia and we want to keep
it a very strong friendship.’ The off-the-cuff greeting as the camera’s recorded the start of the talks made Australian diplomats flinch but it is an accurate reflection of Abbott’s thinking and the actions of his government.

The Prime Minister proclaimed Japan a ‘strong ally’ in November, 2014, when responding to China’s declaration of an air defence zone over the East China Sea. The ‘ally’ tag is a shift from the usual Canberra description of a strategic partnership with Tokyo.

 Appearing before a Senate committee in February, 2015, the Secretary of the Foreign Affairs Department, Peter Varghese, loyally supported the Prime Minister’s description of Japan as an ally, but made a distinction between “capital A” and “small a” allies: ‘The term “ally” can be used in a precise way and it can be used in a generalised way. It can be used with a capital “A” or a small “a”. Japan is not a capital “A” ally because we do not have a security agreement with Japan in the way that we have with the United States. Japan is a very close economic and strategic partner.”

The definitional dance reflects changes over the previous two decades as Japan has quietly risen to become a defence partner for Australia that ranks beside New Zealand and Britain. Thus, Japan as a “small a” ally sits on the second tier, with the traditional Anglo Allies, below the peak where the U.S. presides as the principal and paramount Ally.

In Abe’s Shangri-La dialogue speech in Singapore in May, 2014, on Japan’s greater future role in Asia’s security, the Prime Minister referred to Abbott’s visit to Tokyo the previous month and the partnership aims: ‘We clearly articulated to people both at home and abroad our intention to elevate the strategic partnership between Japan and Australia to a new special relationship.’

When Abe, addressed Australia’s Parliament in July, 2014, he called for ‘a truly new basis for our relations.’ He was stating a security ambition for Japan, but building on a military foundation already in place. The key fact of the existing structure was in this sentence: ‘There are many things Japan and Australia can do together by each of us joining hands with the United States, an ally for both our nations.’ Australia and Japan can reach toward alliance without a formal when-the-shooting-starts-bilateral-pact because of the trilateral structure that expresses their two alliances with the US.

The US-Japan-Australia trilateral has grown rapidly in 15 years. The China dimension of this was expressed in Abbott’s speech to Parliament on Abe’s visit: ‘Australia welcomes Japan’s recent decision to be a more capable strategic partner in our region. I stress: ours is not a partnership against anyone; it is a partnership for peace, for prosperity and for the rule of law. Our objective is engagement, and we both welcome the greater trust and
openness in our region that is exemplified by China’s participation in this year’s RIMPAC naval exercises.’

Once the trilateral that was the foundation for Australian defence thinking had New Zealand as the third leg - now it is Japan. Defence cooperation can be a function of military capability, and this is where Australia and Japan have much to share. Both are buying F-35 aircraft and the new defence agreement for sharing equipment and technology signed during the Abe Canberra visit in 2014 means Australia’s future submarine could be sourced from Japan. The next generation Australian submarine could have a Japanese diesel-electric drive chain and an American weapons system. The Australian design competition for the new submarine is a three-nation race between France, Germany and Japan.

Placing Japan beside Britain and New Zealand as a security partner is not to say that Tokyo and Canberra have achieved the intelligence-sharing intimacy of the Anglo club. But a lot is being shared and, again, this is driven by a trilateral dynamic with a Chinese flavour.

In the seven years since the signing of the Japan-Australia Joint Declaration on Security Cooperation in 2007, Tokyo has risen in the hierarchy of Australia’s defence interests. The 2007 Declaration signed by John Howard and Shinzo Abe, in his first stint as leader, expressed an important security partnership that has continued to expand.

The Joint Declaration does not amount to a formal alliance (much less an Alliance); it’s not a treaty to be invoked if ships clash and missiles fly. Yet, increasingly, Australia and Japan embrace the trilateral and bilateral dimensions to work together from cyber to submarines to Asia’s future to the China challenge - and to link their relationship to their twin alliances with the US.

7. What is Australian perspective on US-China rivalry in East Asia?

 Canberra thinks the US pivot will matter, but its extent and actual import is still to come. The words for China are ‘confident’ and ‘expanding’. By contrast, the word for India as the coming superpower is ‘gradual’ - and it may be a long time yet before it arrives. Canberra’s conceptualisation of the Indo-Pacific goes very quickly to shipping choke points in Southeast Asia. In the Australian estimation, Southeast Asia matters more now than it has at any time since the Vietnam War.

8. How do you explain the enduring significance of the US-Australia relationship in the 21st century?

Australia has always had an intimate, alliance relationship with the reigning power – first Britain, then the US. The habit is deeply ingrained.
Just beefing up the US alliance is not going to be enough to steer Australia through the Asian Century.

But an important element of the strategic dilemma is that it is now shared by the rest of Asia. And in considering equations produced by a declining America and a rising China, many in Asia are showing a certain Australia-like enthusiasm for the US. A fragment of Hilaire Belloc fits the times:

‘...always keep a-hold of Nurse,
For fear of finding something worse.’

9. Do you believe Australia, is a leading example of successful middle power with a pivotal rebalancing of interests and values?

Australia well knows where it must live forever. But in deeper terms, ideas of home, region, belonging and identity are evolving works in progress, not a finished construct; much of the middle power drive and ambition comes from these ideas of home and region.

A unique geography – a nation with its own continent - means this quest for home lies in a series of regions where Australia claims a direct role: in Asia and Southeast Asia, in the Pacific and South Pacific and in the Indian Ocean. In each region Australia wants to belong, to have the prerogatives and opportunities of an important player (or middle power). In the South Pacific and in dealings with ASEAN, Australia aspires to even more than middle power status.

Australia seeks to be involved in an act of creation, not to join regions which are fully formed. The building of the regional homes has just begun, be it the Asia Pacific, the Indo-Pacific or, the new hedging usage, the Indo-Asia-Pacific.

If things go well, the act of constructing these new homes will stretch throughout this century. There’s no timetable needed if things go badly.

To work, Australia’s strategy is going to have to look a lot like that of all the other middle powers in the Indo-Asia-Pacific, while accommodating the demands of the big players. The existing machinery or system, such as it is, must grow to do the work. This is where Australia has to build achievement into the concept of a ‘successful middle power.’

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(1) **Australia-India Nuclear Cooperation Agreement**

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(AM)  
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*John Carlson is an international authority on nuclear non-proliferation, disarmament and security. He retired from the Australian Public Service in 2010 after 46 years including 21 years as Director General of the Australian Safeguards and Non-Proliferation Office. Concurrent appointments included Chairman, IAEA Standing Advisory Group on Safeguards Implementation (SAGSI) 2001-06; Alternate Governor for Australia, IAEA Board of Governors; Australian Sherpa, 2010 Nuclear Security Summit; and founding Chair of the Asia-Pacific Safeguards Network, 2009-12. Mr Carlson is a Fellow of the Institute of Nuclear Materials Management. He was appointed a Member of the Order of Australia (AM) in 2012.*

Mr Carlson’s current appointments include:

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- Advisory Council, International Luxembourg Forum (Moscow);
- Associate, Managing the Atom Project, Harvard University;
- International Verification Consultants Network, VERTIC (London);
- Expert Advisory Committee, Nuclear Fuel Cycle Royal Commission (Adelaide);
- Advisor, Asia-Pacific Leadership Network for Nuclear Non-Proliferation and Disarmament.

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1. **Introduction**

The Australia-India Nuclear Cooperation Agreement was signed in New Delhi on 5 September 2014, and was submitted to the Australian Parliament’s Joint Standing Committee on Treaties (JSCOT) for review on 28 October 2014. At the time of completing this paper (early July 2015) JSCOT’s review was ongoing.¹

For many years Australia and other nuclear exporters interpreted the Nuclear Non-Proliferation Treaty (NPT) as excluding any nuclear supply to India. The Nuclear Suppliers Group (NSG), which was established largely in response to India’s use of a research reactor supplied under peaceful use
assurances to produce the plutonium for its 1974 nuclear test, required full-scope or comprehensive safeguards\(^2\) as a condition of supply for any country other than the five NPT nuclear-weapon states. In Australia’s case, an additional consideration was the South Pacific Nuclear Free Zone Treaty, which repeats the language of the NPT as regards nuclear supply and safeguards.

In 2005 the United States decided to strengthen its bilateral relationship with India, and as part of this to normalise India’s participation in international nuclear cooperation. The US undertook to seek an exemption from the NSG’s comprehensive safeguards requirement, to allow nuclear supply to India.

In Australia, the Howard government recognised the potential benefits of bringing India into the nuclear energy “mainstream”– in terms of improving Indians’ living standards and mitigating greenhouse gas emissions – provided this could be done consistently with non-proliferation and disarmament principles. In 2006 Australia initiated exploratory talks with India at senior officials level. At those talks Indian officials stated the firm expectation for India to be treated on the same basis as Australia’s other bilateral nuclear partners. In particular both sides were mindful of the Australia-China nuclear agreement\(^3\), concluded earlier that year. Subsequently (2007) Australia concluded a similar agreement with Russia.

The talks started in 2006 were taken no further, due to the 2007 election and the defeat of the Howard government. The incoming Labor government deferred consideration of an agreement with India. However, Australia supported the “India exemption” in the NSG, and this was agreed by the NSG in 2008. In late 2011 the Gillard government announced it was prepared to negotiate a nuclear agreement with India, and negotiations formally commenced in 2013. The election later that year was won by the Coalition parties, and the incoming Abbott government made strengthening the relationship with India, including conclusion of the nuclear agreement, a high priority.

Meanwhile, as will be discussed, the Indian position had changed from wanting an agreement similar to Australia’s agreements with other countries to wanting one containing major concessions.

### 2. Australia’s uranium export policy

Bipartisan political support for, and public acceptance of, uranium exports is based on a comprehensive set of nuclear supply conditions initially established by the Fraser government in 1977 and reaffirmed by the Hawke government in 1985, in both cases following extensive public inquiries.\(^4\) These conditions have been further developed and applied under all of Australia’s bilateral nuclear agreements – currently 23 agreements
covering 41 countries\textsuperscript{5} – until the negotiation of the agreement with India. Requirements similar to Australia’s are applied by the US, Canada and the European Union under their bilateral nuclear agreements.\textsuperscript{6}

The objective of Australia’s uranium export policy is to ensure that uranium supplied by Australia and nuclear material derived from this uranium is not used for nuclear weapons or any other military purpose, and does not contribute to any such purpose. Australia’s principal nuclear supply conditions can be outlined as follows:

- Australian uranium may be supplied only for peaceful non-explosive purposes under Australia’s network of bilateral agreements, which provide for:
  - Australian uranium and all nuclear material derived therefrom (“Australian obligated nuclear material” – AONM) must be covered by International Atomic Energy Agency (IAEA) safeguards;
  - establishment of fallback safeguards in the event that IAEA safeguards cease to apply;
  - AONM may not be retransferred to another country, highly enriched\textsuperscript{7} or reprocessed without Australia’s prior consent;
  - application of appropriate physical security standards.

- AONM must be identifiable as being subject to the particular agreement and be accounted for as it moves through the nuclear fuel cycle (“tracking”).

- The country concerned must have an IAEA additional protocol, providing for strengthened safeguards.

- There should be appropriate dispute resolution provisions, and provision for return of AONM in the event of a breach of the agreement.

While the application of IAEA safeguards is an essential requirement, this is not in itself sufficient. This is because there are actions permitted by IAEA safeguards that supplier countries (like Australia) may not wish for material they supply, unless with their consent and subject to any conditions they may require. The IAEA does not distinguish between nuclear material from different suppliers, all material is treated alike. As far as the IAEA is concerned, high enrichment, reprocessing and retransfers are all permitted provided they are reported to the IAEA and are carried out under safeguards. The only way for Australia and other suppliers to apply consent rights to such actions is through bilateral agreements. An essential aspect of the operation of bilateral agreements is that all the nuclear material to
which an agreement applies can be readily identified and accounted for, otherwise the agreement cannot be implemented effectively.

3. **Relevant commitments by India**

   In the 2005 Joint Statement between Prime Minister Singh and President GW Bush⁸, Prime Minister Singh stated that India was ready to assume the same responsibilities and practices and acquire the same benefits and advantages as other leading countries with advanced nuclear technology, such as the United States.

   The Joint Statement set out a number of commitments by India. Those particularly relevant to the operation of the Australia-India nuclear agreement are:

   (a) to identify and separate civilian and military nuclear facilities and programs in a phased manner;

   (b) to voluntarily place civilian facilities under IAEA safeguards;

   (c) to conclude an IAEA safeguards additional protocol with respect to civilian facilities.

   These were reiterated as legally binding commitments in the 2007 India-US nuclear cooperation agreement.⁹

**Separation of civilian and military facilities**

   India released its separation plan in 2006.¹⁰ Fourteen out of the 22 power reactors that were in operation or under construction at that time have been or will be designated for IAEA safeguards, together with certain associated facilities. For the future, India reserves the right to decide which additional facilities, if any, it will place under safeguards.

   In the case of foreign-supplied facilities, in any event India is obliged by the suppliers to place these under safeguards. In the case of indigenous facilities, major parts of India’s civilian program – various power reactors, fast breeder reactors, enrichment facilities and reprocessing facilities – remain outside IAEA safeguards and evidently will remain so in the future. The language used in the separation plan indicates that close links remain between India’s military and civilian programs. While it appears those placed under safeguards are not considered relevant to the strategic program, the relationship between civilian safeguarded facilities¹¹, civilian unsafeguarded facilities and military facilities is opaque, especially in view of the provisions of the India-IAEA safeguards agreement, discussed below.

   Although the language of the separation plan suggests that facilities not designated for safeguards have some strategic relevance, the situation is confused by suggestions that some facilities have been excluded from safeguards in order to protect intellectual property, or because it was thought safeguards might inconvenience R&D operations. The inadequate
separation of civilian and military programs was the subject of a hard-hitting *Indian Express* editorial in 2006:

(The) Indian public has a right to know the nature of the breeder programme — is it civilian or military? The DAE (Department of Atomic Energy) apparently wants it both ways: a peaceful facility with future military options. It is this twisted logic, backed by decades of political self-deception, that has landed India in a nuclear mess. It neither has a successful civilian nuclear power programme nor a purposeful weapons programme. ... Separating civilian and military programmes and making them both efficient has been a long-neglected national need. ... On the strategic front, instead of building the necessary plutonium production reactors, the DAE has got into the bad habit of using its civilian programme for military needs.12

The situation described here remains the case today. Clearly the separation between military and civilian programs has a long way to go. India is operating on a nuclear fuel cycle model that the nuclear-weapon states abandoned decades ago. This is not simply a question of meeting contemporary international norms, and addressing suppliers’ concerns about how assured the separation is between military and civilian. Ambiguity about the extent of India’s military production capacity and intentions adds to regional tensions – it is difficult to see how this is in India’s interest.

**Additional protocol**

India has reneged on its commitment, made in the 2005 Joint Statement and the 2007 India-US agreement, to apply its additional protocol to its civilian facilities. India’s additional protocol is the most limited of any country – those of Russia and China apply at least to facilities involved in collaborative programs with non-nuclear-weapon states, those of the US and UK apply to all their civilian facilities. India’s additional protocol however does not apply to any facilities, except indirectly.13 One must ask why the officials negotiating the additional protocol considered they had a mandate to ignore a commitment given at Prime Ministerial level, and reiterated in a treaty – and why this situation has not been corrected.

4. **India’s safeguards agreement with the IAEA**

Also highly relevant to the operation of the Australia-India agreement, and India’s other nuclear cooperation agreements, is India’s safeguards agreement with the IAEA. In 2009 India concluded a new safeguards agreement with the IAEA.14 Previously India had an item-specific safeguards agreement, based on a pre-NPT model, covering imported facilities and materials, where safeguards were required by the suppliers. The 2009
agreement expands on the previous item-specific agreement, adding an Annex listing facilities which India places under safeguards in perpetuity. In addition to imported facilities, these include indigenous facilities that India chooses to nominate for permanent safeguards.

The 2009 agreement suffers from being a modification of an old safeguards model, pre-dating the modern IAEA safeguards system. Compared with the NPT-type safeguards agreements that apply to the NPT nuclear-weapon states, India’s agreement contains a number of unique provisions, giving India considerable flexibility to move safeguarded material in and out of the unsafeguarded nuclear program.

Similar provisions are not available to the nuclear-weapon states under their IAEA agreements— if a facility is eligible for IAEA safeguards (i.e. included in the eligible facility list under the agreement concerned), all nuclear material in the facility is subject to safeguards. Safeguarded material cannot be used outside eligible facilities.

The major problem areas in the India-IAEA agreement are outlined as follows:

**Substitution**

The agreement allows India to substitute unsafeguarded nuclear material for safeguarded material. Substitution is based simply on element mass (weight), without taking account of isotopic composition. Safeguards are terminated on the formerly safeguarded material.

Substitution requires the IAEA's agreement, but is not clear on what basis the IAEA could or would decline a request. In the case of enriched uranium, the IAEA has a policy requiring isotopic equivalence. Considering the explicit language of the agreement, allowing for substitution on the basis of mass, however, it is not clear whether the IAEA's policy would prevail against any contrary Indian request.

In the case of plutonium, as far as the author can ascertain the IAEA has no such policy. It appears that if India produces under safeguards plutonium that has an isotopic quality at or close to weapon-grade, India could remove this material from safeguards and replace it with the same quantity of reactor-grade plutonium from unsafeguarded stocks (India has large unsafeguarded stocks of this material).

Plutonium removed from safeguards through substitution would be available for unsafeguarded purposes – while this material could not be blatantly used for nuclear weapons, once the material has left safeguards there is no way of knowing. Clearly this situation should be unacceptable—plutonium substitution should be allowed only between batches of similar isotopic quality.
Use of safeguarded nuclear material in unsafeguarded facilities

The agreement allows India to use safeguarded material in normally unsafeguarded facilities (i.e. facilities not listed in the Annex to the agreement). Where India uses safeguarded material in an unsafeguarded facility, safeguards will apply to the facility while the safeguarded material is present (i.e. in effect safeguards apply temporarily). While this may seem satisfactory, when combined with the exemption provisions (see below) this provides the opportunity for safeguarded material to contribute to the unsafeguarded program.

Use of safeguarded material with unsafeguarded material

The agreement allows India to use safeguarded and unsafeguarded materials together. This provides the opportunity for safeguarded material to contribute to the unsafeguarded program.

Exemption from safeguards

Special fissionable material (e.g. plutonium) produced through the use of safeguarded material is exempt from safeguards provided:

- it is subject to safeguards only because it has been produced in or by the use of safeguarded nuclear material; and
- it is produced in a reactor in which the proportion of safeguarded material is less than 30% of total material.

The proportion of produced material corresponding to the proportion of safeguarded material will be subject to safeguards (and vice versa).

As an example of what this could mean in practice, if an unsafeguarded fast breeder reactor is loaded with MOX fuel comprising safeguarded plutonium and unsafeguarded uranium, and unsafeguarded uranium is used for the reactor's radial and axial blanks (in which weapon-grade plutonium is produced), 89% of the plutonium produced could be exempt from safeguards. The remaining 11% of produced plutonium could be removed from safeguards through the substitution provisions, replacing it with plutonium of lower isotopic quality.

As this example shows, all of the weapon-grade plutonium produced in a fast breeder reactor fuelled with safeguarded plutonium could be transferred into India's unsafeguarded program. Although India is not supposed to use plutonium removed from safeguards for nuclear weapons, the problem is that once material leaves the safeguarded program there is no visibility on how it is used.

These provisions are unique to India's IAEA agreement. Their presence in the agreement is a clear illustration of the incomplete separation of India's civilian and military programs. The flexibility they provide is
particularly problematic given that, unlike the NPT nuclear-weapon states, India continues to produce fissile material for nuclear weapons.

The author understands that Indian officials maintain these provisions are unlikely to be used in the manner described here. If this really is the case, India should be willing to take the following steps:

(a) make a formal statement to this effect;
(b) follow up by amending its agreement with the IAEA to remove these provisions; and
(c) fully separate civilian and military programs, so there are no circumstances in which nuclear material would be moved from safeguarded to unsafeguarded activities.

**Placing all imported nuclear material under IAEA safeguards**

A further issue with India’s IAEA safeguards agreement is that safeguards apply to imported nuclear material only when this is required by an arrangement to which India is a party. Today all established uranium suppliers are NPT parties, therefore are obliged to require safeguards on nuclear material supplied to any non-nuclear-weapon state.\textsuperscript{25} In the case of supply to non-NPT parties the generally accepted interpretation now is that safeguards must be required on all supplied material. However, it is not known whether all countries supplying uranium to India have arrangements to ensure this happens; if not, they will be in violation of their NPT obligations. It would be regrettable if India took advantage of failures by suppliers to comply with the NPT. It would be an important gesture of good faith for India to undertake to accept IAEA safeguards on all imported nuclear material.

5. **Issues with the Australia-India agreement**

The main issues with the agreement are outlined as follows.

**Accounting and tracking**

The agreement requires each party to establish an accounting system for nuclear material subject to the agreement.\textsuperscript{26} Details are to be in the administrative arrangement under the agreement, which at the time of writing this paper had not been concluded.

Reportedly, Indian officials have refused to provide accounting and tracking information for Australian-supplied material, maintaining that the requirement to establish an accounting system for material subject to the agreement is satisfied by including this material in India’s accounting to the IAEA. They argue that IAEA safeguards are sufficient and any additional requirement is expensive, complicated and unnecessary.
This is a legal issue for Australia – accounting and tracking are required not only to meet the terms of the agreement, but also the terms of Australian legislation, which requires annual reporting on the quantities of Australian nuclear material at the different stages of the fuel cycle under each agreement.\textsuperscript{27}

Accounting and tracking procedures are of fundamental importance both to India's IAEA agreement and also to India's various bilateral agreements. In the case of the IAEA agreement, the IAEA must have a way of identifying materials that are required to be safeguarded from materials that are free of such requirement.\textsuperscript{28} This is not sufficient for bilateral agreements however, because, as discussed earlier, the IAEA does not differentiate between nuclear materials of different “obligations”, e.g. differentiating Australian uranium from Canadian uranium. Suppliers need an accounting system that identifies which materials are subject to a specific bilateral agreement. Apart from policy and legal requirements for this, without such a system there is the risk of the same material being passed off as Canadian, Kazakh, Namibian, Australian, and so on (an accounting pea and thimble trick) – effectively disconnecting individual batches of material from any particular bilateral agreement, making it impossible to tell if bilateral conditions are being met.

The established international practice is to link individual batches of nuclear material to the relevant bilateral agreement through inclusion of a country code on IAEA accounting forms. With modern nuclear accounting software it is very straightforward to track the batches of material under each agreement. This is done by every country that receives nuclear material under bilateral agreements, except India.

The attitude of Indian officials towards accounting and tracking may be due in part to India currently having only a simplified form of safeguards accounting, based on its old IAEA agreement. Also there appears to be a misunderstanding that tracking bilaterally obligated material will involve inspections by the supplier country. This is certainly not the case. The IAEA is working with India to introduce a modern accounting system\textsuperscript{29}, to ensure that the IAEA can identify material required by bilateral agreements to be safeguarded. This could also be used to identify the material that is subject to each particular agreement – one must hope that as Indian officials gain proficiency with the new system they will reconsider their opposition to tracking bilaterally obligated material.

Indian officials refused to provide accounting and tracking information to the US – as a consequence, at the time of writing this paper, the 2007 US-India agreement had still not become operational. Indian officials also refused to provide such information to Canada. Reportedly the Harper government gave in to India on tracking – an outcome that has been
described as the “meltdown of Canadian non-proliferation policy.”\textsuperscript{30} The Canadian government refuses to reveal details.

It appears that in the case of the US a solution has been reached. In their Joint Statement of 25 January 2015 President Obama and Prime Minister Modi “welcomed the understandings reached on the issues of civil nuclear liability and administrative arrangements for civil nuclear cooperation”.\textsuperscript{31} It is understood the arrangements will involve the US providing nuclear material in the form of fuel assemblies for US-supplied reactors – the material would stay in a self-contained US fuel cycle within the overall Indian fuel cycle. India will provide detailed operational information on the reactors to enable calculation of plutonium production.

At the time of writing this paper, it is understood Indian officials have proposed providing information that will enable Australian authorities to track Australian material. It remains to be seen whether this really will meet Australian requirements. One of the problems here is that the administrative arrangement is likely to remain confidential and beyond JSCOT’s review of the agreement, so it will be difficult for the public and the Parliamentary Opposition to have confidence in the outcome. All in all, it would be much more satisfactory, as well as being much easier, for Indian officials to use the IAEA accounting system to generate the information required under bilateral agreements, as is done by every other country with a nuclear program.

\textbf{Consent rights for reprocessing and high enrichment}

Reprocessing and enrichment can be used to produce material for nuclear weapons, hence consent rights over these processes are of fundamental importance to Australian safeguards policy. All of Australia’s other bilateral agreements provide that Australian-obligated nuclear material cannot be reprocessed or highly enriched without Australia’s prior written consent.

The agreement with India however does not clearly state that these activities cannot be undertaken without Australia’s prior consent.\textsuperscript{32} The consent provision gives India prior consent for reprocessing Australian material under the India-US reprocessing arrangements. If these arrangements don’t apply, India is to consult Australia, but it is not at all clear whether India would require Australia’s consent to reprocess outside the India-US arrangements. At best the text is highly ambiguous, it is not clear whether this is intentional or just poor drafting, but if the agreement proceeds in its present form there must be a risk of dispute over its interpretation in the future.

Another aspect of Australian policy on reprocessing is that consent is given only on a programmatic basis. This means that reprocessing and use
of plutonium can take place only under a fuel cycle program agreed by both parties – Australian approval is required for the specific facilities using, handling or storing plutonium, and the purposes involved. To date Australia’s consent to reprocess has been given only to Japan and the European Union (the latter covering reprocessing facilities in UK and France), under mutually agreed programs.

The agreement with India however gives reprocessing consent without Australia having any say about facilities and uses of plutonium. Effectively the agreement outsources Australia’s consent to the US – India can reprocess Australian material and use the recovered plutonium provided this is in accordance with the India-US reprocessing arrangements. The US does not have an equivalent to programmatic consent – so in this agreement Australia relinquishes any say in how plutonium is used, only that this must be under IAEA safeguards.

The consent rights should be clarified through an appropriate exchange of letters between India and Australia. For the agreement to be consistent with established Australian policy, the parties should also agree to a programmatic approach.

**Limiting Australian material to facilities in India’s safeguarded program**

All Australia’s agreements with nuclear-weapon states limit use of Australian material to facilities that are included in the state’s *eligible facility list* for IAEA safeguards. Australia’s agreements with China and Russia go further – Australian material is limited to facilities in a *mutually determined* fuel cycle program. However the agreement with India has no such limitation – it requires only that Australian material be subject to the India-IAEA agreement. As discussed above, the latter agreement allows safeguarded material to be used in facilities that are not usually safeguarded (i.e. facilities not listed in the Annex to the agreement).

It is not clear if the ability for Australian material to be used outside India’s safeguarded program is intentional, i.e. was sought by India, or is the result of poor drafting. As mentioned earlier, apparently Indian officials say it is unlikely Australian material would be so used. If this is the case, India should have no difficulty in clarifying this through an exchange of letters. If India is not prepared to do this, concerns about potential misuse of Australian material would appear well founded.

**Substitution**

The agreement should be clarified, e.g. through an exchange of letters, to make it clear that substitution between safeguarded and unsafeguarded materials is permissible only between materials of the same isotopic quality.

**The IAEA additional protocol should apply**
Australian policy requires bilateral partners to have an additional protocol with the IAEA. As discussed above, India undertook to conclude an additional protocol “with respect to civilian nuclear facilities.” However, India has not met this commitment – India has an additional protocol in name, but clearly it does not meet the intent of Australia’s policy, which is to see strengthened IAEA safeguards in the country concerned.

**Right to IAEA safeguards conclusions**

A standard provision in all of Australia’s other bilateral agreements is for Australia to have access to the IAEA’s safeguards conclusions with respect to material subject to the particular agreement. The Australia-India agreement has no such provision. In the absence of such a provision, IAEA reports are confidential to India.\(^3\) Australia has no right to IAEA reports relating to Australian material in India, nor even whether India is meeting IAEA accounting requirements.

India’s agreements with the US and Canada do provide access to IAEA reports on the status of subject material.\(^3\) It is not clear why this has been omitted from the Australia-India agreement. This point could be resolved by an exchange of letters.

**Fallback safeguards**

Australia’s standard condition is that, if for any reason IAEA safeguards cease to apply, the parties are to establish safeguards arrangements that conform with IAEA safeguards principles and procedures and provide equivalent assurance. The Australia-India agreement requires only that the parties consult and agree on “appropriate verification measures”\(^3\) a vague term open to differing interpretations.

**Right of return**

Australia’s standard condition is for the right to return of supplied material and items in the event of a breach. The India agreement has no such provision.

**Dispute settlement**

Australia’s standard condition is for disputes to be settled by negotiation, with an arbitration process in case negotiations fail. The India agreement provides only for negotiation.\(^3\) This leaves Australia in a weak position, especially as the shortcomings in the agreement, together with the problem areas in the India-IAEA agreement, create ample possibilities for dispute.

6. **Conclusions**
Australia made a major policy change in favour of India by removing the restriction of uranium exports to NPT parties. As a consequence, it was inevitable that a nuclear agreement with India would attract close public and political interest in Australia. In these circumstances, sound judgment would dictate minimising any deviation from Australia’s usual agreement template. Instead, the agreement signed in September 2014 represents a serious weakening of Australia’s established safeguards conditions.

In the initial talks on an agreement between the two countries, Indian officials sought equal treatment to Australia’s other bilateral partners. By the time this agreement was negotiated, however, the Indian side insisted on major concessions. The current agreement is the outcome of a short-sighted approach by both sides. It reflects an unfortunate conjunction of political expediency – by an Australian government that somehow thinks strengthening the wider bilateral relationship requires compromising longstanding bipartisan policy – and pursuit of narrow preoccupations by Indian officials seemingly out of touch with broader political priorities. The 2006 *Indian Express* editorial previously cited seems just as pertinent today. To quote:

The PM ... must make it clear to the DAE that he would not allow individual prejudices of a particular department come in the way of pursuing the national interest. After all the government is more than the sum of its parts.

The national interest of both India and Australia is to have an enduring agreement that provides a long term basis for cooperation between the governments and between the commercial sectors of both countries. Instead we have a flawed agreement which, if it proceeds as signed, is bound to face critical review by a future Australian government. A future government would not have to renounce the agreement – it could simply suspend exports until such time that the agreement is amended. It is in the interest of both parties to avoid such a situation.

The main deficiencies of the current agreement could be rectified by exchanges of letters on the various issues discussed in this paper, and greater oversight by the political leadership of the agreement’s implementation. Without these steps the longevity of the agreement must be considered uncertain.

2. The NPT requires non-nuclear-weapon states to accept “comprehensive safeguards”, i.e. IAEA safeguards on all nuclear material and activities in the state.
3. In fact there are two complementary Australia-China agreements, one for nuclear material transfers and one for nuclear cooperation.
5. The difference in numbers is due to the agreement with the EU which covers 28 countries.
7. Enrichment to 20% or more in the isotope uranium-235.
9. For a discussion of all the commitments made, and a comparison with commitments that might reasonably have been expected, see J Carlson, Nonproliferation Benefits of India Deal Remain Elusive, Arms Control Today, June 2015.
11. i.e. those listed in the Annex to India’s IAEA safeguards agreement.
15. IAEA document INFCIRC/66.
16. Based on IAEA model INFCIRC/153.
17. Article 30(d).
18. See e.g. Articles 11(f), 14(b), 69 to 78, 84 and 94.
19. Articles 11(f) and 14(b).
20. See e.g. Articles 25, 95 and 96.
22. MOX comprises mixed oxides of plutonium and uranium.
23. Article 96(c) allows for safeguarded and unsafeguarded materials to be blended.
24. Figures calculated for India’s Prototype Fast Breeder Reactor.
25. NPT Article III.2.
26. Article III.5.
27. Nuclear Non-Proliferation (Safeguards) Act 1987, section 51(2).
28. This is one consequence of the agreement allowing India to use safeguarded and unsafeguarded material together. It would be much easier for both the IAEA and India if safeguarded and unsafeguarded materials and facilities were kept separate.
32. Article VI.
33. Article VII.4.
34. India-IAEA agreement, Article 8.
35. Articles 10.7 and 11.4 respectively.
36. Article VII.5.
37. Article XII.

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(2) **Australia-India Economic Relations**

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The economic relationship between two major countries is often a complex maze with at least three distinct aspects: government, business and people to people links. In the case of Australia and India government to government links have dominated although business to business and people to links have never been unimportant. There have been feedback effects from government to government links to the other two links and vice versa.

At the current point in time the Australian government’s view of India is primarily shaped by two factors. First, there is the need for the Australia-India strategic partnership and Comprehensive Economic Cooperation Agreement to develop as a major force for stability in the Indian Ocean. India occupies the predominant strategic position in the Indian Ocean through which much of Australia’s trade passes.
Second, Australia is interested in maintaining and enhancing its exports to India. Primarily these include mineral resources such as coal, copper and gold and education services.

For India, too, there appear to be two factors influencing government to government relations. Australia represents a reliable source of energy resources. This was particularly important not long ago when domestic supplies of coal for thermal power plants were falling and concerns were being raised about the sulphur content of Indian coal. Indian enterprises are at the vanguard of business process outsourcing from Australia. Second, Australia, with its long history of association with the ASEAN and other South-East Asian countries, could provide India support and diplomatic/trade expertise in developing the latter’s “Act East” policy.

The trade relation is highly skewed in favour of Australia. Hence, Australia ranks 33rd as an export destination for India and 17th as a supplier of imports to India. Bilateral investment flows are relatively modest with Australian investment in India and Indian investment in Australia also modest and primarily in the resource sector.

Business to business links have been growing but China remains the dominant trading partner of both Australia and India. India, of course, needs mammoth amounts of investment to complete its unfinished industrialization. Australia could provide some of this investment particularly in areas such as infrastructure, education (including vocational education), water management, food storage and the like but much more needs to be done to facilitate these.
People to people links have always been an important element in Australia-India relations. Australia is home to about 450,000 people of Indian origin (about 2% of the total population). Many of these persons are highly skilled and continue to make important contributions to Australian economy and society. Further, some of them have been instrumental in improving business to business links between Australia and India. However, the Indian diaspora in Australia remains fragmented (especially when contrasted with the Chinese diaspora) and the potential of this diaspora in furthering Australia-India relations remains substantially untapped.

With this background I now consider some challenges and opportunities for Australia-India relations in the next few years.

In my view the dominant challenge for this relation is the fact that the Australian and Indian economies are both going through major structural change. If that was not complex enough China, the dominant trading partner of both countries, is also going through a structural transformation. The challenge for Australia is to contemplate economic growth and prospects in the post mining boom era. Challenging and new forms of manufacturing and services, in addition to enhanced agricultural production, need to be contemplated to ensure high rates of growth in the medium-term.

India needs to complete its very delayed and incomplete industrialization. For the economy a future where the rural sector continues to house the majority of the population even as the share of agriculture in GDP continues to drop, a stagnating share of the manufacturing sector in GDP and large and growing share of services
in GDP are unsustainable. The first anomaly means low agricultural productivity and therefore foreshadows food deficits in the future unless agriculture is re-organized. So long as the second anomaly persists India’s industrial transition and the productivity gains that come from it will remain unrealized. High share of the services sector in GDP indicate boom in areas such as construction which, while welcome, do not have the potential to do the heavy lifting for sustained rapid economic growth on their own.

China has its own structural transformation to undertake. It has become necessary for it to reduce its reliance on exports, resource-led growth and very high savings and investment rates and increase domestic consumption. As such, at the margin, China might import more, albeit, different types of commodities than those that have dominated its import basket. On the export side as Chinese wage rates rise in response to the very high growth rates of the post 35 years, China will slowly relinquish its position as the dominant supplier of low value-added manufactures.

This triad of structural changes poses major challenges and opportunities for Australia and India and for Australia-India relations. A possible scenario for the development of this relation is sketched below. India has some considerable expertise in high value added manufacturing including automobiles but has started making concerted efforts to re-energise its low value added manufacturing sector, especially in view of the huge problem of youth unemployment in India. India clearly has a cost advantage in this area over Australia and now even China. Whether India is able to exploit this opportunity
depends considerably on India’s labour market policies (especially whether labour markets become more flexible) and infrastructure augmentation. Under these conditions Indian low value-added manufacturing products can substitute for Chinese inputs into a rejuvenated Australian manufacturing sector. India and Australia while competing in the production of high value added manufacturing could find areas of complementarity. Australia could contribute very significantly to the development and diversification of India’s agriculture as larger farms becomes the norm in India and management of the food chain becomes crucial. Food processing and storage are strong points for Australia and investments in these areas in the Indian economy would benefit both countries considerably. Australia could also invest in education in India. The size and scale of the education challenge in India is so large that it would not be adequate to train Indian students in Australia. It would be important for Australian universities and TAFE institutions to set up shop in India under a liberalized education regime. Australia could benefit from Indian expertise in software and India’s participation in global value chains in which Australia, too, plays a part.

Cooperation in research between Australian and Indian universities will be central to addressing and nuancing the response the required structural changes in both countries. This would be particularly true in emerging areas of mutual interest like nanotechnology, bio-engineering, food security, climate change and the like. At the same time broader engagement between the two countries in liberal arts, social and cultural studies would be essential to further development of people to people ties.
At the present time, and in the past, Australia-India economic relations appear to have a considerable amount of unrealized potential. Given that China, the common largest trading partner of both countries, is itself going through a structural transformation with attendant moderation of the rate of economic growth and a situation in which the economies of Australia and India are becoming more complementary it is becoming essential to re-cast the economic relationship. All segments of this relationship – government to government, business to business and people to people – have a role to play in this effort.

The prospects for better Australia India economic relations are bright, but so are the challenges.

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Australia: A Middle Ranking Country Caught in Global Power Shifts

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Abstract:
Australia has always played a conspicuously reserved and cautious role on the world stage. Its foreign policy does not have much weight on the regional level and it is difficult to know if the country is truly influential. However, Australia considers itself a “middle ranking” power. But does it have an important role in the Asia-Pacific region, which it seemingly wants to integrate. The results of this study are inconclusive. Australia exerts increasing political influence in East and Southeast Asian affairs since the 1990s, however, the results do not meet the expected success. The objectives are not achieved.

Introduction

Nowadays it is quite commonly said that “emerging countries” are amongst the future winners and that everyone should bet on them. However, some already powerful, Western-oriented countries also offer real potential gain.

Australia is one of these. Defined as a “middle ranking” power, it is also perceived as a regional player with an economic, political and social conscience. As the world is becoming increasingly multipolar, these so-called “middle ranking” countries have become intermediaries in power shifts between the great global powers, and also serve as the economic hubs.
of international relations. Indeed, the definition of a developed or rapidly developing country is one which can be really influential at regional level.¹

The geopolitical changes currently taking place in East and Southeast Asia are putting Australia in a difficult position. On the one hand, it must maintain strong ties with the United States and the United Kingdom, its historical allies; on the other, it must address the rapid rise of the People’s Republic of China, which has created instability and unpredictability in the region. Nevertheless, Australia could gain in importance and credibility in the near future precisely because it is in this position. That’s what our analysis suggests.

All the information I have gathered begs this question: What vectors of influence has Australia chosen to use to consolidate its “middle ranking power” status on the regional and world stage? To answer it, I have broken this article down into three parts. In the first, I will discuss the measures the Australian government is taking to maintain its middle ranking power status. In the second, I will analyse the results these measures have brought. In the third, I will attempt to determine the limits of Australian policy and forecast what role and influence Australia will have in the short and medium term.

I. Australia’s Efforts to Increase its International Influence

1.1. Economic Influence

The Australian government pursues a mixture of strategies designed to increase its economic influence. First, it has developed a policy of integration with regional and global organisations. Second, it has signed a fair number of trade agreements in order to facilitate trade with foreign countries (the establishment of a network of overseas chambers of commerce underpins this policy and contributes to driving Australian exports). Third, Australia has made various efforts to provide aid to, and increase investment in, neighbouring countries. Fourth, Australia has one of the most reputable “brand” images in the world in view of its economic performance.

Historically, Australia has positioned itself as a key economic partner of Western countries. It remains a key commercial partner of the United Kingdom (UK), especially through links forged within the Commonwealth. However, since the 1950s the United States (U.S.) has taken on the dominant role Europe once played in Australia’s trade relations, thanks to the ANZUS treaty (Australia, New Zealand, United States) signed in 1951.

To ensure its economic security, Australia has always tried to join the maximal number of economic alliances. The most notable of these is the G20, membership of which serves as a symbol of national pride.² The country is also a member of other international organisations of the same magnitude,
such as the Organization for Economic Cooperation and Development (OECD), the United Nations (UN) and the World Trade Organisation (WTO). As a reliable member of all these prestigious entities Australia’s legitimacy and status are indisputable, and this greatly eases the development of commercial relations with foreign countries. Australia has influence with developing countries because they want to be seen to have such a prestigious partner as Australia on their side, and therefore mutual agreements are negotiated.

Australia takes a similar approach at regional level and joins regional organisations which aim to coordinate the policies of Asia-Pacific countries. Canberra is a leading actor within the Pacific Islands Forum (PIF) and the Pacific Agreement on Closer Economic Relations (PACER), a trade and economic cooperation agreement involving all 16 PIF Member States.

Trade agreements are also used as channels of influence. Free trade blocs Australia has joined, such as the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC), contribute to the regionalisation of economic development.

However, Australia is still having problems positioning itself at the same level as the major Asian players. Therefore Canberra is trying to make itself indispensable to them. One way it is doing this is by enhancing Asian states’ dependence on Australia. For example, Canberra is currently funding the construction of the cable-stayed Cao Lanh Bridge over the Tien River, a branch of the Mekong River in Vietnam. The government of Vietnam and the Asian Development Bank (ADB) are also assisting in financing this project, which will cost $US 160 million.

Australian aid policy is not only focused on financial investments but on development assistance, which is designed to improve healthcare and education systems, amongst other things. The most obvious example of this is Australia’s support to East Timor (officially the Democratic Republic of Timor-Leste).

Last but not least, Australia’s own solid economic performance serves as channel of influence. Because its domestic demand is inadequate, Australia’s prosperity rests on its abundance of natural resources for export. Agriculture, food-processing and the exploitation of minerals, metals and other natural resources account for two-thirds of Australia’s foreign trade. This indicator has grown even higher recently due to the mining boom caused by the accelerated demand in developing countries.

The Asia-Pacific region alone accounts for 71% of Australian exports. This situation greatly enhances Australia’s economic integration with that region, as Asian states are now the main export partners of the “Land Down Under”.

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1.2 Security Realm Influence

Australia’s influence also rests on its regional military strategy. Its armed forces interact intensively with those of neighboring countries on defence issues (arms sales and the training of troops), engage in dialogue with regional states, and conclude cooperation agreements with like-minded states. Australia’s military role is all the more important since Asia-Pacific is considered an unstable region, having earned the designation of an “arc of instability” in the late 1990s. Australia acts as the “neighbourhood policeman” because it is the most stable state, and thus better equipped to address contentious issues and promote their successful resolution.

The Australian Strategic Policy Institute (ASPI), a think tank, was established in 2001 by the Australian Government and continues to receive the bulk of its funding from this source. However, it is an independent body which has the function of developing Australia’s defense and strategic policy options and helping inform the public on defence and strategic policy issues. ASPI’s offices are located in Barton, Australian Capital Territory.

To earn legitimacy and trust as the “neighbourhood policeman” Australia has invested heavily in the quantity and quality of its armed forces. Its Navy, Air Force and Army employ over 70,000 people and have cutting-edge equipment and technology at their disposal. ASPI, the organization in charge of taking decisions related to defense, trains the armed forces to protect Australia against possible external attacks, the principle being that they will only engage a foreign force on Australian territory. Australia’s defence policy does not imply direct intervention on foreign soils and takes what is strictly speaking a purely defensive approach. It priorities deterrence over offensive action, allowing it to demonstrate that it is a military colossus within its own borders.

Australia’s arms sales to neighbouring countries can also be seen as a statement of policy. By making neighbouring countries dependent on Australian arms supplies, Canberra ensures a stable arms market in the region, believing that as long as the flow of arms remains controlled, tensions can be managed. Indonesia, for example, is a loyal consumer of Australia’s military hardware. Ties between Indonesia and Australia are developed through this trade and then strengthened through the formation and training of military personnel.

Canberra has adopted such a strategy with several Asian countries. The military trainings it organizes often take the form of joint exercises. One of these was Kangaroo 95, which simulated war games in cooperation with Indonesia in Australia’s northern territory in 1995. Twenty years later similar exercises are still being held, an example being the Garuda Kookaburra exercise involving the Australian Defence Force Peace
Operations Training Centre and the Indonesian National Defence Forces Peacekeeping Centre (TNI PMPP) in Sentul, Java, in May 2013.\textsuperscript{14}

Australia’s influence is demonstrated in bilateral dialogues such as the Association of Southeast Asian Nations (ASEAN)-Australia Dialogue Relations initiated in 1974.\textsuperscript{15} This aims to strengthen consultation on policy and security issues to further common interests. Among ASEAN countries (Indonesia, Malaysia, Philippines, Singapore, Brunei, Vietnam, Laos, Myanmar, Cambodia) some have strengthened their ties with Canberra by signing security agreements, as Japan also did in 2007.\textsuperscript{16}

1.3 Active Diplomacy

Australia’s objective of becoming a world power is also pursued by conducting “active diplomacy” for the entire Asian region. China now poses the main challenge to the region, and Australia is leading diplomatic efforts to address its growing influence.

All issues pertaining to the exploitation and export of mineral resources require the application of tact and ultimately achieving some rapprochement with China. The “mining boom” mentioned earlier will eventually come to an end. Consequently, Australia must increase its instrument of power and secure its position vis-à-vis the “Middle Kingdom”. To attract Chinese business investment Canberra has given tenders and contracts for the exploitation of Australian soil and natural resources to Chinese firms.

This new diplomacy is driving a reshaping of Australia’s image and reputation.\textsuperscript{17} Australia is trying to break away from being seen as America’s “turf” or “backyard”. Its insertion into the Asia-Pacific zone involves the enlargement of that zone to the western coasts of North, Central and South America.

Until his departure from government, Kevin Rudd, the former Australian Prime Minister, keenly encouraged the development of an outward-looking Asia-Pacific Community (APC).\textsuperscript{18} Although the APC project was received with polite indifference at home, and shelved after Rudd’s resignation as prime minister, attitudes in East and Southeast Asia have not changed. There is still the desire for a true partnership within this region, which would further contribute to the development of the emerging countries and facilitate investment from, and international trade agreements with, developed countries.\textsuperscript{19}

Australia also orients its foreign policy towards Oceania through the Pacific Islands Forum, an inter-governmental organization created in 1971 which is largely led by Australia. There have been some tensions between Canberra and other regional governments, for example those which developed with Fiji in December 2016 following Canberra’s condemnation of the military
coup which overthrew the Fiji government and in November 2009 when the Fijian military leader, Vorege Bainimarama expelled the Australian high commissioner James Batley. However, Australia generally adopts a policy of diplomacy and dialogue with the small Pacific Island nations.\textsuperscript{20}

Canberra’s foreign aid support, mentioned above, is also reflective of its so-called “active diplomacy”. This support can only benefit regional countries, although this is a longer term policy objective and process.

2. Failures

2.1 Australia’s Efforts not Always Successful

On paper, Australia has managed to establish strong ties with its neighbors. But the reality on the ground can sometimes be quite different. Although neighboring countries have signed a swathe of bilateral and multilateral agreements, they still keep their distance from Canberra.

The Asia-Pacific is a very unstable region, and Australia generally gets involved in it to safeguard its own national interests (often in conjunction with New Zealand) above all. These interventions can take place at opposite ends of the political, economic and military spectrums. Canberra has been known to negotiate political or trade agreements with New Zealand at the expense of neighbouring countries and also use its armed forces against other regional countries. This duality between words and actions is poorly perceived by countries of this increasingly strategic region.

These interventions against some countries, or in favor of others, enhance tensions in the Asia-Pacific region. Australia, a staunch ally of the United States, is often blamed for the deterioration of relations in the region, which explains the aloofness of some neighboring actors towards Australia.

2.2 Australia-China Ties

China is traditionally one of Australia’s most important trading partners in the Asia-Pacific region, and a strategically key export market.

Given the current ranking of international powers, China is a strong ally which Canberra cannot do without. If it manages to maintain a solid relationship with the northern colossus, then Australia could benefit from China’s aura and, by implication, strengthen its economic influence.

Australia thus has to strike a difficult balance during a period of latent, and sometimes open, Sino-U.S. confrontation. It has to strengthen its relations with Asia while maintaining close partnerships with the West, particularly the U.S.

2.3 Australia Remains Dependent on Asian Partners’ Rivalries
The Australian government ultimately finds itself at a dead end. It does not have an overabundance of choices, and those that exist contradict each other. It is difficult for Australia to favor one economic, commercial and military partner without offending another.

This is made all the more true by the fact that Australia’s rivals have an edge at the starting line. Australia is perceived as the West’s Trojan horse in the Western Pacific. How can it successfully find a niche in East and Southeast Asia in such a geopolitical predicament? The best policy for Australia is to act in accordance with the options presented by its partners and the inner powers that it possesses. It cannot choose its own political approach and strategy as it constantly has to take Asian-Western frictions into account in its choice of strategy.

While it is true that Australia’s policy and strategy can be described as hybrid, it would be difficult for Australia to adopt a more consistent approach. Siding with the West instead of Asia would probably deconstruct Australia’s diplomacy, initially formulated within the context of this competition between Asia and the West.

2.4 Australia is Not Involved in Regional Projects

As explained in the first part of this article, the Australian government has joined the maximum number of regional and global organizations in order to play a significant role in the Asia-Pacific region. However, attending these organization’s summits is not enough. A country has to be a driving force in the projects on the agenda, and in this respect Canberra’s policy has failed.

The East Asia Summits (EAS) have become illustrative of this failure. A regional leaders’ forum for strategic dialogue and cooperation on the key challenges facing the East Asian region, EAS brings the ten ASEAN members (Brunei, Cambodia, Indonesia, Laos, Malaysia, Burma, the Philippines, Singapore, Thailand, Vietnam), round a table with Australia, China, India, Japan, New Zealand, the Republic of Korea, the United States and Russia to discuss joint projects. Australia has only a marginal role within ASEAN (it is not an official member) and is completely invisible within EAS. Canberra has also achieved limited success in its drive to promote the ASEAN Plus Three Cooperation formula. It is a member of the organization, but does not take part in all its projects, a situation which reduces its profile and influence in the region.

3. An Uncertain Future for Australia: Limits to its Policies

3.1 External Factors: Geography, Demography and Domestic Industry

Like any middle ranking power, Australia has several features that traditionally limit its room for maneuver. As a state-continent, Australia suffers from its geographical isolation. Its low population also weighs
against it. Its territory is fifteen times larger than that of France (in terms of total surface area), but its population six times smaller. This does not give Australia much weight on the international stage.

Australia’s domestic economy is concentrated in the tertiary (services) and primary (extraction of raw materials) sectors. This means that its manufacturing sector is not large and competitive enough to export high valued products to regional markets. The country’s resources (human, natural and financial) minimize the range of actions it can take. In the end, there is a real problem around the establishment of lines of transport for a country so geographically remote, which relies on producing and exporting primary products.\textsuperscript{23}

3.2 Domestic Policy Factors: Theory over Practical Means and the Australian People

To avoid offending any various economic partners, Australia has chosen to play the neutrality card, like Switzerland in Europe. But the result has been implementing overly theoretical policies which do not reflect the reality of Australia’s geopolitical and economic situation. It has become very difficult for Canberra to elaborate concrete measures which can be implemented on the ground and impact the lives of Asians.

3.3 The Political Culture Factor

Ultimately, the main obstacle to Canberra’s policy is the Australian population itself. Since 1910, Australians have voted overwhelmingly for the two extremes of the political spectrum, either for the Australian Labor Party (ALP) or the Liberal Party and its various incarnations, in a mild, two-party system. This is caused by a rejection of the “asianization” of the country. Australians predominantly prefer developing their historical ties with Anglo-Saxon countries rather than Asian ones.

The Australian government has failed to understand this dynamic. Instead of privileging a policy of economic and strategic influence in the region, Canberra should develop a strategy on the cultural level.\textsuperscript{24}

Conclusion

The Australian state has always been relatively quiet on the world stage. Its overall foreign policy is undeveloped and it is always difficult to determine whether the country is influential or not. Australia positions itself as a “middle ranking” international power. But does Australia have an important role in the Asia-Pacific region, which it wants to integrate with?

The results of this research are inconclusive. Australia pursues a policy aimed at increasing its power in East and Southeast Asia, however the
results have not been as good as expected. Objectives have not been achieved. Canberra does not properly assess its own internal limitations, and fails to take into account the opinion of its citizens. Australia seeks to improve its “active diplomacy” by relying predominately on enhancing its economic and strategic (defense and security) influence, but this has not proved sufficient to achieve its stated goals.

Finally, Australia cannot position itself as an influential regional player, a fact that has far reaching consequences at the international level. Its foreign policy has tended to vacillate between strategic ambiguity towards China and strategic engagement with the United States. It has not so far made serious attempts to move beyond this hybrid position and is likely to remain caught between a rock and a hard place. If the Australian government does not quickly address the factors which are preventing it becoming a powerful player in East and Southeast Asia its chances of doing so will be wiped out by China’s rise.

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4. Ibid.

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(4) **India-Australia Scientific and Technical Cooperation – From Passive Course to Pragmatism**

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Australia and India have a shared history and common linkages that impressed many a scholar or a statesman so much as to envision prospects of cooperation which ought to have conformed to the expectations of bilateral relationship. The scholars equally feel surprised over certain parallels between India and Australia, thanks to their geographical proximity as Indian Ocean littorals and historical connection as the erstwhile British colonies from 18th century. Obviously, there exists a set of commonalities discernible in geography, geology, climate and biotic life as well as certain complementarities inherited from history by virtue of being the colonial cousins. But, India and Australia endured an alternation of bonhomie and hibernation; and the repulsive behaviour in their bilateral relationship on account of irreconcilable attitudes manifesting in drift and discard attitude impinged on the prospects of sustaining the spirit of reciprocity and cordiality. The prospects of bilateral relations are not altogether expected on the grounds of their shared linkages based on geographical proximity and historical legacy (Yagama Reddy 2012, pp.1-18; 2010, pp. 37-57; 2009, pp.261-76; 2007, pp.336-48); but the fact remains that they never became susceptible to border disputes embedded in geography, nor did they ever succumb to ethnic tensions rooted in history.

Greater Expectations of the Partnership Prospects

That India was surmised as the ‘jewel in the crown’ and Australia ‘a loyal lieutenant’ was also was thoroughly justified by noted historian, Goeffrey Blainey, who observed that “Australia seemed to be a satellite of India as well as a colony of England” (Blainey 1966). Equally deserve appreciation are the multitude of prospects envisioned by many a statesmen. Australia Senate Standing Committee on Foreign Affairs and Trade (ASSCFADT) quoted Irrigated India, authored by Alfred Deakin in 1893 much before he became the
Prime Minister of Australia (1903-04, 1905-08, 1909-10), wherein Deakin envisioned immeasurable potencies in the future relations of India and Australia in view of their geographical proximity capable of exercising “a very real and reciprocal influence upon forces of national life in each”. On the eve of inauguration of the diplomatic mission in New Delhi, the Premier of New South Wales Bertram Stevens favoured “a close commercial links with India in view of the implicit benefits of trade (for Australia) and employment opportunities that would improve the living standards in India” (ASSCFADT, 1990:10). The Australian delegation at the Asian Relations Conference (March-April 1947) was overwhelmed by the candid observation of Nehru that Australia and India had “many things in common so much as to cooperate with each other to find solutions to the problems in the Asia-Pacific region” (Gopal 1984). “The mutuality of interests and a sense of belonging to a shared region” were all part of fruitful Australia-India partnership envisioned by the Australian External Affairs Ministers, H V Evatt, R G Casey and Spercy Spender. The Indian Prime Minister Indira Gandhi during her visit in May 1968 to Australia regarded Australia as a ‘bridge between India and Asia’ (AR 1968, pp. 834-837). The complementarities driven common elements rooted in history and geography (Insight 1994, p. 10) between India and Australia have been frequently exemplified as, for instance, “their economies with many complementary features” (NFA 1990, p.1), “essential complementarity in the trading relationship” (NFA 1990, p.2; 1991, pp. 1-2), “high levels of complementarity in agricultural trade between the two countries” (Australia–India Joint Free Trade Agreement Feasibility Study Document of 2010), and well-pronounced “parallel in the occurrence of droughts and floods between India and Australia” (NFA 1992, p. 3), besides broad semblance in geological history.

‘Drift and Discard’ Attitude as Manifestation of Nonchalance

But for the brief phase (1947-49) of “close and sympathetic” bilateral relations, India and Australia suffered from “disagreement” on a wide range of issues in the context of Cold War (Neale, 1968, p. 84). Perplexingly, their arguments were much “deeper than the differences” to the extent of undermining the immense potentialities for mutual benefit. It was simply ‘lack of knowledge’ and hence ‘lack of interest’ that perpetuated the attitude of ‘indifference’ which
eventually resulted in ‘drift and discord’ mind-set. Australia and India have for long adopted an approach of “rubbing each other up the wrong way on practically every issue on which their interests touched” (Wesley 2012). These colonial cousins have almost disregarded their historical connections and similarities (Westrip and Holroyde 1996-2013); inexcusably they are mostly still ignorant of these connections. The former Australian Prime Minister, Gough Whitlam, during his visit to India in June 1973 also lamented the inability of India and Australia in forging the much expected ‘very close relationship’ (AR, 1973, p.11392).

**Colombo Plan: a Praiseworthy Initiative for Economic Development**

Yet, there were a few instances testifying to goodwill between the oft-demurred nations. For instance, under the Australian sponsored Colombo Plan, India received Australia’s commendable economic and technical assistance, besides the food aid when India facing food-scarcity all through 1950s and 1960s (Greenwood 1964; IFR 1978, pp. 6-7; AR 1978, p. 14326). Of much significance was the Australia’s supply of equipment worth Rs 7.0 million in early 1970s for setting up of Modern Bakeries in nine selected cities with a total capacity of 100 million loaves of bread equivalent to 4000 tons per annum (IFR 1970, p. 6). India also offered the technical assistance worth over Rs 1.2 crores in the form of training facilities in different fields for about 2000 students from 17 countries including Australia, while Australian government, on its part, offered Indians the facility of undergoing training in Australia in the fields of science & medicine, engineering, agriculture and animal husbandry (AR 1963, p. 5294). Australia extended a total assistance of $ A 30.5 million (1950-1965) which rose to $ A 76.5 million by 1970 and then to $ A 123.0 million by 1981 under emergency food aid, economic development and technical assistance (Ross 1968: 181; IFR 1971, p. 3-4; AFAR 1982, p. 353-54). Despite its “limited character of technical assistance” and being “marginal to India’s national developmental plans,” Colombo Plan had won India’s “appreciation” (Greenwood and Harper 1957, p. 275). India’s appreciation of Australia’s assistance under the Colombo Plan was reciprocated by Whitlam’s government in October 1973 when it provided machinery, technical know-how and training facilities to a cattle breeding farm at Barpet in Assam at an estimated
cost of 2.0 crores together with 600 jersey cattle which were added to
the lot of 600 cattle already provided to India during 1968-71 period
(AR 1973, p. 11679; Age 1971). Notwithstanding Australia’s reaction
over the India’s nuclear tests of May 1974, the Agreement of Scientific
and Technical Cooperation of February 1975 was signed on 26
February 1975 in New Delhi. But this agreement which was initially to
last for a period of 5 years (1975-1980), was unfortunately
terminated in October 1986.

Bilateral Cooperation not in Pace with the Expectations:

Fraser’s government, though got the Whitlam’s Asia-oriented foreign
policy reverted to Australia’s traditional alliance with the US, attached
much importance to the scientific and technical cooperation in the
form of sheep & cattle breeding and meat industry, energy &
development and Indo-Australian cattle breeding at Hissar in Assam
state of India. Yet, as the Australian Prime Minister Whitlam pointed
out, India and Australia could not forge the much expected closest
possible cooperation, even as they shared common values in many
respects. The India-Australia bilateral relationship which had initially
experienced convolutions began gaining momentum from the middle
of 1980s following the conclusion of an MOU on science and
technological cooperation with a main focus on the development of
collaborative projects. There was, of course, an emergent realization
surpassing recrimination as vindicated by 21 collaborations which
came into existence within a short span of 2 years (1988-90), a
quantum leap when compared to 37 similar ventures during the
1950-1987 period (NFA 1990, p.1). The much needed rapprochement
became fructified by the initiatives of the Indian Prime Minister Rajiv
Gandhi and his Australian counterpart Bob Hawke.

Australia Cognizant of the Commonalities for Cooperation and
Investment Flows

India’s dire need for technical collaboration and foreign investment
began to receive favourable response from Australia. Australia,
probably taking India’s eventual response for granted, began
identifying the possible potential areas of bilateral cooperation on the
basis of commonalities (based on geology, mineral wealth, geography
and climate) in favour of scientific cooperation and transfer of
technology and the essential complementarities in their economies to make an ambience favourable to the promotion of trade and investment. The basic linkages contributing to foster partnership and cooperation between the geographically proximate colonial cousins had been repeatedly exemplified by Australia. Interestingly, the Australian Minister for Science, Barry Jones, had discerned the geological similarities owing to super-continent connection, in the form of an answer to a question raised by Jacobi, a member of Australian Parliament in May 1986:

*There is considerable scope for the application of Australian science and technology in India ... Of the several factors, which point to this, there are many geological similarities. India, Australia and Antarctica were once contiguous in the super-continent Gondwana Land* (emphasis added) ([AFAR](#) 1986, p. 689).

The Senior Australian Trade Commissioner in India, Paul McCaffrey, advocated that the suitability of Australian mining technological and mechanical expertise to the Indian conditions:

*Indian coal mining ventures would make use of Australian mining technological and mechanical expertise, developed for climatic, geographic and geological conditions very similar to those in India* (emphasis added) ([AN](#) 1989, p. 2).

On the eve of participation of 15 Australia’s leading mining equipment companies in the International Mining Machinery Exhibition, organized by Confederation of Indian Industry, in Calcutta on 25-29 January 1992, Australian High Commission in New Delhi furnished the highlights of the Australian mining technology and its application to the Indian conditions:

*There are strong similarities in Indian and Australian mining conditions. Techniques developed for Australia’s needs are also proving themselves in the demanding environment of the Indian industry....* Australian
technologies... have found application in India.... (Emphasis added) (NFA 1992).

Similarly, justification for the possibility of joint mineral exploration was offered by the Australian High Commissioner to India, Darren Grabble, in July 1994, who termed it an opportunity not to be missed by both countries (IDSANR 1994, pp. 173-74).

Australia Epitomizing Complementarities for Promoting Trade and Investment

With the cessation of Cold War tensions following the collapse of the Soviet Union, the imperatives of globalization as manifestation of new economic order gained ascendancy. As logical corollary, these two oft-demurred nations had begun exploring the possibilities for enhancing bilateral relationship. India’s Look East Policy (1992) was complemented by Australia's Look West Strategy (1994), in view of Canberra’s realization of New Delhi’s bigger role in the affairs of Asia-Pacific region. India Today Festival (1994), DFAT’s study of India’s Economy at the Mid-night Hour (EAAU 1994), and Australia-India New Horizons Campaign (DFAT 1996), were other initiatives of Australia for reinforcing the bilateral relationship, in addition to the Australia-India Council (1992) for broadening and deepening the bilateral relations through promoting mutual awareness and understanding that would dispel the long persisting exotic impressions of each other. In pursuit of epitomizing the possible "developmental cooperation with India on a sounder basis" and identifying the avenues of cooperation in commerce and trade, transfer of scientific and technical know-how, and investment, the Australian statesmen and entrepreneurs have embarked on the catchphrase ‘complementarity’. Chairman of the Australia-India Business Council, Colin Ward, at the joint Executive Meeting of the Australia-India/India-Australia Business Councils, in New Delhi on 27 September 1990 observed:

The economies of the two countries had many complementary features which made the potential for increased trade and investment very favourable (emphasis added) (NFA 1990, p.1; IDSANR 1990, p. 712).
In his address on 14 December 1990 to the Bombay Chamber of Commerce and Industry and later in February 1991 to the Calcutta and Bharat Chambers of Commerce, Australian High Commissioner to India, David Evans, noted:

*There is an essential complementarity in the trading relationship between Australia and India* (emphasis added).

*Australia’s exports to India are heavily concentrated in: raw materials, wool, non-ferrous metals, peas and pulses, and coal the principle export from Australia. India’s exports to Australia are principally: manufacturing items – leather, garments and textiles, chemicals and engineering goods* (NFA, 1990, p.2; NFA 1991, pp. 1-2).

A high profile delegation representing, among others, the Deputy Premier of Western Australia, Hendy Cowan, participated in the 9th meet of India-Australia Joint Business Council and 4th Meet of India-Australia Joint Ministerial Commission from 12-17 February 1995. This visit coincided with the 11th Indian Engineering Trade Fair, in which six Australian Companies participated as well as with an Australian Week in New Delhi participated by more than 130 Australians for Indo-Australian activities ranging from official talks to seminars and cultural performances. The Australian Minister for Trade, Senator Bob McMullan, who led this strong delegation to New Delhi and Bombay, observed:

*By their very nature and names, India’s ‘Look East’ strategy and Australia’s ‘Look West’ strategy provide a complementary base for accelerated economic cooperation* (emphasis added) (NFA 1995, p.2).

Bob McMullan further noted:

*There are a lot of complementarities between our economies driven by common elements in our history, common aspects of our geography and the stages of our development that we find ourselves in* (emphasis added) (Insight 1994, p.10).
**Areas of Collaboration through the Application of Australian Know-how**

Australian Minister for Foreign Affairs, Gareth Evans (1988-1996), who looked upon political relationship as “an instrument for developing a broader institutional framework” (*AFAT* 1990, p. 710-16), optimistically reiterated Australian Government’s strong conviction for forging partnership with India in all such areas that would call for the application of Australian technical expertise. Enlisted by the Chairman of Australia-India Business Council, Colin Ward, are some of the main areas of collaborations encompassing “coal mining, computer software, optical fibre cables, industrial air conditioning, mineral processing and analyzing systems, installation of air landing systems, digital radio technology, concrete-pipe manufacturing and production of automobile components” (*NFA* 1990 A, p. 1). Australia proven expertise in vital and high priority areas as, for instance, “telecommunications, food processing, energy and mining technology, and railways” qualified for three-year aid programme of $A 35.0 million, in addition to the intended-cooperation between the Australian and Indian scientists in other vital areas like “space science, biotechnology, monsoon meteorology, geosciences, marine science and environmental protection” (*AFAT* 1990, p. 710-16; *IDSA NR* 1990B, p. 835; *NFA* 1990 B, p. 1). India has also officially acknowledged the Australia’s expertise, technologies and products in a number of fields of interest to India; and its immense potential, for instance, in mining, agriculture, healthcare, pharmaceuticals, infrastructure building, tourism, I.T., biotech, the retail sector, logistics, environmental technologies and renewable energy (*HCI* 2008).

Thanks to the bipartisan support extended to the efforts of both the governments at developing a “dynamic and forward-looking approach to the bilateral partnership”, there have been visible positive trends as in the case of bilateral trade and investment flows. It was the reciprocity in their efforts that led to the phenomenal increase in the joint ventures from a minuscule number of 37 (1950-87) to 70 (1990), 159 (1995) and then to 356 by 2000s; and more than fifty percent of them were technical in nature (*NFA* 1990, p.1; Viczainy 1994, pp.53-54; Sanjeeva Reddy 1999, pp. 157-76). A Report for the Australia-India Education Council, brought by the Victoria Institute, Victoria University, Melbourne, has noted that the current
levels of collaboration represent a seven-fold increase between 1995 and 2010 (Gorur and Loton, 2013). Australia has been looking upon India as a preferred investment destination, as evident from its 8th rank among the India’s overseas investors. Australian investment in India, according to Stephen Smith, Australian Minister for Foreign Affairs, was worth over $A 2.0 billion in 2006, in manufacturing, telecommunications and minerals processing sectors (Smith 2008). On other hand, the Indian investment in Australia in 2010 stood at $A 87.7 billion, as opposed to the Australian investment of A$ 4.8 billion (assocham.org 2010).

India-Australia: Areas of Investments and Scientific & Technical Collaborations

Among several prospective areas of India-Australian cooperation, Assocham identified some of the potential areas of cooperation encompassing: Mining and Infrastructure, Agri-business, Energy and Environmental Management System, Biotechnology-Indian Systems of Medicine, Medical Tourism, Information and Communication Technology, Education, Tourism Development, Indian Restaurants and Cuisine and Human Capital (assocham.org 2010). There has also been increase in the Indian investment in Australia, especially in copper, coal and gold mines; while the Indian oil companies have in the past few years bid for exploration of natural gas off the northwest coast of Australia (HCI 2008). Also making rapid strides in Australia are the major Indian IT companies including Infosys, Satyam Mahindra, TCS, HCL, Polaris Software Lab Ltd, Birlasoft, NIIT, ICICI Infotech, Wipro, Mahindra-British Telecom Ltd, i-Flex and igate (www.hcindia-au.org; India World Forum 2011). On other hand, Australia has its direct investment in India made in such sectors as: Insurance, Banking, Airlines, Multiband retail, Outsourced IT and manufacturing, Investment in the stock market, Drug research, Finance R&D. Australia, the world leader in ore-extraction and mining practices, is also posited for collaboration in areas of joint interest like new mining technologies that would benefit India. The following Table provides in nutshell the areas of investment and joint-ventures of India and Australia.
### Table: India and Australia: Areas of Investment and Joint Ventures

<table>
<thead>
<tr>
<th>Indian Investment in Australia</th>
<th>Indo-Australian Joint Ventures</th>
</tr>
</thead>
<tbody>
<tr>
<td>India’s Oswal Group (ammonia plant)</td>
<td>• IFFCO through partnership with Legend Holdings of Australia (phosphate projects)</td>
</tr>
<tr>
<td>Sterlite Industries (copper mines)</td>
<td></td>
</tr>
<tr>
<td>Aditya Birla Group (copper mines)</td>
<td>• GVK Power &amp; Infrastructure purchase deal with Australia’s Hancock Prospecting (two thermal coalmines)</td>
</tr>
<tr>
<td>Gujarat NRE Co. (coal mines)</td>
<td></td>
</tr>
<tr>
<td>Asian Paints</td>
<td>• NMDC in agreement with Rio Tinto (joint mineral exploration in India, Australia and other countries)</td>
</tr>
<tr>
<td>Reliance (uranium exploration)</td>
<td>• TATAs and Vale of Brazil (mining joint venture in Queensland)</td>
</tr>
<tr>
<td>Lanco Infratech (Griffin coal assets).</td>
<td>• Tata Power and Australian company Geodynamics</td>
</tr>
<tr>
<td></td>
<td>• Petronet LNG, New Delhi &amp; ExxonMobile (LNG from the Gorgon Project)</td>
</tr>
<tr>
<td></td>
<td>The Adani Group of India and Linc Resources (Galilee Basin in Queensland).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Australian investment in India</th>
<th>Promising areas for Australian Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cochlear (Hearing implant system)</td>
<td>• Biotechnology &amp; Pharmaceuticals</td>
</tr>
<tr>
<td>• FAT Systems Pty Ltd (Biofuels projects)</td>
<td>• Chemicals</td>
</tr>
<tr>
<td></td>
<td>• Communications</td>
</tr>
</tbody>
</table>


Australia with its internationally competitiveness in marine industry can provide high technology value-added competitive solutions and expertise to the Indian maritime defense sector. Energy partnership, as indicated by the 12th Australia-India Roundtable, entails a clear process for Australian investment in Indian mining, the transparent operation of energy markets, and the facilitation of two-way investment in energy and resources infrastructure (orfonline.org 2012). Australia shall also help India in reducing its dependence on fossil fuels by way of offering its expertise in clean sources of energy to India.

**Australia-India Strategic Research Fund: a high impact Knowledge Partnership**

Though trod on a snail pace, India and Australia embarked on a long history of collaboration, as could be gleaned from the *Appendix*. Against the backdrop of uncertainty looming over outcome of the scientific collaborations and joint ventures sprang up in the past, India and Australia set up the Australia-India Strategic Research Fund (AISRF), the biggest ever investment of Australia in research collaboration with any single nation. This scheme which got up during the visit of Australian Prime Minister, Kevin Rudd, to India in 2006, received a boost in 2009 with a steep rise in Australia’s commitment from $A 20 million (2006) to the tune of $A 64 million over 10 years.
(up to 2015-16) with a corresponding commitment on the part of India to meeting the cost of the participation of the Indian research teams. Both countries have great complementarity as to accrue mutual benefit from research partnerships, like improving water quality, innovations in cardiac therapy, cancer detection, crop genetics and remote sensing of marine ecosystems (Gorur and Loton, 2013). AISRF consisting of four components-- Science and Technology Fund, Biotechnology Fund, Grand Challenge Fund and Fellowship Fund -- would have its focus on energy, food and water security, health and the environment, with scope for undertaking collaborative research projects on annual-priority-basis as well as leading-edge research in areas, including in information and communication technology, micro-electronic devices and materials, earth sciences, nanotechnology, astronomy and biotechnology (thaindian.com, 2009). During the visit of Australian Prime Minister Tony Abbott to India in September 2014, both the Prime Ministers acknowledged the success of the Australia-India Strategic Research Fund in providing a high impact knowledge partnership through science and technology cooperation (Gupta 2014).

**India-Australia still carrying the Stigma of Undeveloped Collaboration**

All said and done, as evident from the Australia-Fact Sheets of 2010 and 2011 released by High Commission of India in Australia, India has not figured even at 1.0 per cent level either in the list of ‘leading destination countries’ (Australia’s investment abroad) or in the list of ‘leading investing countries’ (in Australia). (HCI 2010-11 and 2011-12). The investment relationship, as David Brewster at the Future Directions International points out, remains extremely undeveloped, despite growing Indian interest in resource investments and many Australian companies evincing keen on making investments in the Indian resources sector. The lack of substantial investment links is largely attributed to the restrictive Indian investment rules (Brewster 2014, p. 2-3), while Australia has still not established itself in India as the favoured partner for collaborative research, nor could it institutionalize most of its arrangements. For all the political score, Australia ought to have embarked on the process of building up scientific and technical cooperation in mineral prospecting. Certain degree of compatibility is still required for better collaboration between these nations. Despite their tall claims of knowledge in
abundance on the world affairs and well-equipped foreign policy-apparatus that ought to have fortified the bilateral relationship, Australia and India have habitually endured lackluster bilateral relationship; and hence the old rhythm of alternation of bonhomie and divergence was no way unusual phenomenon during the post Cold War period. For all its well-expressed appreciation of India’s economic reforms and intentions of taking the bilateral relationship forward, Australia’s violent reaction to India’s nuclear tests of May 1998 became unpalatable to India. To make the matters further worse, violence against the Indian students and uranium ban set the Indian minds against Australia. Yet, a strong positive perception of Australia among Indians is well-discernible by a comprehensive survey conducted in 2012 by the Lowy Institute for International Policy (LIIP) and the Australia-India Institute (AII). As revealed by the India-Australia Poll 2013 published by LIIP and AII, Indians view Australia as being well-disposed to India (50 %) and known for its excellence in science (61%) and in tertiary education (Medcalf 2013).

**Impediments and Infirmities Inhibiting the goals of Collaboration**

The need for “transcending the troubled history” rather the tradition of incongruity between the “impatient Australia and a non-committal India” was emphasized by Michael Wesley, the executive director of the Lowy Institute for International Policy (2009 – 2012), who further elaborated that “Australians like to think up initiatives and execute them in short order, while Indians confound and frustrate impatience, typically making decisions at the last minute’ (Wesley 2012). Australia abhorred bureaucratic hassles which remained a major hurdle in the flow of Australian investments into India and the growth of trade; and hence Australians showed nothing but a profound concern for the snail pace of India-Australia relations. This speaks of “less about acts of commission than about acts of omission and avoidance of decision-making’, laments the former Indian Foreign Secretary Shyam Saran who further points out, “there is a continuing reluctance to acknowledge that the post-Independence framework can no longer meet the domestic and external challenges that confront India today” (Saran 2012). The India-Australia relationship was aptly described by Peter Varghese, Australian High Commissioner to India, in his lecture at the Observer Research Foundation, New Delhi, on 3 May 2012 that “ours was a friendly yet largely undeveloped relationship, punctuated by phases, usually short-lived, when we
rediscovered each other” (Varghese 2012). In his *Foreword to All’s submission to the White Paper on “Australia in the Asian Century”,* Professor Amitabh Mattoo, Director of Australia India Institute (AII) remarked that New Delhi and Canberra though know each other, still do not have a nuanced understanding of each other (Mattoo, n.d.).

**India’s lack of Reciprocity in Bilateral Visits:**
The drift and discard attitude manifesting in lackluster bilateral relationship owes much to the lack of reciprocity in the visits of heads of state or heads of government of India. Every Australian Prime Ministers starting with Robert G Menzies-- save Harold Holt, John McEwen, John Gorton, William McMahon and Paul Keating --visited India, while only four Indian Prime Ministers (Indira Gandhi, Morarji Desai, Rajiv Gandhi and Narendra Modi) did visit Australia, including the visits on the occasions of Commonwealth Heads of Government Meetings (CHOGM). Glaringly, none of the seven Indian Prime Ministers paid a state visit to the Down Under in the last 28 years, since the Rajiv Gandhi’s visit in October 1986; while seven Australian Prime Ministers paid official visits to India since the government of Bob Hawke in 1989. Exceptionally, besides reciprocating the visit in just couple of months following the visit of Australian Prime Minister Tony Abbott in September 2014, Narendra Modi was the first ever Indian Prime Minister to address the Australian parliament when he avowed that “Australia will not be at the periphery of our vision, but at the center of our thoughts”.

**Modi’s Proactive Policy Embarking on Pragmatic Approach**

It was for the first time during the visit of Australian Prime Minister Tony Abbott to India on 4-5 September 2014 that both the Prime Ministers -- Tony Abbott and Narendra Modi -- underscored the growing depth of the Australia-India strategic partnership and harnessing the potential of the economic relationship, especially in priority areas such as resources, education, skills, agriculture, infrastructure, investments, financial services and health. In response to Abbott’s acknowledgement of growing Indian investment in Australia, Modi welcomed Australian investments in a range of infrastructure, resources, technology and other projects in India. The Prime Ministers agreed to deepen the cooperation on energy security through a Ministerial-level dialogue and develop a strategic partnership on energy and resources based on long-term, sustainable
and reliable supply of Australian resources based on India’s energy needs (Government of Australia 2014). If the history of the bilateral relationship narrates a regrettably tale of missed opportunities, India-Australia relations need to transcend the three ‘Cs’ and embark on the strategies for deepening trade, security, cultural, educational, and services ties. The growing awareness and understanding of Australia among the Indians has become a contributing factor to the burgeoning relationship, as evident from the substantial increase in the investment flows, transfer of scientific and technical know-how, phenomenal increase in the volume of bilateral trade and the flow of Indian immigrants into Australia either for pursuing higher education or by way of seeking employment opportunities. It is fondly hoped that the Modi’s proactive policy would bring in a paradigm shift in the Indo-Australian bilateral relationship that would augur well for transforming the long-drawn passive course of scientific and technical cooperation into a pragmatic win-win pursuit.

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**Appendix: India-Australian Scientific and Technical Collaborations**

<table>
<thead>
<tr>
<th>Year</th>
<th>Instances of Collaboration</th>
<th>Amount</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>Sheep Breeding Centre at Hissar in Assam</td>
<td>A$ 1.0 mill.</td>
<td>1</td>
</tr>
<tr>
<td>1960s</td>
<td>Indus Basin Development Fund</td>
<td>Rs. 5.0 mill.</td>
<td>2</td>
</tr>
<tr>
<td>1970</td>
<td>Modern Bakeries in Selected cities</td>
<td>Rs. 7.0 mill</td>
<td>3</td>
</tr>
<tr>
<td>1973</td>
<td>Cattle breeding Centre Barpeta in Assam</td>
<td>Rs. 2.0 crores</td>
<td>4</td>
</tr>
<tr>
<td>1975</td>
<td>Scientific and Technical Cooperation <em>(FN-1)</em></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>1976</td>
<td>Sheep &amp; cattle breeding and meat industry</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>1981</td>
<td>Bilateral cooperation in energy &amp; development</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>1982</td>
<td>Indo-Australian cattle breeding project @ Hissar(Assam)</td>
<td>Rs. 3.0 crores</td>
<td>8</td>
</tr>
<tr>
<td>1980s</td>
<td>MoU on collaborative projects in agriculture &amp; natural resource management <em>(FN-2)</em></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>1986</td>
<td>Inter-governmental Agreement on Sc &amp; Tech. <em>(FN-3)</em></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>1989</td>
<td>Concessional credit for deep-sea fishing industry</td>
<td>A$ 50.0 mill.</td>
<td>11</td>
</tr>
<tr>
<td>Year</td>
<td>Description</td>
<td>Cost (A$)</td>
<td>Page</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------</td>
<td>------</td>
</tr>
<tr>
<td>1989</td>
<td>Australian mining technological and mechanical expertise in Piparwar open-cut coal mine in Bihar</td>
<td>500 mill.</td>
<td>12</td>
</tr>
<tr>
<td>1990</td>
<td>Oct. 1990 Agreement. Cooperation in developmental needs by promoting mutually beneficial economic links”</td>
<td>35.0 mill.</td>
<td>13</td>
</tr>
<tr>
<td>1990</td>
<td>3-Year aid programme Telecommunications, food processing energy and mining technology, and railways (FN-4)</td>
<td>35.0 mill.</td>
<td>14</td>
</tr>
<tr>
<td>1991</td>
<td>Special Agreement on cooperation on science &amp; technology (FN-5)</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>1992</td>
<td>Aeromagnetic survey project to identify groundwater resources covering 75,000 km² in the drought-prone Orissa</td>
<td>462 mill.</td>
<td>16</td>
</tr>
<tr>
<td>1992</td>
<td>Tanker Tourniquet ... conferred the exclusive manufacturing &amp; marketing rights on the madras-based company, Goulding Harley International</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>1993</td>
<td>Indian Public and private mining firms to gain access to the advanced Australian technology for mining of coal, iron ore, manganese, mineral sands and diamonds</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>1993</td>
<td>Technology to Oil India Limited that would forewarn any oil leakage along the 1157km. pipeline carrying 6.0 million tons of crude oil to five refineries in Assam and Bihar</td>
<td>7.7 mill.</td>
<td>19</td>
</tr>
<tr>
<td>1993</td>
<td>Master Plan to impart professional training to 595 Steel Authority of India Limited personnel in Australia and to the Indian staff in the re-vegetation of saline environments</td>
<td>260 mill.</td>
<td>20</td>
</tr>
<tr>
<td>1994</td>
<td>Advanced technical know-how to Hindustan Copper Ltd. in mineral processing and smelting</td>
<td>1.84 mill.</td>
<td>21</td>
</tr>
<tr>
<td>1994</td>
<td>Australia’s Asea Brown Baveri Transportation transfer of electric locomotive technology for upgrading India’s railway network.</td>
<td>260 mill.</td>
<td>22</td>
</tr>
<tr>
<td>1996</td>
<td>AusAid –funded project to improve the quality of water resources &amp; industrial waste management in Hyderabad</td>
<td>6.8 mill.</td>
<td>23</td>
</tr>
<tr>
<td>1999</td>
<td>transfer of Australian technology in post-harvest grain handling to reduce loss of grain substantially in Punjab</td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>2000</td>
<td>MOU on cooperation in Information-Technology (FN-6)</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>2001</td>
<td>Collaboration between Murdoch University and CSIR, disposal technologies for arsenic treatment of the contaminated groundwater sources in Gangetic region</td>
<td>1.0 mill.</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>Aditya Birla Group ...acquired Nifty Copper Mines, Mount Gordon Copper Mine (Queensland)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>joint project “to improve milk production in India (FN-7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>Australia-India Strategic Research Fund (FN-8) with contribution from each country</td>
<td>65 mill. each</td>
<td></td>
</tr>
</tbody>
</table>
Sources for Appendix:


Footnotes to the Appendix:

**FN-1**: This Agreement signed by the Indian Minister of External Affairs Y.B. Chavan and the Australian Minister for Foreign Affairs D.L. Willasee who was in New Delhi in connection with the ESCAP meeting envisaged, among various other things, a cooperation in several areas such as: Areas of cooperation included solar energy, materials research, food & fish preservation, physical standards, as well as research on sheep diseases, wool technology, fertilizer applications, arid zone, ground water, coal utilization, ore dressing and geophysics — exchange of information as well as of scientists and other personnel relating to scientific & technical research and training. This Agreement signed by the Indian Minister of External Affairs Y.B. Chavan and the Australian Minister for Foreign Affairs D.L. Willasee who was in New Delhi in connection with the ESCAP meeting (P.P.R.D.: M.E.A., 1994: 559-62).

**FN-2**: Each other’s expertise in areas of mutual interest was to foster institutional linkages in all such areas that would be bound by complementarities of “scientific strengths, structure of scientific community and their scientific heritage”.

**FN-3**: Areas of Space, meteorology, S & T research, educational and scientific training, besides Joint Working Groups on S & T and Biotechnology.

**FN-4**: (i) energy, mining, mining-exploration technology including energy conservation and environmental aspects; (ii) telecommunications, (iii) food technology and food processing with concentration on post harvest aspects; and (iv) railways.

**FN-5**: Agriculture, marine sciences, electronics information technology, biotechnology, energy, coal utilization and meteorology.

**FN-6**: This Agreement facilitated IT personnel to look upon Australia as major destination for its IT companies inasmuch as Australia was about the same time “lacking the resources to meet all (its) IT needs” as well as two dozen Indian IT firms
to establish in Australia. Of which 20 Indian IT companies enjoying successful ventures in Australia; of which 20 enjoying successful ventures in Australia.

FN-7: Funded by the Australian Centre for International Agricultural Research and participated by the National Dairy Development Board of India and the University of Sydney’s faculty of veterinary science.

FN-8: Covering several areas including agriculture, astronomy and astro-physics, environmental sciences, microelectronics, and nanotechnology, besides a number of collaborative research projects and case studies covering critical areas such as oncology, marine science, water management, climate change drive evolution and Ocean colour.
(5) INDIA- AUSTRALIA RELATIONS: A PANORAMIC VIEW

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He is also the Director of Centre for Nehru Studies and Gandhian Studies (sponsored by the UGC), Coordinator of SAP(DRS Phase-III) sponsored by the UGC Programme Coordinator, National Service Scheme at the University, Chairperson in Political Science, Directorate of Distance Education, North Bengal University, and Chairman, Sports Board, North Bengal University.

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INTRODUCTION

International Relation means the diplomatic-strategic relation of states and the characteristic focus of International Relation revolve on issues of war and peace, conflict and cooperation. Further, it is also cross border transactions of all kinds, political, economic and social. (Chris Brown with Kirsten Ainley 2009). International Relations today refers to both an academic discipline and the field of activity that deals as much with relations between and among states as with transnational global actors, problems and issues. (Basu Rumki (ed), 2012). The study of world politics and international relations has become all the more important and significant due to the fact that World Politics today is in a state of extra ordinary transaction. At the turn of the twenty first century, we live in a world that is both fascinating and terrifying, a world that exhibits deep contradictions yet sometimes high hopes. World politics today poses a real challenge to our understanding, yet we believe there are keys that will open the doors for us. (Duncan W.R. et al- 2002).

In international society, relationship aspect is very significant. Relationship refers to the bonds of dependent or reciprocal relations. (Martin Pierre Marie-1986). So far as international politics is concerned, like all politics, it
is a struggle for power. Whatever may be the ultimate aim of international politics, the power is always the immediate aim. ((Morgenthau, Hans J. 1985). On the other hand, International Relations include the study of all human interactions across national borders and factors that affect those interactions. (Pearson F.S. & J.M. Rochester. 1988).

There is no denying the fact that in the present day world, International Relationship is of great significance. It is so because it includes a great variety of transitional relationships. (Palmer Norman D and Perkins Howard C. 2011). It is an agreed fact that the relations of states are comprehensible against a context, as the relations of individuals are comprehensible against a context (Bajpai Kanti P. & Harish C. Shukul 1995). We should also keep in mind that there exists a context which gives meaning to and channels the behaviour of states in their relations with other states and other external entities. (Bajpai Kanti P. & Harish C. Shukul- 1995). It should be taken into deep consideration that this context is by no means inscribed forever, nor is there full agreement with all its elements and characteristics. (Bajpai Kanti P. & Harish C. Shukul, 1995).

It should be categorically pointed out that relationship between two countries carry significance to a great extent not only in the matter of the two countries concerned in a particular situation or at a particular time but also for the whole world. It has rightly been said that the present day world is a global village. Again, a man who can live without other beings is either a God or a beast (Malhotra, V.K. – 2001). In modern times, we can safely say that no nation or country can live in isolation. Coexistence of the nations is the order of the day. (Malhotra, V.K. - 2001). It can therefore be said that international relations is of prime importance in the world society from any aspect that is taken for analysis or consideration. It is all the more important because global politics is in the midst of dramatic and accelerating change. (Mansbach R.W. & Kirsten L. Taylor. 2012).
In the present context of international scenario, international relations have assumed all the more great significance. In the twenty first century, we live in a world that is both fascinating and terrifying - one that exhibits deep contradictions and yet manifest high hopes. (Duncan W. Raymond et al. – 2002). Further, the terrorist attacks on the World Trade Centre and the Pentagon, demonstrated just how complex international relations have become in the past decade. (Wenger, A. & Doron Zimneramann.2004). It should be stated that the relationship of nations emits a great mark of implications not only in the relationship status of two or more countries but also exerts a tremendous influence all over the region and the world. Therefore, inter-national relationship is significant from all dimensions. (Chakrabarty Manas in Mishra Sylvia(Ed) 2014). This definitely shapes the pattern and dimension of international relations at large.

Therefore, there is no denying the fact that International Relations are very significant from all respects. It is more important when the matter is related with two neighbouring countries, and the relationship between the two countries is always significant not only from the regional politics but also from the point of view of world politics at large. It is very natural to state that if the relationship of the countries, particularly, the neighbouring countries, is friendly, the atmosphere of the region remains filled with good oxygen which produces peace but if it is reverse, the entire environment becomes smoky and poisonous .( Chakrabarty Manas in Mishra Sylvia(Ed) 2014). We can therefore say that it greatly affects the international scenario. It is therefore natural that the foreign policy of a nation becomes all the more important because it determines the nature of relationship either between two countries or a large number of countries. As per international norms, foreign policies are the central objective to preserve the liberty of states and to maintain the balance of power. Again, a special care should be devoted for understanding international relationship because there has
been a paradigm shift in its content. In fact, the disciplinary dimensions of international politics have witnessed quantitative expansion as well as qualitative complexities since 1945. (Jaitly, Anam- 1986). It is also significant to note that a cursory look at the expanded scope of international relations and politics unambiguously indicate that these have reached the farthest corner of human creativity and as such deeply influence mankind. (Jaitly, Anam- 1986). The traditional conceptual categories are no longer sufficient for comprehending the dynamics of international politics. (Jaitly, Anam- 1986).

To focus on foreign policy, the foreign policy or so to say, that of foreign relations is the systematic activities evolved by communities for changing the behavior of other states and for adjusting their own activities to the international environment. (Archana- 2011). In fact, all states have some kind of relation with one another and in their behavior, they have a particular manner of self pattern. (Archana - 2011). In the present day international society, one of the utmost significant dimensions is that of relation between nations. It should be kept in mind that the relationship is dynamic in character. It is never permanent. It always changes with the changing conditions of time and the society. With the passage of time and depending on a particular situation or any specific interest, the relationship is affected and undergoes change. Like human relations, international relations between and among countries become significant particularly when the world is being referred as a global village. (Chakrabarty, Manas- in Mishra Sylvia(Ed) 2014). It is also an important fact that there is no reason that a state should live in isolation. In such a case, it not only deprives the country concerned from multifaceted development but also to exchange ideas on different matters that may be conducive for development of a particular state. It is therefore, perhaps a necessity that no nation should live in isolation. If it remains aloof or away from the dynamic international
social order, it shall be deprived from the advancements, developments and particularly, the move towards betterment shall remain unknown and secondly and more importantly, it is foolish to be away from the international social dynamics which can take a nation in a far advanced position. Under the circumstances, it is essential to remain within the purview of international relations and it becomes sine qua non and of prime necessity for a modern state to remain within the dynamics of international relations. In today’s world, we cannot think of remaining in isolation. It is foolish and also not possible at the same time. In the present day society, man is social, not by choice but by necessity. (Chakraborty R. - 1970). Therefore, there is no necessity to point out the importance of international relationship in the modern world.

INDIA–AUSTRALIA RELATIONSHIP

A cursory glance to the history of India–Australia relationship will reveal the fact that there has been neither forceful confrontation nor close cooperation between Australia and India. The two countries took side with different camps during the Cold War and naturally, the pattern of relationship was somewhat cool. As a resultant, Australia did not form a separate, clear foreign policy towards India. On the contrary, India as merely part of the Indian Ocean region and catering to the global strategic needs of the former Soviet Union, maintained only general diplomatic contacts with Australia. It was only after the end of the Cold War that India adopted numerous reforms and its economic growth accelerated and it drew the attention of Australia. After this, the bilateral relations slowly began to warm up. But with the passage of time, in recent years, against the backdrop of profound, complex changes in the regional and international scenario, the two countries, viz. Australia and India have engaged themselves in active bilateral cooperation. The major purpose on both the sides is of course, to maintain and expand the horizons of various interests. As a result, there has emerged a dynamism and
momentum of rapid developments in the bilateral relationship of the two countries. But we should also try to find out or trace the other factors which helped to bring the two countries nearer and develop close relationship. It is possible to trace a number of commonalities between India and Australia which serve as a good foundation for the bilateral relations. India and Australia are both members of the British Commonwealth. They also have the same parliamentary and legal systems, free press ideologies and values. The English language and Cricket is an important link. Thus, both the countries reflect a distinct pattern of cultural pluralism in a democratic set up. Both are strong, vibrant, secular and multicultural democracies. Again, since India and Australia face the Western Pacific and Indian Ocean respectively, they serve as important bridges as a connecting link with the Asia-Pacific and Indian Ocean regions. Apart from this, they also reflect similar geo-strategic interests. Again, both the countries are members of the Indian Ocean Rim Association for Regional Cooperation, ASEAN Regional Forum, East Asia Summit and the G20, facing similar situations over some regional and international issues. These commonalities have helped the two countries expand cooperation in various fields. It is occasionally said that the base of relationship between the two countries are: “3Cs” (Curry, Cricket and Commonwealth).

It should be pointed out that the pattern of relationship between India and Australia has a long tradition. The close affiliation between the two countries dates back to the 18th century. It was immediately after the European settlement of Australia as early as in 1788. The tie between the two countries got a foundation when the Australian Govt. under Ben Chifley accorded support to Independence of India after the World War II was over. As it happens between the individuals that the visits and counter visits help to solidify the bond of friendship, the same is true in the case of two countries, viz. India and Australia. In this regard the visit of Robert Menzies,
the first Prime Minister of Australia to India was definitely a significant incident. Robert Menzies first visited India in December 1950 en route to London for the British Commonwealth Prime Ministers' Conference. While there, he met with the Governor-General Chakravarti C. Rajagopalachari and Prime Minister Jawaharlal Nehru. He also visited the Taj Mahal and made a broadcast over All India Radio in which he said, 'We must learn to think together and to act together. India, Pakistan, Great Britain, Australia, and all the nations of the Commonwealth must fit themselves for friendship based on common interests and mutual understanding' (Times of India, 1950). It is a matter of great significance that the relationship between India and Australia has undergone a considerable evolution in recent years. Existing economic, security and people-to-people ties will provide an important basis on which Australia can build its relationship with this important Indo-Pacific partner which would have a lasting benefit on the part of both the countries.

The attack on the Indian students in 2009 put the Indo-Australian relationship under much stress. Further, the stabbing of Nitin Garg, an Indian student in 2010 led to hue and cry and pushed the relationship between the two countries to a bottom level due to blames and counter blames. In fact, the death was labeled as 'race attack' and unleashed a sentiment of anti-Australia sentiment in the Indian soil and thus lowered the relationship graph to an alarming level. In fact, the then Indian External Affairs Minister, S.M. Krishna explained the murder as 'heinous crime on humanity'. It naturally put a deep strain on the bilateral relationship between India and Australia. However, the relationship between the two countries marked significant improvement under the leadership of Prime Minister of Australia Julia Gillard and her soft approach.
We must point out that mutual indifference has long characterized relations between India and Australia, but the two countries’ interests are increasingly converging. In particular, New Delhi and Canberra are both wary of China’s growing assertiveness in the Asia-Pacific region. Yet there are several constraints hindering the development of a strong India-Australia partnership, and both countries need to be realistic about the prospects for a closer strategic relationship. (Frederic Grare, 2014).

**POLITICAL RELATIONSHIP**

An analysis of the political dimensions reveal the fact that the two countries have already established a strategic partnership and have strengthened multi-level interactions and cooperation which has contributed towards a new vista of relationship between the two countries. It has been possible due to the frequent high-level visits between the leaders of the two countries. In this regard, mention should be made to the foreign ministers’ annual dialogue between the two countries. It has been held seven times since its inception in the year of 2005. It has played a significant and important role in promoting and coordinating bilateral cooperation between India and Australia. In this connection, mention should be made of the visit of the Australian Prime Minister in 2009. The Australian Prime Minister Kevin Rudd visited India in the month of November 2009. This visit greatly helped to upgrade the bilateral relationship to a strategic partnership. In order to meet the needs of a rapidly developing bilateral relationship, India opened consulates in Melbourne and Perth in 2006 and 2011 respectively. On the other hand, Australia expanded its High Commission in New Delhi and upgraded its consulates in Chennai and Mumbai.

With regard to the political and regional aspects, the two countries have maintained coordination and cooperation in multilateral mechanisms, including the ASEAN Regional Forum, East Asia Summit, the Group of Twenty, and the Indian Ocean Rim Association for Regional Cooperation. The
relationship between the two countries has been strengthened with the support of Australia regarding India’s permanent membership at the UN Security Council and its membership at APEC. On the other hand, India has extended her support to Australia’s observer status at the South Asian Association for Regional Cooperation (SAARC).

So far as the political relationship between India and Australia is concerned, India is currently represented by a High Commissioner in the Embassy at Canberra and Consulate Generals in Sydney and Melbourne. On the contrary, Australia has a High Commission in New Delhi, and Consulates in Mumbai and Chennai. Both Australia and India are major players on the Asia-Pacific geopolitical chessboard. These factors have definitely contributed for strengthening the relationship between the two countries. It should be stated that the base of political relationship between the two countries also lie in the fact that both India and Australia are the founding members of the United Nations, and members of regional organisations like the Indian Ocean Rim Association for Regional Cooperation and ASEAN Regional forum.

The Joint Declaration on Security Cooperation in 2009 further helped to make the bond of relationship between India and Australia. Australia has traditionally supported India’s position on Arunachal Pradesh, which is subject to diplomatic disputes between India and the People’s Republic of China for a quite considerable period of time. The visit of the dignitaries also took forward the bond of relationship between the two countries. The Vice President of India, Shri M. Hamid Ansari represented India at the CHOGM 2011 held in Perth from 28-30 October 2011. Again, the Former Prime Minister of Australia, Julia Gillard paid a state visit to India from 15-17 October, 2012.

It is definitely a significant factor that seven of the Indian Prime Ministers from across the political spectrum which spans over three decades does not show any state visit to Canberra. The tradition was broken only by the Prime
Minister Narendra Modi’s recent visit to Australia following the Brisbane G20 Summit. But, four unreciprocated visits were made by the Australian Prime Ministers during the latter half of this period. Naturally, it may be said that the visit of the Indian Prime Minister Shri Narendra Modi has opened a new vista of relationship between the two countries.

**TRADE AND COMMERCIAL RELATIONSHIP**

The base of relationship between two countries much depends on trade and commercial relationship. In this regard it may be stated that trade between Australia and India dates back to late 18th century and early 19th century. From a historical point of view, India Australia trade relations can be traced back in the year of 1801 when the first Australian ship laden with coal came to India. It was of course a part of the East India Company. In fact, the economic interests have also played a major role in the close relationship between India and Australia. It has, in fact, driven them close to closer. The economies of both the countries reflect a pattern of highly complementary character with great potential for economic cooperation and trade. It is significant to note that the relationship between the two countries got a new dimension with the establishment of the Trade office in Sydney as early as in 1941. During this period, coal from Sydney and horses from New South Wales were exported to India.

This aspect can be sustained by the fact that Australia attaches importance to the potential for economic development in India. Further, India has gained certain competitive advantages in Australia in areas like IT, pharmaceuticals and textiles. It has acted as a driving force for close commercial ties between the two countries. The India Australia trade turnover are showing considerable hike in recent years. A close observance would reveal the fact that bilateral trade and investment between the two countries have grown rapidly in recent years. India is the largest buyer of Australian gold, copper ore, and chickpeas and the second largest export market for Australian coal
and wool. It is discernible that in recent years remarkable growth in the trading relationship between India and Australia is very much fascinating. It has been possible particularly under the impetus of India’s far reaching process of economic reform and the resulting rapid globalisation of the Indian economy. Again, the bilateral free trade agreement (FTA) to explore the scope for building an even stronger economic and trade relationship is definitely significant for taking the trade relations to a step further.

The importance of the Australia-India economic relationship was underscored by the signing of a bilateral Trade and Economic Framework (TEF) as early as in March 2006. The TEF provides a government-to-government structure for promoting economic development in key areas including energy and mining, infrastructure development, information and communication technology, services, agriculture and biotechnology.

We may refer to the sector-specific working groups which include:


- The Joint Working Group on Information, Communications and Technology led by Australia’s Department of Broadband,
Communications and the Digital Economy and India’s Ministry of Communications and Information Technology – Memorandum of Understanding (MOU) signed in 2005.

- The **Joint Working Group on Tourism** led by Australia’s Department of Resources, Energy and Tourism and India’s Ministry of Tourism – MOU signed in 2002.

- The **Joint Science and Technology Committee** led by Australia’s Department of Innovation, Industry, Science and Research and India’s Department of Science and Technology – MOU renewed in 2003.

- The **Joint Biotechnology Committee** led by Australia’s Department of Innovation, Industry, Science and Research and India’s Department of Biotechnology – MOU signed in 2006.

- The **Joint Working Group on Visa, Passport and Consular Issues** led by Australia’s Department of Immigration and Citizenship and India’s Ministry of External Affairs.

The next step in the bilateral trade and commercial relationship is definitely India and Australia Joint Free Trade agreement (FTA) Feasibility Study initiated by the Government of India, Ministry of Commerce & Industry, Department of Commerce./Australian Government. Department of Foreign Affairs and Trade.

The relationship between India and Australia has deepened dramatically over the past decade. It is mainly because of India’s economic growth and its burgeoning demand for energy, resources and education have propelled India to become one of Australia’s largest export markets. It has greatly contributed for the strong bonding relationship between the two countries. The setting up of the Joint Ministerial Commission (JMC) and Joint Business Council (JBC) has definitely contributed significantly to promote India Australia trade relations. Some of the major Indian investments in Australia
include that by Sterlite Industries which has acquired a gold mine in Queensland and two copper mines in Tasmania. India’s Oswal group has decided to construct an ammonia plant at Karratha which is close to North-West Shelf project in Western Australia. The hotel Windsor in Melbourne is managed by the Oberoi Hotels International. Asian paints have acquired Pacific Paints in Queensland. The Aditya Birla Group has acquired copper mines at Mt Gordon (Queensland) and at Nifty (Western Australia). All these are clear indications of the growth of bilateral relationship between the two countries in the field of trade and commerce. So far as the trade relations between the two countries are concerned, India is Australia’s tenth largest two-way trading partner. It covered a total volume of AUD$11.9 billion in 2013. Again, it may be stated that India is Australia’s fifth largest export market which includes coal, gold, copper ore and concentrates and agricultural products among Australia’s major exports. There are, however, strong prospects for the trade and investment relationship which may flourish with the likely revival of the Indian economy and growing Indian investment in Australia. Naturally, it may be said that trade relations between the two countries has a bright prospect. As already said that the items of export from Australia to India include: Coal, non-monetary Gold and Copper Ore and agricultural goods. On the other hand, most notable of India’s chief exports are: pearls, precious and semi-precious stones, textiles and clothing.

In order to boost the commercial relationship, the Trade Minister of Australia, Craig Emerson visited India to co-chair the 14th Australia-India Joint Ministerial Commission (JMC) held on 28th January 2013 at New Delhi. Australian Trade Minister discussed trade and investment relationship between the two countries in depth. It also included several other issues such as food security, poverty alleviation and trade liberalization. Both sides also reviewed the progress on the CECA negotiations between the two
countries. Naturally, the trade and commercial relationship between the two countries has already gained a significant place and played a positive role as a binding factor.

SECURITY COOPERATION

Security cooperation is another field which has also helped to make the relationship between India and Australia close. From the practical point of view, both India and Australia need to strengthen their security cooperation. They both view security cooperation as necessary to deepen the bilateral strategic partnership. On the part of Australia, it is perhaps so because of the fact that one third of the exclusive economic zone of Australia lies in the Indian Ocean, and a significant portion of the country’s coal, iron ore, liquefied natural gas and other resources is transported through the Indian Ocean. In view of this fact, Australia is very concerned with ensuring maritime security in the Indian Ocean. Among the Indian Ocean Rim countries, India possesses the most powerful navy and maritime guards. Apart from this, India enjoys special positioning advantages on key passage ways on both the east and west sides of the Indian Ocean. Accordingly, it has become rather a compulsive factor to Australia that strengthening maritime security cooperation with India is very important to Australia. It is an accepted fact that India and Australia, the largest maritime powers among the littoral states of the Indian Ocean. They undeniably constitute the region’s geopolitical poles. As a result of this position, it has shed a particular responsibility for the security of the region. Naturally, the future of the India-Australia strategic relationship might affect far more than just New Delhi and Canberra. The relationships between India and Australia will become increasingly important to both countries. Indeed, there is an opportunity for them to develop a strategic partnership which effectively spans the Indo-Pacific. The two countries are the leading maritime powers among Indian Ocean states,
they share many values and traditions, and their strategic interests are becoming increasingly aligned. Although the two countries have for long operated in largely separate strategic spheres, these are now converging. India has strategic interests throughout the Indo-Pacific and Australia is taking a much greater interest in the Indian Ocean region and in India, in particular. The shared strategic concerns include maritime security, the stability of the region, and the role of China. (David Brewster, 2013)

We may also refer to some other factors which have contributed for the development of cordial relationship between India and Australia. Among other factors, it may be stated that Australia believes that it is necessary to step up cooperation with India in the areas of counter-terrorism, nonproliferation, disaster management, and combating illegal migration. On the contrary, India values Australia’s growing naval power and its role as a member of the Indian Ocean Rim Association for Regional Cooperation and hopes to join hands with Australia in maintaining maritime security in the Indian Ocean and enhancing the role of the Indian Ocean Rim Association for Regional Cooperation as a regional framework for maritime security. It must be pointed out that the aspect of maritime security is definitely one of the most important factors which have taken forward the closer relationship between the two countries. But at the same time we should also take into account another factor which may be attributed as a factor of nondevelopment of solid relationship between the two countries at the desired level. It is that India does not view Australia as an equal strategic partner. It is so because the bilateral relations between the two countries are quite asymmetric. India considers herself as a global power and disdains treating middle powers such as Australia on equal footing. In view of the close relations between Australia and the US, India does not consider Australia an independent strategic actor in world politics. Rather, to India, Australia is a
US client state. Again, Australia is not in a position to provide advanced technology and weaponry to India and substantially improve India’s strategic capabilities. As a result, India does not view Canberra as a key strategic interlocutor worth investing great resources in Australia.

But in spite of all these, since India and Australia face the Western Pacific and Indian Ocean respectively, they serve as important bridges as a connecting link with the Asia-Pacific and Indian Ocean regions. Apart from that, they also reflect similar geo-strategic interests. Both countries are members of the Indian Ocean Rim Association for Regional Cooperation, ASEAN Regional Forum, East Asia Summit and the G20, facing similar situations over some regional and international issues. These commonalities have helped the two countries expand cooperation in various fields. It is occasionally said that the base of relationship between the two countries are “3Cs” (Curry, Cricket and Commonwealth).

It should further be stated that Australia and India have a positive defence relationship, underpinned by the 2006 Memorandum on Defence Cooperation and the 2009 Joint Declaration on Security Co-operation. In recent years, India’s relationship with Australia has grown extensively to include a range of forums for strategic dialogue as well as regular interactions between respective services through senior visits, staff talks, and training exchanges. These have definitely opened up a channel for better dialogue and understanding in defence matters between the two countries. Further, on a regular basis, Australia sends two officers to attend Indian military educational institutions. One officer attends India’s Defence Services Staff College, while the other attends its National Defence College. On the contrary, India also sends two officers to study in Australia annually. While one attends Australia’s Command and Staff College and the other attends the Centre for Defence and Strategic Studies. This visits and counter visits definitely help to grow strong security ties between India and
Australia. In order to strengthen the relationship, there are joint endeavours which are reflected in practical cooperation between Australia and India. It is evident through joint participation in a range of activities. Australia participated in the Indian-hosted Exercise MILAN 2014, which included the opportunity to cooperate with India and other regional Navies. On the other hand, the Indian Navy attended Australia’s International Fleet Review and associated activities in the year of 2013.

With regard to the aspect of security, the two countries continue to deepen their defense cooperation significantly. It was during the Australian Prime Minister John Howard’s second visit to India in 2006, the two countries signed a defense cooperation memorandum which helped to smoothen the path of relationship between the two countries. It was the aftermath of humanitarian assistance and disaster relief cooperation in response to the 2004 Indian Ocean tsunami, the two countries took part in joint naval exercises through the Quadrilateral Security Dialogue held in the year of 2007. It was in July 2007, Australia and India signed an agreement on an intelligence-sharing arrangement as an initiative for the implementation of the memorandum. It should be further pointed out that Australia and India have a growing number of shared security concerns in the Indo-Pacific region. In the light of this, relations between Australia and India were upgraded to the level of a ‘strategic partnership’ in 2009. A step forward in this regard is definitely the Joint Declaration on Security Cooperation by the two countries with the aim of enhancing relations in this area.

During Prime Minister Kevin Rudd’s visit to India in 2009, the two countries issued a joint declaration of security cooperation. This was aimed at cooperation in such areas as information exchange, defense dialogue, counter-terrorism, combating transnational organized crime, disaster management, maritime and aviation security, police and law enforcement. Further, a series of mechanisms were proposed for the implementation of these multifold
initiatives. Again, consultations between the National Security Advisors of Australia and India, defense policy talks between senior officials, staff talks, and service-to-service exchanges are also responsible for the close to closer ties between the two countries. Both the countries carried forward bilateral visits by warships, military personnel exchanges, and cooperation in Research and Development. In this regard, the visit of the Australian Defense Minister Stephen Smith in December 2011 was very significant who hold a dialogue with the Indian Defense Minister A. K. Antony. As a result of this visit, the two sides agreed to examine the possibility of beginning bilateral Naval Exercises in the future, instituting a Track 1.5 Dialogue (semi-government level) on Defense Matters, preparing for a visit by Indian Defence Minister to Australia in 2012, and further enhancing interactions between the Defence Establishments of both countries, including the holding of annual defense policy consultations. It can be said with a fair amount of certainty that the Defense Ministers’ Dialogue is an important step towards substantive security cooperation between the two countries and a milestone in the development of the India-Australia strategic partnership which not only left a far reaching effect on regional politics but international politics too.

There is no denying the fact that Australia-India security cooperation is particularly strong in the maritime domain. As already pointed out that the Defence Minister of Australia, Stephen Smith visited India in December 2011 for Defence Ministers’ Dialogue. Page 3 of 5 Raksha Mantri and from Indian side, Shri A K Antony paid the first ever official visit by an Indian Defence Minister to Australia from June 4-5, 2013. In talks with Australian Defence Minister Stephen Smith, the two Ministers recognised the rapid progress made in Defence relations through the framework of bilateral talks. The visit of the Defence Minister of India in 2013 to Australia paved the way for holding joint naval exercises in 2015. The major purpose was strengthening of the strategic partnership between India and Australia.
THE REALM OF EDUCATION

The aspect of education has also greatly contributed for a close tie between the two countries. In the field of education, the two countries established India-Australia higher education exchange mechanisms such as Australia-India School Deans Project, and other scholarships and research travel projects. So far as the record of 2009 is concerned, the number of Indian students studying in Australia reached 120,000. Of course due to some incidents, we find a significant reduction but even then, India remains the second largest country of origin for foreign students in Australia.

In this regard, we should refer that one of the most significant setbacks in India-Australia relations was the student crisis of 2009 and 2010 which vitiated the bilateral relationship between the two countries greatly. In fact, there were a number of assaults upon international students of Indian origin in Victoria and New South Wales in 2009. Serious concerns were raised by the Indian media and government regarding the safety of Indian students in Australia and this became one of the major issues in the bilateral relation between India and Australia. This incident of attack on the students unleashed a plethora of protests in different places including Melbourne, Sydney and New Delhi. As an immediate step for redressal, diplomatic and policy measures were taken by the Australian federal and relevant state governments. But there is no denying the fact that the crisis had a profound effect upon education and broader bilateral relationship. As a result of this, Indian student enrolments in Australian universities dropped down dramatically. The crisis did however prompt enhanced diplomatic attention to the bilateral relationship. Several Australia-India Roundtables have helped to repair the damage in the bilateral relationship.

We may also refer to the Australia-India Council (AIC) which was founded in 1992, and works closely with its counterpart in India, the India-Australia
Council. It was assumed that this institution would help to propel to broaden the relationship between Australia and India by encouraging and supporting contacts and increasing levels of knowledge and understanding between the peoples and institutions of the two countries. The Council initiates or supports a range of activities designed to promote a greater awareness of Australia in India and a greater awareness of India in Australia, including visits and exchanges between the two countries, development of institutional links, and support for studies in each country of the other. It is therefore clear that the AIC has a major role to play in tightening the bilateral relationship between India and Australia.

**PRIME MINISTER NARENDRA MODI'S VISIT AND INDIA-AUSTRALIA RELATIONSHIP**

The visit of the Indian Prime Minister, Narendra Modi definitely opened a new chapter in the India-Australia relationship. In September 2014, Prime Minister Tony Abbott and Prime Minister Shri Narendra Modi renewed both countries' commitment for an early conclusion of an equitable, balanced, comprehensive and high quality agreement.

With the visit of the Indian Prime Minister, India and Australia sought early conclusion of negotiations for a comprehensive economic partnership agreement and a closure on the civil nuclear deal. Prime Minister Narendra Modi and his counterpart Tony Abbott held talks in Canberra in this regard. After the two leaders held talks, India and Australia signed five pacts on social security, transfer of sentenced prisoners, combating narcotics trade, tourism, and Arts and Culture. "We also agreed on seeking early closure on the civil nuclear agreement, which will give Australia a chance to participate in one of the most secure and safe nuclear energy programme in the world," Mr. Modi said in a statement to the media at a joint press conference with Abbott. It is significant to note that Mr. Modi, while talking about India-
Australia ties, said, “This is a natural partnership, arising from our shared values and interests, and our strategic maritime locations. India and Australia have a great economic synergy.” He further said, “there are huge opportunities for partnership in every area we can think of — agriculture, agro-processing, resources, energy, finance, infrastructure, education, and science and technology,” Mr. Modi said. He further said, “I believe it will be a lot easier to convert opportunities into concrete outcomes.” He also announced that India will organise a ‘Make in India’ show in Australia in 2015 while Australia would hold a business week in India in January next year. During this visit of the Indian Prime Minister, India and Australia also agreed on a Framework for Security Cooperation.

It is significant to note some other comments of the Indian Prime Minister when he said, “I greatly welcome the New Framework for Security Cooperation. Security and defence are important and growing areas of the new India-Australia partnership — for advancing regional peace and stability, and combating terrorism and trans-national crimes.” Mr. Modi, who is the first Indian Prime Minister to visit Australia in 28 years after Rajiv Gandhi in 1986, further said “I would like to say that it has been nearly three decades since the last Prime Ministerial visit from India. The fact that we have exchanged visits in two months is a sign of better times to come."Mr. Modi also touched upon cultural and sporting ties between the two countries, saying that cricket and hockey are the “natural glue” between the people of the two countries. “I am pleased with the new Cultural Exchange Programme signed. India would establish a Cultural Centre in Sydney by February 2015. We plan to hold a Festival of India in Australia in 2015 and tourism weeks in Australia.”

CONCLUSION
In the true sense of the term, the relationship between India and Australia has been characterized by mutual indifference. It has been rather natural
because neither of the countries is central to the security of the other. In fact, they operated in separate strategic spheres independently. It should be admitted that the mutual indifference has long characterized relations between India and Australia which stood as a bottleneck but in recent years the two countries’ interests are increasingly converging. It is a fact that New Delhi and Canberra are both wary of China’s growing assertiveness in the Asia-Pacific region. There are several constraints hindering the development of a strong India-Australia partnership and both the countries need to be realistic about the prospects for a closer strategic relationship.

While concluding it should be pointed out that in spite of the fact that we find an increasingly solid foundation and viable driving force for deepening the relationship of India and Australia and there is no denying the fact that significant progress has been achieved so far but at the same time we must agree that the relations between Australia and India have not yet reached to the level as it should have been. The aspect of strategic partnership remains a goal rather than a reality. It is worthy to note the observation of the Australian Foreign Minister Kevin Rudd, who played a key role for promoting the development of Australia-India relations. He admitted the fact that Australia had not yet developed a true strategic partnership with India. Mention may be made to the former Australian Foreign Minister Evans who stated that “the India-Australia relationship simply hasn’t had the weight and priority that it could have had. It is one that has not been terribly good at taking small bumps in its stride, as a genuinely mature relationship does.” Naturally, it is the responsibility of both India and Australia to carefully nurture the various dimensions of relationship and take active part in order to convert the paper agreements into reality. This will definitely contribute for the betterment of both the countries. The India-Australia relationship has come a long way but it still requires significant political will on both sides to provide substance.
In spite of all these, we must point out the fact that it is a reality that India-Australia relation is entering a new orbit and setting a path of strategic convergence. It is expected that India and Australia are likely to deepen cooperation on nontraditional security issues where their interests overlap, such as maritime security in the Indian Ocean. Definitely, such cooperation will strengthen the relationship and lay the foundation for future joint efforts to tackle larger strategic issues of both the countries. It should be pointed out that patience and realistic expectations are central to the construction of a deep strategic relationship. Speaking on the evolution of Australia’s relationship with India, Australian Secretary of the Department of Foreign Affairs and Trade Peter Varghese declared in May 2013 that “India punishes impatience,” adding that “if we get the economic relationship right, the strategic partnership will follow, although there will be a long lag between when India arrives as an economic power and when it arrives as a strategic power.” (Varghese, 2013) There are of course compelling reasons for developing a stronger strategic relationship between India and Australia, a deep ambivalence persists on both sides. The vast majority of Australian security analysts support closer engagement with India, but at the same time they express doubt regarding India’s strategic capabilities. They do not think New Delhi should play a major role in the concert of powers in the Asia-Pacific region. We may refer to Sandy Gordon of the Australian National University who probably best sums up Australia’s perception of India to Canberra, “India is an important emerging powers but not yet an important strategic player. Naturally, both India and Australia have to travel a lot in positive directions in order to make relationship between the two countries close. India and Australia are at a historical conjuncture. The two states have resisted developing close partnerships with each other over more than half century since each broke the connection with Britain: at independence in the case of India and as a result of Britain’s
loss of global reach after World War II in the case of Australia. There are strong incentives on each side for a new and close engagement. On the positive side, these have arisen from the dynamics of globalisation and economic growth which have in recent decades strengthened both national economies and made their governments more confident. (Gary Smith, 2010). It can therefore be said that there are avenues for making the bilateral relationship between India and Australia close to closer.

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(6) More than charisma?
Bob Hawke, Rajiv Gandhi and the bilateral relationship

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A need to mend fences – background

Prime Ministers Bob Hawke and Rajiv Gandhi had similar views on several Commonwealth concerns and shared abhorrence for the apartheid regime in South Africa. Their first meeting was at the Commonwealth Heads of Government Meeting (CHOGM) in October 1985 where they achieved an instant rapport. Their personalities compelled attention and their action in forming an Eminent Persons Group to examine apartheid brought wide support.

Their friendship, however, was a rebuilt Australia-India bilateral relationship at that level. Bob Hawke became Prime Minister of Australia on 11 March 1983, some 18 months before Prime Minister Indira Gandhi was assassinated. In a strongly expressed view, K. Natwar Singh, Minister for External Affairs in the recent Monmohan Singh Government, but Minister for
State in 1983, recorded that Indira Gandhi thought little of Hawke at the CHOGM held in New Delhi in November that year. It was Hawke’s first summit meeting and arguably he was “not familiar” with the subtle nuances of international diplomacy. The Indian Prime Minister “practiced benign neglect of the not-so charming Australian.”1 Hawke failed to mention Mrs Gandhi in his December Ministerial Statement that included his CHOGM report to the Australian Parliament, although she chaired the meeting.

This paper explores the backward steps in the relationship in Hawke’s first years in office, and examines his fresh start with a new Indian Prime Minister.

CHOGM 1983—diplomatic lapse

Indira Gandhi’s first meeting with Bob Hawke after his election proved divisive. They met at CHOGM hosted by India November 1983 and expressed differences of opinion on some of the key discussions. The contentious issues confronting the meeting were the decision by the Turkish population in Cyprus to set up a Turkish-Cypriot state, the United States’ invasion of Grenada, Lebanon, Namibia, apartheid and the Cold War, each with difficult aspects for Commonwealth members across ideological divides.

As a summary of the differences experienced the New York Times recorded that the Commonwealth was “cautious on Grenada”, critical of the United States on Namibia and a “parallel” withdrawal of troops from Angola. It noted that the final communiqué showed that conference members had also failed to reach a shared conclusion on the withdrawal of foreign troops from Lebanon.2 The same publication went on to record that Indira Gandhi wanted a demand for the withdrawal from Lebanon included in the communiqué, but Hawke argued “as chief spokesman of the other side” that it was not logical to support Cuban troops remaining in Angola and then call for the withdrawal from Lebanon”. This typified divisions at the meeting and indeed Gandhi and Hawke had another “wrangle” over phrasing in a paragraph of the communiqué referring to Palestine, delaying its release.3

At a press conference for the Australian media at the end of the meeting Hawke made brief comments about the issues discussed – Cyprus and the creation of a five-nation working group, of which Australia was a member, to work with the United States on a resolution – and Grenada. Hawke was pleased with the outcome: “I think the communiqué reflects the growth of understanding … [in] the initial debate the differences were so wide and deep that it seemed to me a fairly difficult task to get an agreed position, but that was achieved”. Overall he found the meeting worthwhile particularly for the opportunity it presented to meet leaders whom he got to know “personally”.4 Mrs Gandhi was not included in this group.
He noted in his *Memoirs*, however, that his first Commonwealth meeting was “marked by a number of very bitter exchanges” with [Mrs] Gandhi. He wrote that he had “faulted her consistency in being prepared to criticise some governments for human rights abuses but not others ...”. It seemed to him that “ideology” drove her judgement, not “conscience”.  

In his Ministerial Statement on Australia’s international relations with some focus on the Commonwealth Meeting, the Prime Minister, as noted, made no mention of India or its Prime Ministerial host except to record that the meeting was held in New Delhi. His indifference may have come about in the context of a report in the November 1983 Annual Review that “CHOGM notwithstanding, the Commonwealth connection with India is of less importance than previously, given the [Hawke] Government’s other foreign policy priorities”. This was an interesting observation soon lost in the diplomatic noise surrounding Foreign Minister Hayden’s forthcoming speeches on the importance of developing Australia-India relations. It was left to the Opposition post-CHOGM to pick up on Hawke’s “public squabble with Mrs Gandhi [which] does not reflect creditably on him”. This raises a question: why, at times, does Australia have so much difficulty in sustaining a connection with India?

**CHOGRM 1984—bilateral value?**

Commonwealth Heads of Government Regional Meetings (CHOGRMs) were a successful collaborative series of meetings built on cooperation between Australia and India, and attended by Indira Gandhi and previous Australian Prime Minister Malcolm Fraser in 1980 in Delhi, in 1982 in Suva - and by Gandhi’s predecessor, Morarji Desai, in Sydney in 1978. The regional meetings drew in the leaders from small, emerging Pacific Islands, members of the Commonwealth, to focus on their economic advancement in a forum where their local concerns were aired, seldom heard amongst the great issues discussed at full Commonwealth Heads of Government Meetings.

Malcolm Fraser enlisted the enthusiastic support of Morarji Desai at the 1977 CHOGM in London and, with the approval of the Commonwealth Secretary General 'Sonny' Ramphal, the first regional meeting took place a year later in Sydney. It and the succeeding meetings were well attended by ten prime ministers and three presidents in 1978; three additional prime ministers and one more president in 1980, and the group met again in Suva in 1982. 19 attended the truncated meeting in 1984, discussing progress made by their working groups, set up in 1978.

In the final communiqué at the Suva CHOGRM in October 1982, Fraser, on behalf of the leaders, accepted the offer of the Papua New Guinea Government to hold the next meeting in Port Moresby in 1984. In the Australian Parliament in December 1982, Fraser faced a question about whether he had committed funds for the next meeting. Replying in the
negative, the process of dismantling the CHOGRM began. It was not, however, straightforward. Continuation was expected. Hawke, accommodating the expectation, recorded that Heads of Government who were in Port Moresby for the opening of Papua New Guinea’s new Parliament, could meet briefly to “consider any matters that might normally have arisen under CHOGRM auspices”.

Reservations about CHOGRM also came from the New Zealand Prime Minister. Arguments were raised that with the South Pacific Bureau for Economic Cooperation (SPEC), its administrative and executive arm, together with the South Pacific Regional Trade and Economic Agreement (SPARTECA), formed in 1981, co-operation in trade and economic affairs were well covered in the Pacific. Nonetheless, Dr Mahathir, Malaysian Prime Minister, recorded that, amongst others, he had “time for CHOGRM” and expressed his interest in hosting the 1986 meeting.

At the truncated CHOGRM meeting held in Port Moresby on 8 August, the nineteen Commonwealth members present heard, as was usual at their meetings, reports from the working groups and committees. All countries represented seemingly with the exception of Australia and New Zealand preferred CHOGRM to continue if on a less regular basis on two grounds: the need for small countries to be heard, lost at the bigger regional meetings, and the value of a “sharp” Pacific focus on economic, political and other issues.

Agreement was reached to hold meetings less regularly and a final communiqué at what turned out to be the last CHOGRM was prepared. Hawke attempted to change the document to include a “specific condemnation” of French nuclear tests in the Pacific. India’s argument that they should not be named prevailed. He faced another setback when the regional heads of government “enthusiastically lauded the benefits of these (CHOGRM) meetings.” Hawke, nonetheless, felt able to write in his Memoirs that, “much to everyone’s relief Commonwealth Heads of Government ... read the last rites over Malcolm Fraser’s CHOGRM.”

Evaluating the Hawke-Muldoon position on disbanding the Commonwealth regional linkages is not straightforward. As said, it is “always difficult to speculate about the road not taken”. In an interesting codicil at a seminar on the Commonwealth of Nations held in Canberra on 20 August 1997, the value of a renewed Commonwealth regional forum in South Asia, South East Asia and the Pacific was noted for examination. A response to the ‘road not taken’?

The CHOGRM meeting at Port Moresby was Hawke’s last contact with India’s representatives in that context and whether or not Indira Gandhi was present has not been established. He recorded that he was appalled at her
assassination some two months later but noted, “I could not claim to have lost a friend”. 18

Rebuilding – Australia’s push

Hawke, in his big-picture statement on Australia’s international relations on 8 December 1983 that omitted South Asia, set out his government’s foreign policy principles in a rationalist approach to national interests, indicating that “the highest priority will be given to our relations with ... the Asian and Pacific region ... and to the major industrialised countries with which we share significant relationships, especially the United States and Japan”. 19

Attempts to build or re-build relations with India, or raise Indian awareness of Australia inevitably begin in Australia. This was the case in June 1984, led by the Foreign Minister Bill Hayden’s address on his government’s views on the Indian Ocean delivered in Perth, West Australia, when he referred to India in some detail. Hayden largely reiterated his Indian aspirations in a November speech in the context of Australia’s relations with South Asia, shortly after Indira Gandhi’s assassination. In October, weeks prior to her death, annual Australia-India Official’s Talks held in New Delhi, agreed that both states would examine areas for closer cooperation that would be discussed when Hayden’s planned visit to India took place before the next CHOGM. It was scheduled for October 1985 at Nassau – important as Hawke would meet for the first time the new Indian Prime Minister, Rajiv Gandhi.

Hayden’s speech “Australian Government’s views on the Indian Ocean” delivered, as mentioned above, on 20 June 1984, admitted that the Indian Ocean littoral lacked attention in Australia where what he referred to as “the Eastern tilt”, dominated foreign policy, aimed, as Hawke had outlined, to the country’s north and north-east. Hayden acknowledged the important point that 60% of Australia’s trade crossed the Indian Ocean, and also acknowledged India as a successful producer of oil, iron ore and thorium, impressive in its production of steel and machinery, and its advanced scientific sector. Australia’s failure to recognise the scale of India’s performance was noted but, despite efforts build around intentions and agreements over 1985-86, economic advance remained in the doldrums until 1989 when a combined aid and development program saw a period of engagement.

Hayden noted that India- as now - led the non-aligned movement, and was the largest military power amongst the Indian Ocean littoral states20of which Australia was one. A media report suggested that India had the ability to “match Australia in influence and power” in the region. 21 Like Hawke, he regretted that “the low level of priority” given to the relationship had not been to Australia’s advantage, linking this with not having exerted “a greater degree of influence over India’s policy on nuclear weapons or nuclear proliferation”.22 Both regretted India’s refusal to sign the Nuclear Non-
Proliferation Treaty (NPT) – much debated since the mid-1970s at Annual Officials’ Talks’ at Foreign Minister level, as were debates on armament control also held each year at the CHOGRM.

An Australian departmental report late in 1984 suggested that Rajiv Gandhi’s success would depend on whether he demonstrated political skills and leadership in the ‘Nehru tradition’, but noted that without action on its part “Australia cannot expect to receive a great deal of attention by the new Indian Government”, faced with “more difficult and more important foreign relations”, and difficult domestic politics. Nonetheless, the recent “drift” in relations had not been in Australia’s interest and stood in need of remedial action.

**Gandhi’s foreign policy priorities**

Gandhi enjoyed his role as India’s “chief diplomat” a title that he felt fitted him well as he had met international leaders over many years with his grandfather and mother. 

As anticipated Australia was not approached by the Indian Government, although Gandhi’s parliamentary statements addressed the formation of the Eminent Persons Group with Hawke at CHOGM in 1985, and his visit to Australia the following year.

As aligned and non-aligned states, in brief summary, Australia and India shared little foreign policy ground. Their relations with the United States and Russia were opposites, India had been at war with China and viewed it with suspicion, and India’s anti-colonial principles crossed Australian alliance agreements. Their interactions with regional states differed primarily at cultural levels, and each acknowledged ongoing neglect of the other. While India ‘looked west’, Australia’s gaze was focussed on South East Asia.

Gandhi’s international push was dominated by pursuit of a freeze on the development and production of nuclear weapons as the first “credible and reassuring step” towards their elimination. This aim he pursued through the United Nations but maintained India’s anti-NPT stance, a position that Australia has consistently pushed against.

In November 1986 following overseas visits including to Australia, Gandhi stated that India’s relations with Australia and New Zealand were friendly “but with little interaction in political or economic terms” – India looked “more to the West and elsewhere” than to the region. He reported that he had worked “closely” with Prime Minister Hawke at the 1985 CHOGM to arrive at a consensus on “sanctions against the Pretoria regime”. During his 1986 visit to Australia progress on ending apartheid was reviewed, as were trade and economic relations. As had Hawke, Gandhi referred to the proposed Joint Business Council (JBC) and agreed to chair the first session in Delhi in 1987, and emphasised their desire for greater cooperation.
Memoranda of Understanding were signed to promote co-operation including a Science and Technology Agreement, but progress lagged.

In addition, visits to Washington in June 1985 to re-set the basis for U.S. Indian relations (which had cooled by late that year) and a productive visit to Moscow in July, demonstrated the breadth of India's international relations. Gandhi also visited Indonesia and Thailand in 1986. Shared cultural heritage and areas of cooperation were discussed with both leaders, while a visit to Tokyo in 1987 recorded that the Prime Minister expressed Japan's “full support” for the Indo-Sri Lankan Agreement. Each visit, early in Gandhi's prime-ministership, signalled India's diverse international relations and the limited degree of overlap with Australia's interests. An Australian review from New Delhi in August 1985 acknowledged India's pre-eminence in regional affairs.

India's domestic issues were demanding. The Indo-Sri Lankan agreement, signed with President Jayewardane in July 1987, improved relations for a period but the Indian Peacekeeping Force's actions drew criticism from many quarters and, despite deflating tension briefly, had ultimately tragic results. Gandhi also attempted to boost India's relations with Pakistan, unsuccessful as he became “apprehensive” of Pakistan's development of its nuclear capacity, spurring his efforts to secure India through his strong international representation for disarmament. A goal shared by Hawke.

Although their approaches differed across late Cold War divides, arguably Gandhi and Hawke were “not light years apart ideologically”, stands on racial equality and nuclear disarmament, and Commonwealth membership shared. The Commonwealth connection became the site where the relationship was kick-started and rapport established at Prime Ministerial level at CHOGM in 1985.

**CHOGM 1985 – charisma or more?**

The Commonwealth Heads of Government met in Nassau between 16 and 22 October. Australian officials' concerns that there might be some negative reaction by Gandhi arising from Hawke's antagonist interactions with Indira Gandhi at the 1983 meeting were immediately laid to rest. Hawke wrote in his *Memoirs* that “from the beginning our relationship was one of exceptional warmth”, Gandhi a man “of such geniality,” ... his “passion and conviction” appealing to all leaders present. A letter from Gandhi to Hawke following the Nassau Accord that agreed to call on South Africa to dismantle apartheid confirmed that “we worked well together”, did not go unremarked. The *Australian Financial Review* picked up on Gandhi's endorsement on the same day, 25 October: “ ... a charismatic appeal – which both men seem to share”, that brought them together on issues such as anti-apartheid, arms control and disarmament, and followed up with “PM's meeting bodes well for new rapport”.

On 22 October Bob Hawke extended an invitation to
Rajiv Gandhi to visit Australia in 1986. It was accepted, and promoted as the first State visit since Indira Gandhi’s in 1968.  

All Heads of Government present welcomed the reactivation of bilateral arms talks between the United States and the Soviet Union and called for an immediate halt to nuclear weapons testing, a further point of agreement between Hawke and Gandhi, as was the setting up of the Eminent Persons Group (EPG) to go to South Africa at the conclusion of the CHOGM. Its purpose was to engage with government and people to exert pressure for reform, leading to dismantling apartheid. Proceedings were dominated by discussion on imposing economic sanctions, most strongly disagreed with by British Prime Minister, Margaret Thatcher. She argued for leeway and a timetable to suit Mr Botha’s Government. The outcome was a toothless communiqué. In Australia Hayden’s broad Ministerial Statement on Australian Foreign Policy on 26 Nov 1985 referred briefly to CHOGM and an important agreement initiated by Hawke (with Gandhi’s full support), to set up the EPG.  

As indication of the group’s depth of feeling, the Commonwealth Secretary General described the EPG members as “A group of seven people from five continents [who] gave … integrity, humanity, compassion, understanding and … wide experience”. He appointed ‘elder statesmen’, firstly, Chair of the United Nations Panel of Eminent Persons on the Activities of Transnational Corporations in South Africa and Nambia, former Australian Prime Minister Malcolm Fraser, as co-chair of the EPG, proposed by Hawke, with General Olusegun Obasanjo who had been head of a Military Government of Nigeria that handed power to an elected civilian government in 1979. The additional five Commonwealth members selected included Swaran Singh, proposed by Gandhi. He had been India’s Minister of External Affairs. Like Fraser he was a member of the United Nations, serving on its panel of Eminent Persons on Regional and Inter-Regional Cooperation. It extended the bilateral embrace, although historian Anthony Lowe in his Eclipse of Empire suggested that the EPG came back “empty-handed”. Its purpose had been to focus world attention on South Africa again, and put “a delaying fuse under the British government” while future policy towards South Africa was determined. Its outcome, although noted, was not the object here, rather Australia-India cooperation on an issue of international importance. 

In summary and projection: CHOGRM 1985 had brought together more than just two charismatic leaders who appropriated the headlines. Their relationship became substantial and valued by both, but collaborations moved at a slow pace at program level and drew official criticism – projects “fraught with bureaucratic difficulties …”. Another problem remained. How to substantially raise Australia’s visibility in India without both increased aid and development funding in an unfavourable economic climate? Hawke succeeded four year later. He took to India on his last visit in 1989 a
substantial aid package and the largest venture undertaken there by Australia and an industry partner - the Piparwar coalmine project in Bihar.\(^{39}\)

It too encountered substantial difficulties.

**Gandhi’s visit to Australia – outcomes**

Rajiv Gandhi’s visit to Australia in October 1986 was deemed to be successful and productive and, in response to a question in Parliament on 17 October on what particularly impressed Hawke about him, the Prime Minister answered “... he is very intelligent, hard working, and a clear thinking man ... he is a man of considerable substance and style”. That working on South Africa brought them together, and that the bilateral relationship’s potential benefits are such that “we ought to get about the job”. \(^{40}\)

Gandhi referred briefly to the success of his visit to Canberra in a Lok Sabha Debate on 13 Nov 1986, a month after his return. Hawke’s Memoirs made no more than a brief mention of the visit,\(^{41}\) and his speech at a dinner in Gandhi’s honour was not substantial, but recorded their achievements and intentions as a result of their meetings. \(^{42}\) Officials’ brief notes on the visit reported on the bilateral meetings planned: a Joint Working Group on Coal, a Joint Trade Commission and the Joint Business Council to hold its first meeting, progress to be reviewed the following year. The discussion as recorded on International Affairs recognised the Prime Ministers’ good work on the EPG. On nuclear disarmament Gandhi’s position remained unchanged. India regarded the NPT as discriminatory against non-nuclear states, the position adopted by Indira Gandhi. On the Indian Ocean he observed that he wanted to see the Zone of Peace implemented. \(^{43}\)

Hawke’s remarks in Parliament were more comprehensive than Gandhi’s had been on his return to Delhi. Hawke focused on themes that emerged during discussions to support increased economic cooperation: trade talks to identify commercial possibilities, industry discussions primarily around coal mining, the resumption of negotiations on a tax treaty and high level officials talks to start in 1987. \(^{44}\) It is observable that bilateral matters discussed were repeated, recorded and reported on different occasions over the year since Hawke and Gandhi met. The step-by-step nature of the process was, perhaps, energised when Hawke reminded the House that Gandhi had “brought home to the business sectors of both countries” the significance of economic growth and restructuring in Australia for the emerging Indian market, and the potential to move forward from raw materials and minimal consumer goods. He also noted that he had “assured” Gandhi that Australia recognised the trade imbalance. \(^{45}\) Analysis and comment on the bilateral relationship was teased out in media reports in both countries.
Newspapers re-sifted available information, in the main about Indian foreign policy, Gandhi’s statements, bilateral prospects and trade figures. Newstime Hyderabad’s headline title “The Rajiv Junket” on 20 October 1986 raised an interesting proposition: that the solid “if unspectacular” results of Gandhi’s regional visits including Australia were the outcome of “thorough preparation”, that the Prime Minister’s presence was for ceremonial purposes only – although personal contacts are valuable. In similar vein, the Canberra Times’ Editorial on 15 October stated the “Mr Gandhi and the Australian Prime Minister can be expected to agree on virtually everything from state of the weather to ... issues of security”. It went on to propose that evidence of “concrete steps” forward were needed.

Further examples cited are from investigative reports that unpack the substance of the bilateral relationship, represented by The Hindu on 17 October and the Indian Express on 27 October. Other Indian print media focussed on single issues – the Joint Business Council’s proposed areas for cooperation, Gandhi’s call for an ‘N-weapons ban’, and his response in the negative to a question at the Australian National Press Club about India’s undertaking a mediating role in Afghanistan. The Canberra Times on 16 October and the Financial Review on the same day represent a similar Australian understanding of the state of play. The Hindu (17 Oct) recorded that while India’s imports from Australia including coal, wool, iron, steel, lead alloys and metaliferous ores had moved up substantially from 1980-81 to Rs 450 crores in 1986 (a crore numbers 10,000,000), the Financial Review (16 Oct) valued exports to India at A$428m and imports at $171m, indicating access to shared data.

The Hindu also recorded that Australia accounted for only 2% of India’s total global trade, the “protectionist slant” in Australian trade policy not conducive to imports rising to any appreciable extent. In suggesting that Australia should correct unfair trade balances it also cautioned that Indian exporters must “equip themselves to meet the demand for adherence to strict product standards and delivery schedules”. The Indian Express (27 Oct), whose correspondent travelled with Gandhi, saw him as endeavouring to “build bridges” and described “a new diplomatic personality emerging”; moderate and not given to “ideological rhetoric” or cast-iron positions. This he saw demonstrated in the new-look industrial India looking for partners and belatedly realising that “to its east is a region that for long has sought its friendship”. Australia was characterised as “reawakened” about India, and both were seen as undertaking “ambitious” schemes of cooperation across a range of areas. While Indian press comments were not universally complimentary, their readers’ introduction to an India-Australia project was valuable and, arguably, new.
CHOGM 1987 - India rising?

In the months surrounding CHOGRM 1987 held in October in Vancouver, India’s military build up was noted regionally and by the Australian media after Senator Harradine spoke about it in the Australian Parliament on 18 September. He pointed out that Australia’s Defence White Paper (March 1987) largely left out Australia’s west coast exposure to the Indian Ocean and strategic developments there. He went on to say that had the Defence White Paper drawn in the Indian Ocean it would have been compelled to mention the rapid growth of the Indian Navy and India’s intentions for its Russian-built long-range anti-submarine aircraft. Adding that while this militarisation was not seen as a threat to Australia, Harradine reminded that Australia should foster its relationship with India.

India’s tendency to high defence expenditure rested on three factors: threat perception, status in the eyes of major powers and regional neighbours, and the development of “frontier military technologies” that had impact on and benefit for industries, particularly electronics, computer sciences and telecommunications. Neeraj Kaushal in her work on India’s defence budget, goes on to point out the benefits for India in its “close treaty-bounded relationship” with the Soviet Union. India’s 1971 Treaty of Friendship and Cooperation with Russia had not been welcomed by Australia.

Tony Abbott, Australia’s present Prime Minister, commentator for Defence Bulletin in 1987, wrote that “the growing strength and assertiveness of India – passes almost unnoticed in Australia” although its defence budget had “leapt” by 25%. He noted that that America recognised India “as a regional power and a coming world power”. Thus its “de facto protectorate over Sri Lanka” to end fighting between the Sinhala majority and Tamil minority, demonstrated that it could do so without a reaction from the United States.

India’s defence expenditure may be seen as a response to a perception of threats from Pakistan and China, and an element in economic reform, but the Australian Financial Review hailed a “A quiet revolution in India …pushed the country to world power status” – a “silent super power on our doorstep”, set to overtake China in population, and a new, well-off middle class. “Rajiv’s rule” is engendering an atmosphere of confidence.

Australian officials noted that the expansion of India’s “strike power” had triggered security fears in Indonesia, but a Senate Inquiry convened in 1988 found that India did not represent a likely threat to Australia nor, as already the predominant regional power, to South East Asia. Describing India’s naval acquisitions, perceived threats and relations with the Soviet Union and the United States, officials in New Delhi recorded a “simple fact”: India sees itself as on the rise under Rajiv Gandhi.

At what turned out to be their last CHOGM in October 1987, the key outcomes were the Vancouver Declaration on World Trade that called for a
strengthening of liberalisation through the General Agreement on Tariffs and Trade (GATT) and, important for this paper, the meeting also issued a statement on Fiji. It indicated that Fiji’s membership of the Commonwealth had lapsed since it became a republic and, following the military coup against the majority-Indian elected government it had enacted unacceptable racist measures. The meeting was reported as marked by disagreements between most leaders over the latter and South Africa.\textsuperscript{53}

Gandhi led in forcing Fiji’s withdrawal from the Commonwealth arguing that leaders present could not condone racial discrimination in Fiji while opposing it in South Africa,\textsuperscript{54} demonstrating anew India’s rise to prominence in an international forum. Although Gandhi and Hawke had stood together on the EPG and South Africa, Hawke’s position on Fiji was less clear-cut.\textsuperscript{55}

India’s rise, however, was not sustained at the bilateral level. The Piparwar coal project appeared a metaphor, its significance clear in a discussion between Hawke and Gandhi on the sidelines at CHOGM. Australian discussion notes described it as the “lynchpin” of attempts to develop a more substantial relationship with India - its possible failure would have a “significant detrimental effect”. Other agreements in the fields of science and technology signed during Gandhi visit to Canberra had “bogged down” or “lapsed”\textsuperscript{56}

The Australian side had expressed disappointment with the lack of progress on Piparwar in September, before the Prime Ministers’ discussion at CHOGM. Its political significance was clear at the officials’ meeting when a discussion took place: \textsuperscript{57} the financial package had been larger that any previously offered but had not been agreed to by India. Successful participation was to provide the basis for the Joint Working Group on Coal from which both countries would benefit. The Indian side argued that the process was not “time-bound” and their Departments of Coal and Economic Affairs had advised that the Australian financial package “did not come up to expectations”, despite revised offers.

This was not the first indication that Prime Ministerial rapport was not shared by their bureaucracies. In January 1987 an official’s note from New Delhi had observed a “climate of opinion” in the (Indian) Ministry of External Affairs that was sceptical of any great outcome emerging from efforts to “put flesh on the bones” of bilateral agreements.\textsuperscript{58} In February the target of Australian criticism was Gandhi himself. His reputation was reported to have “slipped”, commentators suggesting he was not up to the job - the hopes of 1985 have disappeared. \textsuperscript{59} Economic liberalisation in India was expected to continue but a Senate Inquiry on prospects for increasing trade convened in September 1988, submitted a less than optimistic report in July 1990. \textsuperscript{60}

It found that relations between Australia and India were undeveloped despite recent initiatives and, while it noted the eventual signing of the
Piparwar Coal Mine contract in 1989, it recommended looking at technology sectors as they opened up. In a productive direction, it also recommended the setting up of an Indian Studies Centre and an Australia-India Council to increase expertise and exchange information.61 The Senate’s report framed a new direction and drew a line under bilateral progress pushed largely by charismatic leaders.

**Last meeting, 1989**

While “prime ministerial friendship cannot by itself create strong state to state relations” 62 it continued during Hawke’s visit to India in February 1989, part of a regional tour that included Pakistan and Thailand. It was their last meeting as the next CHOGM, scheduled to meet in Kuala Lumpur in 1989, was cancelled some months before Gandhi lost the Indian election, and less than two years before his death in May 1991.

On his return to Australia Hawke reported a number of new joint initiatives and resumption of others to Parliament on 2 March. He stated that Gandhi had welcomed Australia’s intention to embark on an enhanced version of its Development Cooperation Program in India and both agreed to the establishment of a Joint Ministerial Commission and an increase in the number of visits at that level. Hawke reported that he had raised the difficult issues of India’s remaining outside the NPT and the re-admission of Pakistan to the Commonwealth, and also referred to India’s naval build-up which Australia would continue to monitor. 63 During his brief visit to New Delhi, in addition to his discussions with the Prime Minister, he spoke to the 3rd meeting of the India-Australia Joint Business Council on 10 February, emphasising an increase in two-way trade over the previous twelve months, reiterating achievements, describing new initiatives and acknowledging Gandhi’s “vital contribution”. 64 On the same evening he gave an important and wide-ranging speech, the 3rd Indira Gandhi Memorial Lecture.He paid tribute to her tenacity and courage, to India’s commitment to democracy, rehearsed regional and global issues, and supported closer links between Australia and India that would contribute to the stability of the Indian Ocean region. 65 In his *Memoirs* Hawke wrote at some length about the last evening of his brief visit to New Delhi, spent with Rajiv Gandhi, and his acute sense of loss at his death.66

Some 24 years after Hawke’s Memorial Lecture in Delhi, the Inaugural Rajiv Gandhi Lecture was delivered in Delhi by an Australian, The Hon Michael Kirby AC CMG, in December 2010. It was entitled *The Modern Administrative State: Reflections on India and Australia*. Kirby recognised that Gandhi’s ambitions for India went beyond its own borders and people, to become a modern nation that would lift itself up, “embracing” technology and education.67 Kirby mirrored Gandhi’s hopes for India shared with Bob
Hawke, their efforts to make an impact on the slow-moving Australia-India bilateral relationship.

**Post Script**

The Senate Inquiry made it clear in their Report released in 1990 that Hawke's and Gandhi's shared enthusiasm and endeavours on the economic bilateral relationship had not broken free from the familiar one step forward – one step back pattern observed over time and frequently described as 'neglect' of the relationship. The Prime Ministers' successes and their charismatic presence was most clear at Commonwealth level, at the 1985 CHOGRM in the Bahamas when their commitment to ending apartheid in South Africa brought international acclaim. This was apparent again at CHOGM 1987 in Vancouver when, led by Gandhi's stand against racism, Fiji left the Commonwealth – a more difficult decision for Hawke.

A background paper published by the Australian Parliamentary Library on 28 May 1991 examined the implications of Rajiv Gandhi's death for India and South Asia, and also for relations with Australia, drawing a line under the Prime Ministership of a leader with “probably the greatest knowledge and awareness of Australia”. The paper also drew attention to the strains placed on the Congress Party and the people by the great internal challenges of communalism, and the culture of violence and corruption, burdens Gandhi shouldered not shared by Hawke or Australia.

Despite the demands of his domestic crises, Gandhi and Hawke established a visible relationship was that was more than their charismatic personalities, and brought substantial change in attitudes to racism and fairness to the Commonwealth leaders. Their friendship and efforts to energise the Australia-India bilateral relationship had limited success and left it – as it has continued – in need of reassessment and committed action by Prime Ministers with their drive, but not for lack of effort.

**Notes**

1. K. Natwar Singh, *India Today*, 1 Jan 2012. This piece recorded an encounter with Mr Hawke who organized a meeting for Singh with Don Bradman
3. B. Sen Gupta, “CHOGRM end with a whimper in New Delhi,” *India Today*, 30 Jan 2014. This piece was a retrospective ‘look’ at the 1983 CHOGM)
4. B. Hawke, Transcript of Conference for Australian Media, CHOGM Conference Centre, New Delhi, 29 Nov 1983
9. I thank my friend and colleague, Dr Lance Brennan, for seeing that this question should be asked.
23. NAA, A1838, 169/10/1 Part 52, 1984, paragraphs 59 & 60
28. NAA, A1838, 169/10/1 Part 54, 1985, 23 Aug
30. Comment by Dr Lance Brennan
31. Bob Hawke, 1994, The Hawke memoirs, pp. 324-325. Such a personal account was not echoed by Gandhi, but it is to be remembered that he did not live to write his own memoirs.
33. Indira Gandhi and former Prime Minister Desai had visited Australia in other capacities – the Sydney CHOGRM in 1978 and Melbourne CHOGM in 1981.
34. CHOGM 1985. Various official sources.
38. NAA: 169/10/1, 1985, Australian Relations with India, Department of Foreign Affairs, 19 Nov. This referred specifically to a joint exhibition on renewable energy technology to have been jointly mounted in Fiji in 1982, but ‘bureaucratic difficulties’ remained an issue.
40. Bob Hawke, Transcript of press conference for the Australian media, 21 October 1985. Speeches made during overseas visits Series RH21 Box 3 Folder F31 Item 6, Bob Hawke Collection, University of South Australia, Research Archive
41. Bob Hawke, 1994, ... Memoirs, p325
42. Bob Hawke, 1986, Speech for dinner in honour of His Excellency Shri Rajiv Gandhi, Prime Minister of India, Series RH20 Box 4 Folder 43 Item 4, Bob Hawke Collection, University of South Australia.
43. NAA: A 1838, 169/10/10/1 Part 7. India Political Relations with Australia. Visit by Mr Gandhi to Australia. Not dated.
44. HoR, PD, Vol 151, 7-23 Oct 1986, Hawke response to a Question without Notice, p.2287
45. HoR, PD, Vol 151, 7-23 Oct 1986, Hawke response ...
46. Articles from The Economic Times (New Delhi), 15 Oct 86, The Hindu, 16 &17 Oct 86, The Telegraph (Calcutta), 17 Oct 86, Newstime (Hyderabad), 20 Oct 86 and Indian Express, 27 Oct 86, are held at NAA: 169/10/10/11 Part 7. Visit by Mr Gandhi, Press Cuttings. Rajiv Gandhi’s address to the National Press Club in Canberra on 15 October 1986 was short, some five minutes and questions to him addressed the Tamil conflict on Sri Lanka; South Africa; Afghanistan; race and discrimination, Australian Aboriginals.
48. Neeraj Kaushal, 1995, "India’s Defence Budget: Can it be Reduced?" Occasional Paper, Research of the Program in Arms Control, Disarmament, and International Security, University of Illinois at Urbana-Champaign, (pp. 3-4)
50. NAA: 169/10/1 Part 59, India – Relations with Australia (File 558/32/6/1), "Silent superpower on our doorstep", Australian Financial Review, 1987, 3 Dec, pp 2-4
52. NAA: 169/10/1 Part 59, India – Relations with Australia (File 558/32/6/1), pp 5-8
   a. www.tandfonline.com/doi/pdf/10.1080/00358538808453848
55. James Mayall (ed) 2010, *The Contemporary Commonwealth* ..., report in *The Age*, 14 Oct 1987. As a member of the former CHOGRM, disbanded by Hawke, supporting Fifi’s expulsion from the Commonwealth cannot have been easy.
56. NAA: 169/10/1, 169/10/2, Relations with India: Discussion between Prime Ministers Hawke and Gandhi at CHOGRM (Vancouver 1987)
57. NAA: 169/10/1. HLOG, record of conversation, 18 Sept 1987, 1st & 2nd pages, not numbered
58. NAA: 169/10/1, 169/10/2, Relations with India: High Level Officials Group (HLOG) Outward Cable (Para B), 23 Jan 1987
59. NAA: 169/10/1, 169/10/2, from Australian High Commissioner, 24 Feb 1987
61. Senate Standing Committee on Foreign Affairs, Defence and Trade, 1990, *Australia-India Relations: Trace and Security*, Sections 2-4 & 11-12, pp ix & xi
63. Bob Hawke, Statement to Parliament, 2 Mar 1989, Bob Hawke Collection, University of South Australia
64. Speech by the Prime Minister to the India-Australia Joint Business Council, New Delhi, 10 Feb 1989, Bob Hawke Collection, University of South Australia
65. Bob Hawke, speech by the Prime Minister. 3rd Indira Gandhi Memorial Lecture, New Delhi, 10 Feb 1989. (Available online)

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(7) South China Sea and Australia in the 21st century

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The South China Sea has been an ongoing maritime dispute for over six decades and it has recently become the locus of disputes that have the potential of escalating into serious international conflicts. Geopolitically, it is an important region among the disputing countries because of its geographic position in major oceanic routes, oil and gas reserves, other undersea resources, also due to rich marine life.

When we look at the past few years of East Asia, it has been steady increase in tensions in the disputes over territorial sovereignty and maritime jurisdiction in the South China Sea. China has been claiming for its nine-dash line, which encompasses more than 80 percent of the South China Sea. Since these claims have no basis in international law, it is impossible for other claimant states to accept China’s position. There is no proper documentations for historic rights and jurisdiction over the natural resources in and under the waters inside the nine-dash line. Most of the Southeast Asian countries have criticized about China’s controversial policy of land reclamation on disputed islands in the South China Sea. China continues to try changing the status quo in the South China Sea in order to protect their claims through pressurizing its smaller neighbours.

There are several groups of disputed islands in the South China Sea. Most famous are the Spratly islands and Paracel islands. These islands become the most tension and perhaps even the source of potential conflict. They are located in the central part of the South China Sea. A number of Asian nations, including Vietnam, the Philippines, Brunei, Malaysia, and others, have competing claims with China while holding their own claims on different land areas located in the sea. Although the United States does not claim sovereignty over any of the land being contested, it has increased its attention and involvement in managing these disputes. Not only United States regional powers like Australia, India, Japan, EU also playing an equally important role in shaping foreign policies over the region.
The Obama doctrine largely suggested a new US strategy to strengthen its long-term role in the Asia-Pacific almost in all dimensions: security, political, diplomatic, and economic. But of all these efforts, the most prominent is the US military rebalancing towards the Asia-Pacific. The "rebalancing strategy" or "Pivot" is one of the major foreign strategies ever launched by the Obama administration. Australia is one of the potential major partners that the US requires inorder to successfully implement the proposals in the strategic guidance document. Agreements are being made with countries like Japan, India, the Philippines, Singapore, and Vietnam to host the maximum US presence allowable without aggravating local sensitivities about basing. Meanwhile, the Pentagon has produced the so-called Air-Sea Battle combat concept as a new operational doctrine in its preparation to fight a war with a regional power specifically like China.

Global maritime powers are continually involved in conflicts to protect their national interests. But this region used to be more peaceful for a certain period of time. Day by day states interests are changing according to the international political context. There is always a country somewhere that has an interest in reshaping the regional balance of power, whether to protect itself or to exact concessions from the global power. 

Australia, a key player in the Asia Pacific, and it is one of the countries to support the U.S. proposal in Asia pacific region. This has clearly stated at the ASEAN meeting in Myanmar. Australia always believed that China’s massive reclamation activities in disputed features the South China Sea, is causing tensions in the region. Australia used to be a peaceful country regionally and internationally. According to my analysis recently Australia has openly expressed their views on this issue little aggressively. The Australian foreign policy has been changed drastically in terms of the South China Sea.

According to my analysis there are four kinds of issues connected to "balance of power" in the region. Overlapping maritime claims, Territorial
disputes, Freedom of navigation and competition for natural resources. Australia seeks to be more assertive in the region and ensure peace and stability over the region. Ambassador Bill Tweddell has clearly mentioned that,

"Australia does not take sides on the competing claims by several Asian nations that include the Philippines, China, Vietnam, Malaysia and Brunei, but stressed that it is in its interest to ensure peace and stability in the area."\(^4\)

The United States and Australia explain that the new posture in the region is not focused at China or at any other specific country, but instead as an approach on maintaining regional security and stability. Most countries in the region share this vision and understand the rational and importance of freedom of navigation and maritime jurisdiction. Even though other south East Asian nations accept US approach towards region, most of them believe that this would lead to a power struggle. Australia supports the ASEAN (Association of Southeast Asian Nations) members to conclude a Code of Conduct on the South China Sea with China which will direct maritime negotiations in order to build up a peaceful atmosphere in the region.\(^5\)

There is no matter if Australia take the initiate for solve this issue at least to some extent. But if this go other way around with full of tension it would badly effect Australian domestic and foreign policy. It has revealed that U.S. plans to locate more fighter jets and bombers in northern part of Australia.\(^6\) New military agreement will allow the US to rotate more marines and Air Force personnel through Australia’s Northern Territory and expand its military assets in the country over the next 25 years. This plan has a long process and strategic vision to maintain power over the region. This is quite controversial with the ideas mentioned by the Ambassador Bill Tweddell.

The "Force Posture Agreement" signed on August last year was also designed to improve cooperation on ballistic missile defense systems.
Furthermore, some 1200 US troops are being stationed in Australia and they have agreed to increase the numbers up to 25007.

According to Michael Wesley, Australia has four structural interests and two relational interests at play in the South China Sea disputes.

Australia’s interests are, first, the existence of uncontested global commons - be they maritime, aerial, space, or cyber. Australia’s second interest is as an international economy oriented towards development and free trade norms. Third, and perhaps most vital, Australia benefits from the ascendency, vitality and continuing evolution of a rational, egalitarian, rules-based international order.

Fourth, and more specifically, Australia has a structural interest in a benign strategic order in the Indo-Pacific Peninsula - the archipelago that extends from northern Thailand to northern Australia, along which an armed attack on Australia would most likely travel.8

Therefore, Australia should take necessary steps to maintain their own interest carefully rather than offend their relationships. The current situation poses a serious challenge for Australia’s strategic policy. At the same time there is a complex power struggle occurring in the area. South East Asian countries always prefer to have other regional powers in the region to counter China specially China’s enemies. US, Japan, India, EU and Australia already signed deferent strategic agreements and maritime partnerships to work collectively.

When looking at the Australian perspective it is questionable, why Australia should engage more strongly if ASEAN states aren’t willing to stand up to Beijing? After all, Australia is an external middle power with a strong interest in stable economic relations with China9. It is tempting for US and others to balance China’s maritime assertiveness in the South China Sea. In
my view Australia is providing space them to battle in the South China Sea taking high risk in this context.

**Conclusion**

China is in a dilemma on how to preserve a balance between defending its sovereignty and other maritime interests in the South China Sea and similarly upholding a peaceful and stable relationship with Southeast Asian countries and other states involved mainly against it. China does focus a great deal on developing good neighborhood relations and is increasingly focusing on soft power. However, China’s soft power approach concerning the South China Sea is mixed with a constant military presence to support its claims. It undermines the core principles of a rules-based order in maritime Asia. Therefore, Australia has right to involve in these matters. But, Australia needs to induce the major maritime powers to protect Australia’s interests more actively using proper strategic plan being cooperative with almost all the nations. US rebalancing strategy has added more adverse situation to this issue due to the military presence. I strongly believe that South China Sea is should not leading to another Zero –Sum game neither vulnerability nor manipulation by strategic rivals.

**Notes**

2. S. D. Muni, “Obama administration pivot to Asia – Pacific and India’s role” Institute of South Asian studies, [accessed March 10, 2015] [http://www.isas.nus.edu.sg/Attachments/PublisherAttachment/ISAS_Working_Paper_159_Obama’s_Administrations_31082012100801.pdf](http://www.isas.nus.edu.sg/Attachments/PublisherAttachment/ISAS_Working_Paper_159_Obama’s_Administrations_31082012100801.pdf)
7. Ibid.,

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The Leading Powers and the Indian Ocean Region

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In the 21st century, Indian Ocean Region (IOR) seems to be the potential pivotal zone for the struggle and display of strength by powerful nations. The South China Sea is considered to be the real ‘test’ for China, Japan and the US for domination or status quo. The countries like Vietnam, Philippines also have concerns regarding the South China Sea. The IOR has assumed immense importance strategically for these powers over the years. The recent works like Robert Kaplan's Monsoon The Indian Ocean and the Future of American Power, and The Revenge of Geography, and William Avery’s China’s Nightmare, America’s Dream: India as the Next Global Power have argued that IOR has become as important as the South China sea for the US, China and Japan militarily as well as strategically. IOR has always been considered as a ‘zone of influence’ for India. In the present paper, an attempt is made to understand the dynamics of energy security, regional security, balance of power of the leading nations in the Indian Ocean Region (IOR) vis-à-vis roles and responsibilities of India and Australia.

With the end of the Cold War, since 1991, China seems to have replaced the erstwhile USSR as a power which can challenge the US hegemony and its
super power status. In the 21st century, the rise of China economically and militarily has profoundly influenced and shaped the US policy with Taiwan and Japan in the South China Sea. The recent ‘Asia pivot’ policy has explicitly displayed the US concerns with regard to the rise of China in Asia. The US, therefore has made suitable agreements and initiatives with Japan and Australia to counter or balance China in the South China Sea region. Likewise, the US is trying to extend a similar policy in the IOR with the help of India, Australia and Japan. The nations like Vietnam, Philippines and Indonesia have also a say in the larger policy concerning the IOR.

All the major powers claim, justifiably so, that their respective interests in the IOR is to protect the Sea Lanes of Communications (SLOCs) to ensure the security of their oil supplies from the Middle East which are shipped through the Malacca Straits and the Indian Ocean. However, their respective maritime and defense strategies and developments raise doubts of going beyond mere energy security and protecting the SLOCs.

The US and its ally Japan and later to a lesser extent Australia, have been trying to formulate some kind of maritime security architecture since the last decade. After the disintegration of the Soviet Union, the US encouraged Japan to increase its naval capabilities to defend the sea lanes beyond the 1000 nautical miles restriction that was agreed in 1982. In early 2007, the then Japanese Prime Minister Shinzo Abe proposed the so called “quadrilateral” initiative, under which India would join a formal security dialogue with Japan, the United States and Australia. This proposal was seen by some as extending the existing ministerial-level US-Japan-Australia Trilateral Security Dialogue to include India. This was considered as part of a policy to balance or contain China and the beginning of a four-way alliance between the United States, Japan, India and Australia. These perceptions were reinforced by the large-scale Malabar naval exercises held in the later part of 2007 in the Bay of Bengal, involving India, the United States,
Australia, Japan and Singapore though all the countries had misgivings about the proposal. The proposals for security dialogues that include the United States have been revived. In December 2011, the United States, India and Japan held their first Trilateral Security Dialogue meeting at an assistant secretary level. In the same month, following the change in the Australian policy on uranium exports to India, Australia also proposed that India should join with it and the US in a separate Trilateral Security Dialogue. Against this background, it is necessary to examine the concerns and fears of the leading powers with regard to the IOR.

**Japan:**

Japan is the most dependent upon oil imports of all the major economies and 87% of its oil imports originate from the Middle East. Japan’s oil dependence has demanded wholehearted support for the US alliance and a reliance on an American-sponsored international order. However, this reliance has limits, and there could be situations where Japan may not expect American support, or where their interests diverge. In the 21st century, a possible US-China accommodation either over Taiwan or in relation to global issues in general could undermine Japan’s position or compel it to develop its own naval power to protect its oil lifelines.

Japan’s naval capability has been limited by its constitution to a defensive role, but it has developed over time in response to American demands for burden-sharing. Since 1983, Japan developed an impressive capability to defend the SLOCs in Northeast Asia with 40 guided missile destroyers (DDG) and 53 surface combatants with Anti-Submarine Warfare (ASW) and mine countermeasures functions. Since 1988, Japan has been upgrading the anti aircraft and ASW capability of its fleet by introducing powerful Aegis-equipped destroyers which could extend the range of naval operations well into Southeast Asia and beyond. Since the late 1980s Japan’s Maritime Defence Force has pressed for an aircraft carrier, and in February 2007
Japan’s first helicopter carrying destroyer, the 13,500 ton *Hyuga*, was launched. In September 1997 new defence guidelines were negotiated with the United States which obliged Japan to provide support for US forces in “situations in areas surrounding Japan”, shifting the focus from geographical areas to contingencies. Japan has also been concerned about China’s force modernisation plans, especially its naval capability. If China’s naval reach is extended to the Malacca Straits or further to the Indian Ocean, Japan would be compelled to respond to ensure safety of its oil lifeline.

Japan has promoted cooperative relations with potential allies who may share its concerns about China’s naval expansion. It has developed relations with India for this reason which motivated the then Prime Minister Junichiro Koizumi’s visit to New Delhi in January 2005, and that of his successor Shinzo Abe in August 2007. The then Foreign Minister of Japan Taro Aso invoked the China threat when he visited New Delhi in January 2006 and proposed bilateral security talks. India was particularly receptive to these Japanese moves and both seemed to have found a common ground in relation to China. Indian cooperation with Japan over the Malacca Straits and the Indian Ocean, combined anti piracy naval exercises, disaster relief and mutual rescue operations were highlighted during the then Indian Defence Minister Pranab Mukherjee’s visit in 2006. The first Japan-Indian joint naval exercise was conducted in Japanese waters on 16 April 2007.

**China:**

China became a net energy importer in 1993, and just a decade later in 2003, it was the third largest importer of oil and the second largest consumer of oil after the United States. China imports 47% of its oil from the Middle East. Projections of China’s future energy consumption depend not only on expected economic growth, but energy efficiency and the price of oil. Though China has benefited from an American-supported international order it cannot rely upon the US navy to defend the sea lanes because of America’s
role in the Taiwan conflict and the conviction that the United States is malevolently blocking China's rise. In case of conflict of China with America over Taiwan, the United States would be able to use its navy to obstruct Chinese energy supplies either in the Indian Ocean or Malacca Straits, through which an estimated 80% of China's oil imports flow. The Chinese security specialists regard the Malacca Straits as the key waterway where the United States would consolidate its geopolitical superiority over China.

Beijing has been exploring alternative supply routes in an effort to circumvent the possibility of obstruction by the US navy. China's crude oil imports from Africa, Sudan, Angola and Nigeria increased to 31 percent in 2006 indicating a reduced dependency upon the volatile Middle East. However, oil imports from Africa are still shipped through the Indian Ocean and the Malacca Straits. The only practical way of reducing this vulnerability is to boost supply from overland routes in Central Asia and Russia. So, the Chinese have shown active interest in the development of the Pakistan and Myanmar pipelines. The Pakistan and Myanmar pipelines would shift China's concern of its vulnerability from the Malacca Straits to the Indian Ocean, which is important to ship the oil from the Middle East or Africa to the Gwador and Sittwe terminals. China's obsession with energy security would then extend to the Indian Ocean; far beyond the protective range of its navy at present.

In IOR, the Indian navy holds the advantage by reason of proximity. China's concern about its energy security pushes it towards naval expansion programs that would protect its sea lanes against anticipated threats from competitors. China's navy, is currently inadequate for such a long range task. The first naval priority for China is Taiwan. This necessitated the development of a surface and submarine capability to check the Taiwanese leaders declare independence, and to prevent an American fleet moving to support the Taiwanese. China's navy expanded over the 1990s as new
capabilities were obtained for this purpose. To deal with the threat of Taiwan's secession as well as to plan for extended SLOCs protection, China would have to expand the navy well beyond current levels and acquire long range capabilities. The US Defence Department notes that China would not be able to project military power far beyond its borders before 2015, and would not be able to sustain large forces in long range combat operations until the 2020s. It would take China several years or longer to develop a modern naval force capable of defeating a moderate sized adversary. China has, nonetheless, indicated an intention to develop a power projection capability for SLOC protection. Liu Huaqing, who was navy commander over 1982-88 and Vice Chairman of the Central Military Commission over 1992-97, was the most vocal proponent of naval expansion to defend China's claims to the South China Sea as well as its sea lanes. Liu promoted the shift from coastal defence to "off shore active defence" which meant control over China's territorial waters and protection of China's Economic Exclusion Zone (EEZ), including the South China Sea.

The official statement of Vice Admiral Su Zhiqian, Commander of the East China Sea Fleet of the Chinese Navy in Galle, Sri Lanka in December 2012 emphasized that maritime security interests dominate China's thinking on the IOR. It also stressed that freedom and safety of the navigation in the Indian Ocean is a crucial factor in global economy and Chinese navy will maintain the peace and stability of the Indian Ocean through carrying out 'maritime security cooperation' with the navies of various countries, by a maritime security 'code of conduct' between them under the 'premise of respect for each country's sovereignty and maritime interests'.

The change in Chinese perception is well presented in the Blue Book of the Chinese Academy of Social Sciences (CASS) released in June 2013. It had chapters on India's "Look East Policy" and the "U.S-India axis of relation in Indian Ocean Region". The Blue Book observed that "In the past, China's
Indian Ocean strategy was based on ‘moderation’ and ‘maintaining the status quo’, but the changing dynamics of international relations necessitates China to play a more proactive role in affairs of the region” .... “With changes in the relations among countries in the Indian Ocean Region and in the international situation, China’s diplomacy should also change, but Beijing’s interests will be driven only by commercial, and not military, objectives”.

**The United States:**
The US interest in the IOR centres round three imperatives - securing Indian Ocean for international commerce, avoiding regional conflict on issues of strategic choke points in the IOR- Strait of Hormuz and the Malacca strait, and dealing with Sino-Indian competition in the IOR. The US Department of Defence document, the Quadrennial Defence Review, 2010, stressed the need for US to develop an Indian Ocean policy on the basis of building coalitions with regional allies like Australia, Japan and the Philippines and partners like Vietnam and India. The US is promoting an “Indo-Pacific” concept as part of its approach towards the IOR. It aims to achieve the freedom of navigation and reassurance to allies and partners through implementing the concept. China views the concept as a creation of a highway connecting Indian and Pacific Oceans which can play a role in transporting much-needed resources. But, China is also suspicious of US intentions of using the concept for containing China.

**India:**
India’s strategic calculations have been strongly influenced by the December 1971 war with Pakistan. India has been highly sensitive to great power penetration of the Indian Ocean. The humiliation of the 1962 defeat by China and China’s past support for Pakistan’s nuclear program and the outstanding territorial disputes with Beijing continue to aggravate Indian concerns. Indian security analysts regularly stress that India sits spanning
the three most important choke points in the Indian Ocean, the Straits of Hormuz, the Bab al Mandab (at the end of the Red Sea) and the Straits of Malacca, which could become areas of contention and conflict in the future. It is also felt that the India’s security demands naval domination over the Indian Ocean with a sufficient capability to block Pakistan and also to keep China at bay in time of conflict.

China may not have the capacity for maritime intervention into the Indian Ocean at present but it would be obliged to protect the oil terminals for its pipelines in both Pakistan and Myanmar. India’s concern is that China would resort to a “creeping strategy” by slowly building up a presence to extend its influence from these positions in Pakistan and Myanmar, which could pose a direct challenge to India. The Indian navy at present lacks a power projection capability to fulfil its ambitions though plans have been made to develop a blue water naval capability by 2022.

The first Indian naval doctrine entitled *The Indian Maritime Doctrine, 2004* outlined the navy’s future directions. It stressed that the first major function of the navy was a strategic nuclear one, for “credible minimum nuclear deterrence” and the development of the sea leg of the nuclear triad. In terms of the navy’s conventional role, the Indian Ocean was described as India’s “extended neighbourhood” and SLOCs were regarded as critical for India’s imports from the Gulf, and its trade with Southeast Asia. The doctrine stressed the need to control the vital choke points as well as the trade routes. It declared that the “Indian maritime vision for the first quarter of the 21st century must look at the arc from the Persian Gulf to the Straits of Malacca as an area of legitimate interest.”

*India’s Maritime Military Strategy, 2007* a publication of the Indian Defence Ministry noted India’s growing dependence upon sea borne trade and the importance of its energy imports. It emphasized that the primary task of the Indian navy was to “provide insulation from external interference, so that
economic growth can take place in a secure environment”. The publication identified nine sea passages of which five were key SLOCs considered critical for India’s future. India’s naval program appears impressive and if fully implemented would place it in a dominant position in the Indian Ocean.

**Australia:**

Since 1973, the majority of Australia’s military deployments have been in and around the Indian Ocean (including Kuwait, Somalia, East Timor, Iraq, Afghanistan and the Gulf of Aden). Australia began developing a significant naval presence in the Indian Ocean in the late 1980s. In the mid-1990s, India and Australia (together with South Africa) acted as co-sponsors in the establishment of Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) with the primary aim of promoting trade and investment in the region. However, IOR-ARC has had few concrete achievements in progressing regional economic cooperation or even cultural issues due to the extreme diversity of states in the Indian Ocean Rim and a lack of political will. India and Australia have recently taken a leading role in trying to revive IOR-ARC and mould it into an effective regional grouping. Australia now recognises India as a key partner for Australia in Indian Ocean security and in the Pacific. Currently, around one third of the Royal Australian Navy (RAN) is deployed in the IOR, including at Fremantle, Western Australia, the largest base. This shift in defence resources towards the IOR is only likely to accelerate as per the recent Australian Force Posture Review. The location of many of Australia’s resources in Western Australia and off Australia’s northwest coast has now become a significant factor in Australian defence planning. As the 2009 Defence White Paper stated, “over the period to 2030, the Indian Ocean will join the Pacific Ocean in terms of its centrality to our maritime strategy and defence planning”, “as India extends its reach and influence into areas of shared strategic interest, we will need to strengthen
our defence relationship and our understanding of Indian strategic thinking...

Australia’s heightened strategic interest in India also reflects the increasing strategic importance to Australia of the IOR as a whole, where India plays a leading role. Australia’s strategic focus has traditionally been towards East Asia and the Pacific, while the Indian Ocean has often been neglected in its strategic thinking. The US strategic predominance in the Indian Ocean is likely to continue for many years to come. It is increasingly looking to share the security burden with key regional partners, which includes both Australia and India.

As the then Australian Defence Minister, Stephen Smith, commented in 2011: “India’s rise as a world power is at the forefront of Australia’s foreign and strategic policy, as is the need to preserve maritime security in the Indian Ocean. India and Australia, with the two most significant and advanced navies of the Indian Ocean Rim countries, are natural security partners in the Indo-Pacific region.”

In the 21st century, Australia has made considerable efforts to develop a comprehensive strategic relationship with India. There have been numerous visits to India by Australian Prime Ministers and senior ministers. This increased political engagement has led to several bilateral agreements between the two countries on security-related matters, including a 2003 agreement on terrorism, a 2006 memorandum of understanding on defence cooperation, a 2007 defence information sharing arrangement and 2008 agreements on intelligence dialogue, extradition and terrorism. In November 2009, Australia and India announced a Joint Declaration on Security Cooperation, intended to set out shared strategic perspectives and create a framework for the further development of bilateral security cooperation. At the same time, the then Prime Minister Kevin Rudd told an
audience in New Delhi that India and Australia were “natural partners” and should become “strategic partners.

In 2011, India and Australia released a joint paper outlining six priority sectors for future cooperation within IOR-ARC, including maritime security, trade and investment, fishing industry, disaster management, tourism and capacity building. The inclusion of maritime security issues as a priority represents a significant change in the position of India, which has previously opposed the grouping discussing security issues.

**Way Forward:**

The China factor is critical in determining the future roles of the leading powers in the IOR. An analysis of the relative strengths of the navies of the powers in the region indicates that the US is not in a position to guard the entire IOR on its own either in the present or in the near future. Throughout the Cold War, the US had around 600 ships. In the 1990s it had more than 350 ships and it is now down to 280. Over the next decade and beyond, even if the US navy continues to build 7 ships per year with a fleet whose life expectancy is 30 years, the total number of ships could dwindle to the low of 200. This does not mean that the US Navy will cede its preeminent position in the Indian Ocean and the Western Pacific. But, America’s unipolar moment in the world oceans is starting to fade as China which is the likely peer competitor in the 21st century, increasingly translates its economic clout into sea power.

The speed and scope of China’s maritime development in recent years has been significant. China has made rapid strides in modernizing its navy, with an aircraft carrier, amphibious ships, nuclear submarines, and anti-ship cruise and ballistic missiles, land based air craft, unmanned aerial vehicles, electromagnetic pulse weapons and maritime surveillance.

It is argued by some Chinese scholars that the Chinese threat in the power politics in Indian Ocean is being exaggerated. The perception of the ‘China
threat’ mainly derives from a fear of China’s different political system and its astonishing rise, both in scale and speed. This school believes that China’s strategic focus is the Pacific rather than the Indian Ocean. It lags far behind the US in terms of maritime power and does not enjoy India’s geographic advantages. Today, China’s naval strategy is believed to ensure a ‘harmonious sea’ through capacity building and international cooperation. China views the region surrounding the Indian Ocean as a vital energy and trade route, but not a battlefield for power struggle. China’s seaward policy is strongly influenced by trade and energy motives, and its open economy is becoming more interdependent with the outside world, particularly the Indian Ocean. Chinese involvement in building infrastructure in IOR littorals is part of China’s economy-oriented ‘Going Global’ strategy.

However, the leading powers in the IOR are still suspicious about the Chinese naval rise and strategies such as the ‘string of pearls’. Japan and Australia as naval powers though cannot play effective roles in the IOR, particularly in the background of the declining US role here, can meaningfully partner with India to maintain peace and tranquillity in the region.

The necessities, concerns and compulsions of the globalized 21st century have led to an unofficial strategic understanding among the leading powers in the IOR. The countries that have a stake and role in IOR cannot antagonize China as the US, Japan, India and Australia have high volumes of trade with China. For the same economical reason, China too, on its part cannot afford to provoke or push these powers too much strategically. There is however, an informal consensus among the powers, including China that India has a historical and traditional role and responsibility in IOR which has to be respected. China’s rise and a possible expansion to the IOR is causing worry to the remaining powers. India is uncomfortable with the Chinese ‘String of Pearls’ encircling India by developing the ports and presence in South Asia.
As a result of US strategy to ‘off shore’ naval responsibilities to its allies or partners, Australia and India have become natural partners in maintaining security, peace and stability in the IOR. India-Australia cooperation in the IOR balances the so called Chinese threat to the US and vice versa. China has to be viewed more objectively as it has so far limited itself to enhancing its trade activities and protection of its energy supplies. In fact, at present, it appears that, economics overtakes all other factors as the Chinese Silk Road initiatives are estimated to generate general trade above 2.5 trillion dollars within a decade. The recent announcement of ‘One belt One Road’ vision document, a part of this initiative has two components- the Silk Road Economic Belt (SREB) and the 21st century Maritime Silk Road (MSR). The SREB focuses on linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia; and connecting China with Southeast Asia, South Asia and the Indian Ocean. The 21st Century MSR is designed to go from China’s coast to Europe through the South China Sea and the Indian Ocean in one route, and from China’s coast through the South China Sea to the South Pacific in the other. It is believed that the ‘belt and road’ initiative, which has already attracted several nations along the route, backed by an extensive China-led funding infrastructure, could shift the geo-economic power towards Eurasia.

Another ‘game changer’ that China has envisaged is the setting up of the Asian Infrastructure Investment Bank (AIIB), a multilateral financial institution challenging the long-held dominance of the Bretton Woods system, indirectly challenging the US itself. AIIB was formally inaugurated in Beijing on October 21, 2014 with 21 founding members including China, India, Pakistan, Singapore and Vietnam. The US was dismayed when the UK, France, Germany, Switzerland, Italy, Luxemburg, Austria etc joined the AIIB. By April 15, 2015, even its closest allies in the Pacific and the Indian Ocean like Australia, South Korea, or Saudi Arabia became the Prospective
Founding Members of the AIIB raising the number of Prospective Founding Members to 57. China seems to have mastered its art of playing its ‘economic diplomacy’ to further its interests through ‘benign presence’ in the littoral states of the IOR. Considering the positions and the compulsions of the US and Japan, India and Australia have become the ‘natural partners’ in maintaining peace and tranquillity in the IOR. It is crucial for both these powers to convince China that their policy in the IOR is not directed against China or to contain it, but to maintain a balance in the region. India and Australia have already proved it by welcoming the AIIB. The argument as to whether the struggles and suspicions in the IOR are only about the energy security needs serious debate and discussion. There has been no thought given to the relevance of the energy security in future in the IOR with the dwindling of oil reserves after three decades. The leading powers have not visualized or envisaged running their navies or flying their fighter planes in the absence of sufficient oil.

Bibliography


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(9) Australia’s Maritime Security Interest

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Australia being primarily a maritime country which is depends on the Global Sea Lanes of Communications for its export oriented market is concerned about the maritime security.

The above strategic calculus has been the reason why Australia has aligned first with the Great Britain till the Second World War and after with the United States during the Cold War.

Now in the 21st century, Australia’s strategic interest are the same with increased need to protect the Sea Lanes of Communications overlooking both the Eastern and Western Coastal lines.

The increased strategic awareness of the Australian government will be addressed in the Australian Defense White Paper 2015,

**Australia Defense White Paper 2015**

Australia, one of the key allies of the United States is set to release its Defense White Paper with a clear shift in focus of strategic priorities in an Asian Century. The Defense White Paper is like the Quadrennial Defense Paper released in the United States every four year.

The Australian Defense White Paper 2014 will be the second that will be released under the Australian Prime Minister Tony Abbott following the 2013 Defense White Paper. The second in two years signals the importance of Australia in the evolving geo-political term Indo-Pacific.

The Australian Defense White Paper will envisage the strategic architecture surrounding Australia. Australia happens to be the hub around which the spokes of US power projection are extended through South-East Asia into the South-western Pacific and Indian Ocean. Australia is the major United States ally in the Southern Hemisphere and also important players in the US forward policy or pivot in the expanded Indo-Pacific geo-strategic realm

At present, Untied States has permanent military presence in Australia with a base of 2500 US Marine Task Force in Darwin, North Australia apart from
the strategic alliance which is existence between Australia and the United States.

Australia’s core security interests lie in the South-western Pacific and the Indian Ocean. These overlap but are not identical to those of its major allies, particularly the US. Australia started to pursue self-reliance policy for its defense following the Guam Doctrine announced by the US during the Nixon Administration. The Guam Doctrine saw the need for US allies, Australia in particular, to be as self-reliant on defense and security matters as possible, all the while continuing to strengthen bilateral military-to-military ties with the US.

Australian defense White Paper since 1976 has adhered to that vision. Australia’s pursuit of strategic self-sufficiency following the Guam Doctrine allowed the US to encourage its rise as an allied regional power in Asia Pacific.

With increased Chinese maritime expansion in the Indian Ocean and South China Sea, Australia’s Defense White Paper will envisage on how Australia’s maritime interest will be secured.

**Australia’s maritime strategic orientation**

Australia is a rising Middle-Power in the Southern Hemisphere and will continue to aspire for a Great Power status in the Southern Hemisphere.

Countries in the South Pacific such as Fiji, the Cook Islands, the Federated States of Micronesia, Kiribati, the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu are in their transition to democracy. Their economies are struggling and China is ready to help them.

Therefore, South Pacific countries are more attracted to China and high-level visits of Chinese military and naval officers to the region have become a regular feature, with chances of a Chinese Naval Base in Vanuatu becoming a possibility.

Australia’s core security interests lie in the Southwestern Pacific and the Indian Ocean. These overlap but are not identical to those of its major allies, particularly the US. Australia started to pursue self-reliance policy for its defense following the Guam Doctrine announced by the US during the Nixon Administration. The Guam Doctrine saw the need for US allies, Australia in particular, to be as self-reliant on defense and security matters as possible, all the while continuing to strengthen bilateral military-to-military ties with the US. Every Australian defense White Paper since 1976 has adhered to that vision. Australia’s pursuit of strategic self-sufficiency following the Guam Doctrine allowed the US to encourage its rise as an allied regional power in Asia Pacific.¹
Added to the fact that the Australian forward presence in the Cocos (Keeling) islands, in the Indian Ocean consisting of two atolls and 27 islands some 2,950 kilometers northwest of Perth and 1,272 kilometers southwest of Jakarta. The islands serve as a refueling stop and forward base for the Royal Australian Air Force’s P-3 Orion Indian Ocean surveillance fleet. In the years to come, the Cocos islands could become for Australia what the Andaman and Nicobar islands are to India, since the existing airfield can be upgraded to support the latest generation P8-A Poseidon maritime patrol aircraft and the world’s largest drone, the US-built Global Hawk. This possibility was emphasized by the 2012 Australia’s Defense Posture Review. The Australian Defense Posture Review also mentioned that the Cocos islands could serve as a spring board for joint US-Australian operations and power-projecting capabilities in the Indian Ocean.

Australia also has a forward presence in the Cocos (Keeling) islands, which consist of two atolls and 27 islands, some 2,950 kilometres northwest of Perth and 1,272 kilometres southwest of Jakarta. The islands serve as a refueling stop and forward base for the Royal Australian Air Force’s P-3 Orion surveillance fleet, covering the Indian Ocean. The Cocos Islands base is to be upgraded, to support the latest generation P8-A Poseidon maritime patrol aircraft and the world’s largest drone, the US-built Global Hawk. This possibility was emphasized in the Australian Defense Posture Review in 2012. The Review also mentioned that the Cocos Islands could serve as a spring board for joint US-Australian operations and power projection capabilities in the Indian Ocean.

On the other hand, Principal Task Three, which aims to provide for military contingencies in the Indo-Pacific region, means that Australian Defense Forces will increase their existing capabilities for Out of Area Contingency Operations (OOACP). This will involve multi-national operations and this is where India will have a great interest as it is developing its own OOACP.

**China’s maritime interest and Australia’s concerns**

The Defense White Paper 2013 referred to China’s continued rise as a global power and the increasing economic and strategic weight of East Asia. Australia has some concerns about China’s maritime capabilities in the Asia Pacific region, and specifically the Indo-Pacific region, and the Defense White Paper has identified China’s influence in the First Island Chain in East Asia.²

China’s maritime strategy involves the “three island chain” approach, enunciated by Admiral Liu Huaqing in 1988. By 2010, China was seeking to establish a permanent blue water presence in the first “island chain”, arrayed on a Japan-Taiwan-Philippines axis and including the South China Sea. By 2025, it proposes to establish a similar presence in the second “island chain”, stretching from the Aleutians through the Mariana Islands, to
the east coast of Papua New Guinea, and including the Strait of Malacca. By 2050, its reach will extend to the third “island chain”, starting in the Aleutians and ending in Antarctica, including waters off the shores of New Zealand and Australia.

The newly coined term “Indo-Pacific” overlaps both the first and second of these island chains. Countries that have been wary of this island chain strategy include the United States, Australia, the Philippines, Indonesia and Vietnam.

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The newly coined term “Indo-Pacific” overlaps both the first and second of these island chains. Countries that have been wary of this island chain strategy include the United States, Australia, the Philippines, Indonesia and Vietnam.

First, the White Paper mentioned that central to Australia’s policy is the security of South-East Asia. It says that Australia’s neighbors in that region sit astride Australia’s northern approaches. Any potential aggressor would have to operate through those areas to sustain armed attacks on the major sea lanes that are critical to Australian and regional trade. We would be concerned if potentially hostile powers established a presence in Southeast Asia that could be used to project military power against Australia.

Second, the White Paper also identifies the stability and security of Indonesia as of singular importance. It mentions that Australia benefits from having a strong and cohesive Indonesia as a partner to its north; as Indonesia also benefits from a secure Australia to its south. The White Paper calls for increased defense co-operation between the two countries.
Of additional relevance is the United States’ decision to augment its base in Guam, a brainchild of the George W. Bush Administration. It was a vision of containing China in the Indo-Pacific through the United States-Japan Realignment Roadmap of 2006 which included the relocation of US personnel to Guam from Okinawa. As a part of those changes, the Guam base is expected to host an Air and Missile Defense Task Force of over 10,500 US Marines by 2017. Further options include a second Amphibious Ready Group to transport a Marine Expeditionary Unit.

Looking to Australia, the above changes represent a paradigm shift in US strategic thinking under the Obama Administration. President Nixon’s 1971 “Guam Doctrine” influenced Australian strategic thinking and in a way gave Canberra the “strategic autonomy” to deal with adverse situations unless threatened by a nuclear power. The Guam Doctrine assumed more significance when the US pulled its troops out of Vietnam, which meant that every Australian Defense White Paper since 1976 has been a part of the Guam Doctrine. The case of Australia assumes significance in relation to the new Guam Doctrine as, other than India and Japan, no other country has assumed the tag of an aspiring power willing to check China’s spheres of influence in the Indo-Pacific. It is precisely the reason why the US has decided to court Australia.

Both India and Australia have welcomed the changed posture of the United States, which means, logically, that New Zealand too will be in a better position to aid its traditional ally, Australia.

Australia should also shift from the security strategy envisaged by Australia Defense White Paper released in 2009.

The White Paper took the position of self-reliance in defense, which is an extension of its policy since the issue of ‘Guam Doctrine’ by the US in the 1970s.

In conclusion,

Australia with the need to keep its Sea Lanes of Communications will align increasingly with the United States and India (which happens to be an emerging maritime power) in an effort to keep its strategic calculus intact.³

Notes
1) Australia in an Asian Century
2) Australian Defence White Paper 2013
3) Geopolitics of the Indo-Pacific / editors, Pradeep Kaushiva, Abhijit Singh
   National maritime foundation, 2013

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(10) Indo-Australian Interaction in the Eyes of Post-Soviet Researchers

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In scientific work since 2006 deals with the historical and contemporary issues of internal and external political, economic, socio-cultural, environmental and other factors of development of the countries of South Asian region, with special attention towards India.


Indo-Australian Interaction in the Eyes of Post-Soviet Researchers

Traditionally, the interests of experts, including those directly involved into the study of Indian external political and economic relations per se, are concentrated primarily on India’s cooperation with major (not only global) powers, its SAARC neighbours and – to possibly lesser extent – the states which are home for significant Indian diasporas. At that, Australia quite often “slips” from this list of Indian partners in various spheres.

This may be explained by a number of reasons.

First, while India itself is always considered to be an important and in many aspects crucial power which is inevitably to be reckoned with and
studied about, Australia is perceived by many as a “peaceful, tranquil, unostentatious, inconspicuous” and hence not very important country “somewhere in the southern hemisphere”. And despite Australia along with India has once been one of the jewels in the crown of the British Empire, it was gradually (and comparing to some colonial possessions even initially) overshadowed by other such “jewels”, including USA, Canada and, of course, India itself.

Second, the southern directions of Indian foreign policy and economy being under consideration of various researchers mostly cover: South-East Asia (which India has millennia-old set of multiple ties with and quite a vibrant present-day cooperation on bilateral level as well as within various “ASEAN+...” formats); states of Southern and Eastern Africa (with a legacy of centuries-old diasporic connections); countries of South America (first of all, Brazil within BRIC/BRICS). And Australia was almost “forgotten” to be talked about in this respect. Moreover, judging by the fact that the recent visit of Indian Prime-Minister to Australia has occurred only 28 years after the previous one, and is interpreted by some as a mere “coincidence” with the G-20 Summit, many analysts reasonably enough believe that India on her own part treats Australia as not one of the foreground partners.

Third, Australia itself has usually acted as such an “indiscernible and unnoticeable” state on the global arena. Neither it has any specific territorial referencing or affiliation, being considered geographically as Australia and Oceania region, in ethnic terms – as a native land of separate (not always distinguishable by specialists) race of Australoids, from modern cultural-civilizational (including ethical mindset, social relations and political culture) point of view – as part of the Western world, and in other aspects (pertaining to economy, sport etc. among them) – as a representative of Asian mega-area, and thus belonging to everybody and simultaneously to nobody. Nor it has ever somehow taken part in any major and fateful global or interregional events and collisions. In this regard, against the background of India itself which actively and sometimes even forcefully participates in numerous world affairs, Australia is somewhere in the shadows, and therefore is not seriously taken into account as India’s “co-...”.

Despite all these considerations should be treated as author’s personal opinion, they to considerable extent reflect the actual perception of Australia and its relations with India within the CIS and even broader area. Studies of India-Australia relations – or, better to say, their scarcity, scantiness and sketchiness – by post-Soviet, primarily Russian scientists and analysts written in Russian language prove the abovementioned points. This outline investigation seem to be even more topical taking into account the fact that the views and conclusions of Russian scientists mainly coincide (sometimes recapitulate in additional profound details) with the same of their foreign
colleagues. Hence, such an investigation would help to better comprehend the overall perception of Indo-Australian interaction.

The works are analyzed in a succession from monographic, educational, reference and dissertational researches to articles and Internet sketches.

Thus, a full-scale and quite a detailed study by Russian Indologist N.V. Galischeva entitled “Economy of South Asian Countries” contains only indirect indications on the history and current status of Indo-Australian trade partnership. Within the historical aspects of this work, it is noted that until 1947 and in the first years of independent development, India’s foreign trade has mainly been focused on the centre of the empire as well as on the British colonies and dominions. At that, yet in the middle 1940s British India had a positive balance of payments, which could be explained by the large positive trade balance with the United Kingdom and the territories under its control including Australia, that allowed colonial India to accumulate significant foreign exchange reserves. The study further states that the Indian diaspora is represented, among other countries, also in Australia. There is given data of 190 thousand people in 2003, i.e., the year when the mass migration from India has begun; however, it is also pointed out that this is the fastest growing diaspora of the country (as a result, it is not surprising that to date it has more than doubled). The most important record on Australia in this book is contained in the section on India’s participation in integration groupings. Here, the author accentuates that the scope of activities of the Indian Ocean Rim Association for Regional Cooperation is not large enough, which “is resulted from a restrained attitude towards the intensification of integration processes across the whole Indian Ocean on the part of the major participating countries – India, Australia and South Africa developing their cooperation mainly with neighboring partners”¹. In other words, the study as though emphasizes that this “coincidence” in the external economic behavior of these countries sooner negatively impacts the features of operation of the present-day IORA.

It is noteworthy, however, that in the book written by the father and son Nartovs, in the section “India within the Global Geopolitical System” the authors argue that “the IOR-ARC by virtue of military-strategic and geopolitical importance of the region attracts the most intent attention of the United States and China. In this regard, the documents of the top-level meetings between India and South Africa stated that the US’ desire to bring under control the oil and gas resources of the Caspian Sea and other areas of the former Soviet Union gravitating towards the Indian Ocean waters poses a potential threat to the interests of both countries, while negotiations with Australia covered the issues of creation of collective security in the waters of the Ocean”², that is, the emphasis is made on the strategic aspects of cooperation of these states.
The four-volume encyclopaedic glossary published by the Moscow State Institute of International Relations under the title “The Political Systems of Modern States”, which explicitly announces in the preface that “we want to understand the structure of present-day world politics, the position of specific states and their groupings within it, their dynamics, and to look into all this through the prism of different methodological approaches”, offers just a few superficial data on various sides of Indo-Australian ties. In the entry on Australia, there is given information on the facts that the ancient tribes-migrants from southern parts of India populated the territory of Australian continent and Tasmania, that expatriates from India from time to time are victims of ethnic frictions with migrations from India constituting around 7% of total migrants arriving to the continent annually, and that Indo-Australian trade relations are expanding with Australia supplying the former coal, wool and grains. The entry on India provides no information about Indo-Australian relations at all! Regarding other countries of South Asia, Australia is mentioned as political and/or economic partner of Bhutan and the Republic of Maldives.

In the textbook by the scholars of the same Moscow State University of International Relations entitled “The Constitutional Law of Foreign Countries”, the chapter on “Fundamentals of the Individual’s Legal Status” refers to the fact that in some multinational countries widespread is the discrimination against ethnic minorities; moreover, ethnic and religious forms of discrimination are superimposed on the social inequalities that aggravate conflicts. “The lack of equality is manifested in the preservation of caste system in India, as well as in the status of Australia’s aborigines”. The chapter “Forms of Government in Foreign Countries” says that if in Australia the federated entities (states) are created on the natural-geographical basis, then in India the territorial factor in combination with the national-linguistic one is adopted; if in Australia there is established an equal representation of the federal subjects in the upper house, then in India the states’ representation in the Raja-Sabha is defined depending on the population size of a certain state; in both India and Australia the bicameral structure is adopted not in all states, and the highest official performing the functions of the head of state is called Governor. In the chapter on the “Voting Right and Electoral Systems” it is noted that both in Australia and in several Indian states there exists a rarely found variation of proportional system – a system of ‘single transferable vote’. The chapters on “The Head of State in Foreign Countries” and “The Government in Foreign Countries” inform that in Australia and India there is a system in which the head of state, along with chambers, is considered an integral part of the parliament; in both states, if any party or bloc of parties has an absolute majority of deputy mandates, the leader of the winning party (coalition) is automatically appointed for the post of Prime Minister. Finally, the chapter on “Fundamentals of the Constitutional Rights of India” argues that the creators of the basic law of
this country “boldly agreed to the reception and adaptation to the specifics of Indian conditions of provisions of many constitutions of other states. That is why it is possible to find within the Indian Constitution the articles resembling analogous provisions of the Australian Constitution among others”.

To sum up, depending on their orientation, focus and specificity, the Russian monographic, educational and reference studies dwell on the analysis, on summarization and on mere statement of the various aspects of Indo-Australian relations or/and similarities.

A number of dissertational researches of post-Soviet authors on a broad variety of subject matters of foreign-policy and foreign-economic development of India or (less often 'and') Australia also contain propositions about these or other factors of Indo-Australian cooperation.

Thus, referring to the aspects of recent history, it should be noted that an abstract to dissertation on the history by Ye.V. Firsov headed “The Characteristics of Evolution of Australian Policy in the Asia-Pacific Region (1945-2011)” at least partially deals with the analysis of historical preconditions to the formation of the Australian national identity, its historical roots and traditions, philosophical and world-view basis of Australian foreign policy, including in its comparison with the same points on India. One of the author’s conclusions lies in the argument that unlike India, Australia continues to exist “under the patronage”, shaping its foreign policy in line with the priorities of initially the UK and later – the USA.

In the jurisprudence dissertation by A.A. Popova “The Formation of System of the Sources of Law in Australia during the Colonial Period (End XVIII – XIX Centuries)” it is noted that, similar to the case of India, the introduction in late XVIII century over the Australian territories of the 'legitimized' British colonial regime created preconditions for a 'transfer' and distribution through the local and imperial colonial rights of English law proper within the British colonies of Australia. At that, as was also the case of some parts of India conquered by the British, “a subsystem of legislation of the British colonies in Australia represented a detached within the empire-wide law structural integrity of legal rules and regulatory jural enactments approved by either local governors and legislatures ('local colonial legislation'), or by the very British Parliament but specifically for the colonies of Australia ('imperial colonial legislation'). In other words, on the one hand the law of the colonies had been created through the violent spreading of legal statutes of British society, and on the other – the colonial law had been developing through the issuing of legal acts by the state bodies of metropolitan country for their direct application in its colonial possessions. Subsequently, the making up of the subsystem of colonial legislation in Australia (like in general in India) has been greatly contributed by the unification of the 'self-government' law, which was associated with a
gradual increase in the national liberation movement. In the process of formation of a single harmonized and solid system of national law, the country’s constitutional legislation acts played a decisive role.

In the abstract of a thesis by Yu.N. Mostyaev “India’s Contribution to the Common Victory of the Allies over the Axis Powers in the Years of the Second World War (1939-1945)” there is discussed in relative details the similarity in the status of India and Australia with respect to the main warring states. Thus, the author points out that the number of British commanders were in favor of the early establishment of a large British Middle Eastern Army as well as to the strengthening of forces in Southeast Asia mainly at the expense of the troops of India, Australia and New Zealand on the basis of 'Empire's great merits' towards their peoples; that, in turn, the fascist coalition countries planned to weaken the UK through tearing away first of all India and Australia, with a crucial role in both cases being assigned to Japan. It is also argued that the British had plans for postwar granting India with a status similar to the Australia’s one.

The thesis by Yu.V. Popova – a young specialist in global economy – titled “Australia in the Markets of Asian Countries” states that the South Asian region “remains the least developed in Asia which is largely demonstrated by low rates of its trade with Australia. The exception in this regard is India that entered the new millennium with a strong and solid financial perspective. After Japan and Korea, India is the third largest market for Australian coal. Every year Australia exports 9 million tons of coking coal to the Indian market, which constitutes 40% share in the structure of Australian exports to this country. India is on the 5th place in the world in terms of purchasing high-quality Australian wool. Australia accounts for 60% of the total volume of this product entering the Indian market”. Further in the work, there is indicated that in the early 2000s, the size of Australian investments to the Indian economy has reached $1 billion, with a 10-times increase since the early 1990s. However, it is emphasized that despite the significant changes in the investment policy, the Indian market represents only 1% of Australia’s total foreign direct and portfolio investments. The author notes that in 2000, within the territory of India there were over 100 Australian companies. The largest Australian company operating in the Indian extractive industry has been BHP Billiton, which for the past 30 years collaborates with Indian companies as a coal exporter and iron ore importer, and whose main policy priorities included the construction of a terminal for natural gas recovery on the eastern seaboard of India, as well as the increased access to the Indian energy sector.

The abstract of a thesis by economist A.M. Murtazov “The Features of Economic Development of Modern India” refers only to the share of Australia in the geographical structure of Indian imports. The dissertation by S.A. Kurbanov under the same title indicates that Australia is one of the
leading trade partners of India, and the ASEAN+6 grouping is also referred to as one with the participation of both these states.\textsuperscript{11}

As could be seen from the above-cited material, the doctoral researches by Russian authors are devoted to a whole range, a ‘mosaic’ of Indo-Australian relations, information on which mostly just ‘intersperses’ the main content of any particular thesis or abstract of it.

Turning to the articles, it should be noted that within the context of the subject under concern of considerable interest are the articles by V.Ya. Arkhipov – Senior Doctorate in Economics, a specialist in the Australian economy, whose field of research directly includes the economic aspect of Indo-Australian cooperation.

So, in his article entitled “India’s Economic Cooperation with the Countries of East Asia and Australia”, the author notes that since the beginning in 1991 of liberalization reforms there was a sharp change in the attitude of India towards the trade and economic ties with its eastern neighbors (the so-called ‘Eastern Policy’). Consequently, the share of Australia in the Indian trade has risen significantly, increasing annually by more than 10%. “Since 2002, trade has expanded particularly rapidly mainly due to a considerable increase in nonmonetary gold deliveries by Australia”. As further pointed out by the author, the main Australia’s merchandise exports articles to India have become non-monetary gold, coal, copper ore and other ores (minerals, including gold, constitute over 70% of these exports) and wool, while Australia’s import from India is represented by pearls and precious stones, textiles, carpets, jewelry and seafood. “In 2004, India was Australia’s sixth most important export market – it accounted for 4.6% of Australia’s merchandise exports, and ranked twelfth in the Australian services exports (1.8% of total exports of services by Australia). The main articles of the latter were visitors (especially tourists) services and Indian citizens training”.\textsuperscript{12}

In another article entitled “Australia – One of the Main Mineral Resources Suppliers to China and India”, V.Ya. Arkhipov argued that the emergence of India in a number of economically leading countries of the world has a great impact upon the entire global economy, leading to a significant increase in India’s consumption of foreign production. At that, this process most seriously affected Australia, which has become a major supplier of mineral resources to this country, and the industrial production as a whole is becoming an important part of Australia's exports to India. For example, the author writes that although India buys mainly Australian coking coal (since 2000, the share of Australia in the Indian coking coal consumption amounts to 95%), this country enjoys the prospects of deliveries to India of thermal coal as well to meet the latter’s growing energy needs. Exporting copper ore has been greatly facilitated through the acquisition of Australian copper ore mines by two large Indian copper
producing companies. In the prospect, India is a very attractive market for Australian suppliers of liquefied natural gas, especially since its imports from Australia could reduce the risk for Indian importers of supply disruptions due to political instability in the Persian Gulf states. A very important provision appears in the phrase that "the common economic interests of India and Australia dictate the need for closer bilateral cooperation. This also applies to ensuring it in matters relating to the supplies of raw materials and arrange for the provision of necessary services. Reflecting the mutual interests, in 1999 these countries set up a joint working group on energy resources and minerals, and in 2006 signed Framework Economic and Trade Agreement providing for closer cooperation”.13

One more article by the same author entitled “The Australian Bedrock of China’s and India’s Economic Successes”, partly repeating information of the previous article, focuses on the Indo-Australian trade in gold and diamonds. In the section “Australian gold in the Indian village”, V.Ya. Arkhipov writes that “the Indian purchases from Australia have risen sharply as a result of the trade regime on gold transactions reform (tariff-free import of gold and diamonds) aimed at promoting Indian exports of jewelry... Australia implements great trading operations with India on these commodities, which are not held, however, directly. According to agreements on diamonds existing in the world, Australia delivers most of them to Belgium and the UK, from where almost all of them are re-exported to India for processing”.14

Finally, in an article by V.Ya. Arkhipov “The Australian Way” it is said that the Australian foreign trade is evolving towards Asian countries, and “particularly rapidly and significantly increases the export to India”15, while in the paper entitled “Australia’s Economy and Foreign Trade”, the author simply points out in a tabular form the place of India among Australian trading counterparts on the basis of various parameters.16

Thus, V.Ya. Arkhipov in his articles considers in significant detail the question of Indo-Australian trade and economic cooperation, albeit without much analysis but mainly just on the basis of facts statement.

In the article by N.S. Skorobogatykh titled “Australia and Asia in the Arrived ‘Asian Century’: the Problems and Their Solutions”, the author notes that in Australia successfully operates the Australian-Indian Council being a public organization, that “a Government Report ‘Australia in the Asian Century’ of 28 October 2012 enumerated among the ‘key regional nations’, relations with which are of particular importance for the Commonwealth of Australia countries such as China, India, Indonesia, Japan and South Korea. And it is no coincidence that “among the educational priorities, the Government of Australia has emphasized teaching since school-period of foreign languages such as Chinese and Hindi”, that Australia strives for
“maintaining balance in foreign relations with India”. The author also writes that “a series of attacks on Indian students in the cities of the Commonwealth has seriously worsened the image of Australia as the country with favorable opportunities for higher education, and moreover, this has led to some tension in relations between the two countries”, but aboriginals have participated among others in establishing human contacts, since in 2012 their cultural figures successfully performed at the ‘Oz Fest’ – a major Australian arts festival in India. The latter provision ignored by many authors indeed indicates the presence of a strong and effective system of people-to-people interaction between India and Australia. Further, the author points out that the denial by Australia of uranium supplies to India not only prevents the mutually beneficial partnership between the two countries, but also seriously complicates the Australian-Indian relations, as “the Commonwealth of Australia without any international guarantees easily sells uranium to China, and imposes restrictions for India; at the same time, a number of Australian politicians perceive this country with one of the fastest growing economies of Asia as a counterbalance to the powerful influence of China in the region”. The latter fact along with the crucial role played by the pressure of Indian diaspora in Australia, as a result, “acted as a strong argument of Australian Labor Party Cabinet in favor of lifting the ban on uranium trade with India”. The author also quotes J. Gillard, the (now ex-) Prime Minister of Australia, that India is one of the countries most important for Australia in the new ‘Asian Century’. Thus, the author, not focusing specifically on the Indo-Australian cooperation but considering it in a complex with participation of other countries of the region, critically touches upon the very sensitive issues which for whatever reasons may be excluded from researches by other experts.

In the article by S. Krylov “The Non-Aligned Movement at a New Stage”, it is stressed that the clear evidence of the growth of prestige of this Movement lies in his de-facto recognition by all European countries as well as Australia and New Zealand who participate in the Movement Forums as the ‘guests’. Moreover, the author states that Australia and New Zealand, as well as a number of other countries, always considered the Non-Aligned Movement as a positive factor in international life and if not directly but anyway used it, among other things, to promote their own national interests. As for the Russian-language Internet resources (within the system of the Runet), the issues of Indo-Australian cooperation are dealt with in the form of short information records in the ‘country-specific’ websites (such as www.indostan.ru, www.vremya.com.au), as well as in a variety of analytical, news (including information translated from other languages), tourist and general informative (such as www.webeconomy.ru) websites.
Thus, the adduced information and the results of analysis performed within this article prove that in whole, there are not too enough Russian-language materials (here one should have in mind not so much the quantity of publications, but rather the amount of relevant information provided in them) on the subject of Indo-Australian cooperation, and that they, despite a presence of a quite small number of very interesting and offbeat works, provide little information on the subject. However, this seems to reflect the general (at least Western) tendency of non-giving too much consideration to the Indo-Australian relations. And although one cannot say with certainty what is the reason –

- the objective lack of sufficient information,
- the insufficient development of this subject at the present stage,
- the mentioned above ‘invisibility’ of Australia in the global and even regional affairs (including on the background of India itself), or
- the real lack of tangible cooperation between India and Australia or/and regular ‘interruptions’ in it,

but it seems that in this regard all the four points play certain role, and hence should be adequately taken into account and if necessary – properly corrected in view of both the practical political-social-economic and theoretical scientific purposes.

References:
1 Galischeva N.V. Economy of South Asian Countries. (Moscow, 2009). PP. 200, 204, 214, 235.
7 Popova A.A. “The Formation of System of the Sources of Law in Australia during the Colonial Period (End XVIII – XIX Centuries)”. Thesis submitted to the Volgograd Academy of the Russian Internal Affairs Ministry in fulfillment of the requirements.


18 Krylov S. “The Non-Aligned Movement at a New Stage” In Observer. – 2007, № 5. PP. 105-106.

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Within a period of three months of the Bharatiya Janata Party (BJP) Government’s coming to the helm of affairs in New Delhi, the pedestal for the pursuit of invigorated strategic relations between India and Australia was erected by the State visit of the Australian Prime Minister, Tony Abbott to India on 4-5 September 2014. Perhaps the most significant outcome of this Prime Ministerial sojourn was the signing of the Agreement on Cooperation in the Peaceful Uses of Nuclear Energy, aimed at promoting bilateral collaboration in the peaceful uses of nuclear energy. The significance of the Agreement may be acknowledged along the following...
lines: first, the scope of cooperation would cover supply of Uranium, production and application of radio isotopes for civilian uses in non-energy fields like agriculture/medicine, nuclear safety and any other area of cooperation as may be mutually determined; secondly, the Agreement opens up the possibilities of long term reliable Uranium supplies that can facilitate sustainable development of nuclear energy in India’s energy mix by building up of strategic fuel reserves, thus promoting the growth of clean energy and strengthening energy security; and thirdly, imported fuel to be utilized for Indian nuclear reactors under safeguard clauses of the International Atomic Energy Agency (IAEA). For reactors which have been, and are going to be supplied by international partners, the fuel supply is covered under agreements stipulating life-time supplies of fuel facilitated by vendor countries. For Indian reactors built indigenously and placed under IAEA safeguards, Uranium imported from various countries (including in case of Australia) is being and will continue to be used.¹ Summarily then, the Agreement has the potential of catapulting Australia to the position of a “long-term, reliable supplier of Uranium to India”.² The signing of the above-mentioned Agreement with a non-NPT (Nuclear Non-Proliferation Treaty) signatory like India is a follow-up of Canberra’s decision in 2011 to remove its long-standing ban on Uranium sales to India, on the basis of its impeccable non-proliferation track record, thereby removing a major irritant in the visage of India-Australia strategic ties, embracing bilateral defence (including maritime) and energy cooperation. The re-consideration on Australia’s part may also be attributed to a variety of factors and they are as follows: first, the changing geo-strategic regional ambience, spurred by an increasingly assertive China, particularly with respect to its muscle-flexing in the Asia-Pacific littorals; secondly, the consequences of the global economic crisis, in the backdrop of which, Australia’s Uranium industry was striving to unshackle itself from self-defeating restrictions that enabled countries like Kazakhstan and Canada to exploit the fledging Uranium market. Given this situation, not only was Australia keen to increase its global market share of Uranium export from a mere 13%, but also was concerned about insulating its economy from the social backlash of the global recessionary ambience; thirdly, the aftermath of the Daiichi-Fukushima disaster (March 2011), following which, global Uranium rates plummeted to US$ 55 from a peak of US$ 136 in 2007, implied that from estimates of over US$ 1 billion, Australia was coping with a dismal figure of about US$ 600 million in Uranium sales.³ Under the given circumstances, it was expedient for the then Australian Prime Minister, Julia Gillard to bring about a paradigm transformation in Australia’s strategic outlook vis-à-vis India, when, in November 2011, she acknowledged that the time was ripe for Australia to “modernize its platform” in an attempt to bolster its “connection with dynamic, democratic
India.” This sentiment was echoed by the then Foreign Minister of Australia, Kevin Rudd, when he confirmed that, “The strategic relationship with India for the decades ahead is of great importance to Australia’s national interest.” Whatever be the probable reasons for Australia’s revoking the ban on Uranium export to India, the crux of the matter remained that, this decision and its ultimate culmination, manifested in the signing of the Agreement on Cooperation in the Peaceful Uses of Nuclear Energy have the potential of acting as the game-changer in the overall visage of bilateral relations in general and strategic relations in particular. Furthermore, such an Agreement could not have been inked at a more pertinent juncture, given the fact that, the Indian Prime Minister, Narendra Modi has proactively facilitated the graduation of India’s ‘Look East’ policy to its ‘Act East’ ‘avatar’, within the wider scaffold of which, Australia’s prominent locus on the ‘Act East’– Asia-Pacific radar has been confirmed.

Incidentally, the Agreement has come at a time when the Government of India is resolute on treading an ambitious goal of increasing its nuclear power generation capacity to more than 10,000 Megawatts (MW) over the next five years, i.e. by 2020 and further to 63,000 MW by 2032 by adding nearly 30 reactors. It deserves mention at this juncture that while nuclear power accounts for 3.5% of India’s present electricity generation, and its share in future electricity generation will be less than 10% even if the installed capacity is tripled, nuclear energy, in consonance with other sources of energy – both renewable and non-renewable – is poised to play a significant role in meeting the exponentially-escalating energy demands of its teeming millions. India aims to supply 25% of electricity from nuclear power by 2050. The 2015 edition of British Petroleum’s Energy Outlook projected India’s energy production rising by 117% to 2035, while consumption would grow by 128%. In July 2014, the World Nuclear Association, in its report titled, “Nuclear Power in India”, noted that, the per capita electricity consumption figure is expected to double by 2020, with 6.3% annual growth, to reach 5000-6000 kWh (kilowatt hour) by 2050, requiring about 8000 TWh (terawatt hour)/year then.” Such a huge surge in electricity consumption would naturally call for more diverse and reliable sources of power supply for the country. Prior to the waiver granted to India by the Nuclear Suppliers Group (NSG) in 2008, India’s nuclear power reactors operated at 50% capacity, since it was unable to produce sufficient Uranium to run the reactors at full steam. The scenario changed post-2008, with India importing Uranium from Russia and Kazakhstan, which prompted capacity utilization of nuclear power plants and spurred its productivity from 50% in 2008-2009 to more than 80% in 2013-2014. With Australia and very recently, Canada emerging as alternative Uranium markets for India, capacity utilization of nuclear power plants would further improve in the near future.
In the wake of the signing of the bilateral agreement for nuclear cooperation, the most significant stride in the visage of India-Australia relations was the State visit of the Indian Prime Minister, Narendra Modi to Australia in November 2014, marking the first Prime Ministerial sojourn (from India) to the country since 1986. From the strategic perspective, the desire to establish a new Framework for Security Cooperation “to guide closer bilateral collaboration across the security spectrum, including in defence, counter-terrorism, cyber policy, disarmament and non-proliferation and maritime security”, and the decision of the two countries to “extend defence cooperation to cover research, development and industry engagement”, in addition to converging on holding “regular meetings at the level of the Defence Minister, conducting regular maritime exercises and convening regular Navy to Navy, Air Force to Air Force and Army to Army staff talks”, were milestones scaled in the history of bilateral ties. It may be elaborated in this context that the proposed Framework for Security Cooperation, which reflects the “deepening and expanding security and defence engagement between India and Australia”, aimed at intensifying “cooperation and consultation between Australia and India in areas of mutual interest”, has the following strategic blueprint: Annual Summit and Foreign Policy Exchanges and Coordination, including Annual meeting of Prime Ministers, including in the margins of multilateral meetings; Foreign Ministers’ Framework Dialogue, etc.; Defence Policy Planning and Coordination, embracing regular Defence Ministers’ meeting; Annual Defence Policy Talks; Annual 1.5 Track Defence Strategic Dialogue; service to service engagement including regular high-level visits, annual staff talks, joint training and regular exercises as agreed; regular bilateral maritime exercises; exploring defence research and development cooperation, including through visits by Australian and Indian defence delegations and efforts to foster joint industry links. Furthermore, in the domain of Disarmament, Non-proliferation, Civil Nuclear Energy and Maritime Security cooperation, the Action Plan spells out annual bilateral dialogue on these issues; and most importantly, commits to an early operationalization of civil nuclear energy cooperation and Australia’s support for strengthening India’s energy security by supply of Uranium for safeguarded nuclear reactors.

This bilateral convergence clearly underscores the emergence of a definitive sense in the Australian worldview that a strong and prosperous India will be a factor for peace and stability in Asia and the world. It is to the credit of India’s nuclear programme that it has received recognition from Australia in unequivocal terms, with respect to “trust” and scrupulous adherence to international laws “regardless of the ups and downs of the political situation in New Delhi.” This level of understanding and confluence of mutual interest has taken the relationship to a truly strategic scale of cooperation; energy
being central to it. Clearly then, it has been established that India is emerging as a priority in the Australian foreign policy calculus. This has been borne out by several Government reports, among which, the *Australian Defence Issues Paper: 2014* has identified a need to strengthen defence cooperation with India and to build effective relations with countries in the Indian Ocean region, testifying Prime Minister Abbott’s acknowledgement in course of his visit to India regarding the bilateral convergence of interests “as never before” to “protect and promote the stability and prosperity of the Indo-Pacific.” Towards this end, a significant milestone in the trajectory of strategic cooperation has been the first ever Trilateral Dialogue (India, Australia and Japan) concluded in June 2015 in New Delhi, paving the boulevard for discussions on India’s maiden bilateral maritime exercises with Australia scheduled for September 2015.

Notwithstanding the exuberance in bilateral ties associated with the signing of the Agreement on Nuclear Cooperation, the finalization of the “administrative arrangement”, and reconciling differences on fuel-tracking, are imperative factors for removing the impediments in implementing the deal. Incidentally, it was in course of the Trilateral Dialogue that the Australian Foreign Secretary, Peter Varghese sounded optimistic on clearing the impasse over the implementation of the nuclear agreement, including parliamentary opposition to the deal in Australia "very soon", when he said: "In our discussions both sides have been pretty creative in a way that we can meet our framework consistent with India's position...So we will square the circle." Summarily then, now that the stage has been set for the conviviality in India-Australia ties, riding on the wave of the signing of the nuclear agreement, it is contingent on the two Governments to sustain the momentum and facilitate removing the technical impediments to its implementation. In fact, the high level of trust and goodwill that has emerged in the complexion of bilateral ties needs to be protracted, such that the myriad hues in the domain of their relations are upheld and further facilitated. After all, the real test of Prime Minister, Narendra Modi’s acknowledgement that “Australia will emerge as a strong strategic partner for India and a very important part of our Look East Policy” and subsequent ‘Act East’ Policy will be banking considerably on the success of the bilateral nuclear agreement in its implemented manifestation and thereby unfurl new vistas of political, strategic and economic cooperation between the two Asia-Pacific nations.

**ENDNOTES**

1. Lok Sabha Debates, Department of Atomic Energy, Government of India, Statement Referred to in Reply to Lok Sabha Starred Question No. 57,

2. For details, see Agreement on Cooperation in the Peaceful Uses of Nuclear Energy, New Delhi, 5 September 2014, Ministry of External Affairs, Government of India, New Delhi, http://www.mea.gov.in/incoming-visit-detail.htm?23975/MOUsAgreements+signed+during+the+visit+of+Prime+Minister+of+Australia+to+India+45+September+2014 (accessed on 1 June 2015)


14. Peter Verghese’s Interview to The Hindu, 9 June 2015
15. Remarks by Prime Minister, Narendra Modi at the Joint Press Briefing with Australian Prime Minister, Tony Abbott, New Delhi, 5 September 2014, 
(12) Australia’s Maritime Strategy:
Contemporary challenges to Australia’s maritime security

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Abstract

East Asia, more than any other region in the world is one dominated by the sea and ocean. One of the main themes made clear in much of the work in International Security Studies is that we live, to quote Huxley, a Brave New World. China, a key regional power, is now becoming a global power with the potential to challenge the existing world order. The South East Asian region has boomed since the end of World War II and now, a naval arms race is emerging that is made all the more problematic with the plethora of territorial tensions that exist. This leaves Australia in a peculiar situation on how best to maintain its security given the significant challenges faced abroad and here at home. This article will explore these themes, contextualise these problems with regards to the maritime domain, and elaborate on the challenges that Australia faces in the near future.

The post-Cold War period has been an especially interesting time in the East Asian region. The ‘long peace’ of the Cold War has now seen a regional arms build-up, though a familiar topic in Asia, on an unprecedented scale. From China and India developing carrier platforms to Taiwan recently launching its TuoChing Class Corvette ‘carrier killer’, to South Korea’s rapidly
advancing subsurface platforms, the region is booming, and not necessarily for the greater good. (Gady, 2015) These developments place Australia in a precarious situation, a status quo nation that is dependent, perhaps more than any other nation in Asia, on regional stability and freedom of navigation. Consequently, the topic of Australia’s maritime strategy has received much attention from academic, industry and military thinkers. This essay will build upon existing literature by looking at Australia’s maritime strategy in relation to its contemporary challenges and how maritime issues are symptomatic of larger structurally changes in the World Order, and finally how these challenges can be met through the maritime domain. The timing for such an essay is opportune because it is still very early in the shift from the unipolar phase of the post-Cold War to the current emerging bi/multipolar system. The result of which is that the current World Order is being called into question by nations that had no part its drafting, and one of the key areas where we are seeing this being played out is in the seas.

To begin identifying Australia’s maritime interests and strategy, an investigation into the threats to Australian and regional stability is needed. The key threat to regional stability rests in the uneasy nature that the post-Cold War stability seems transitory as nations across the South East Asian region, including Australia develop their military capabilities and doctrine. Pre-eminent among these issues is China’s bellicose attitude towards its neighbours, particularly its territorial disputes with all of its maritime neighbours whom include Japan, Taiwan, Vietnam, the Philippines, and Indonesia. (Raine, 2013) These issues stem from two facts: The first is China has had historical precedence of superiority in the region, particularly during the various Chinese Empires when ‘All lands under the sky belong to the emperor, all people in the world are his subjects.’ (Shaohua, 2000) The second issue, the one that will be focused on, is based on strategic concerns. China, despite having a continent worth of territory, is very much a maritime
country with its lifeline dependent upon maritime trade. Further, Chinese leadership is increasingly wary of U.S. and Japanese activities within the region, which have been seen through a classical balance of power perspective. This has prompted Chinese leadership, particularly under the previous government of Hu Jintao to expand Chinese territory to that of the historic Nine Dash Line, originally proclaimed under the Kuomintang Government and perpetuated by the current government in Beijing. (Bader, 2014) Such expansionism on the part of Beijing - though understood through a realist lens to be a reflection of Chinese strategic concerns - has become increasingly hostile between the nations of South East Asia, and has posed a series of questions for Australia’s position on such an issue.

Firstly, Australia enjoys an extremely large trade relationship with China, with 29.5 per cent of all exports going to China. Additionally, our following three largest export markets are also Asian, with Japan, South Korea and India attracting 19.3 per cent, 8.0 per cent and 4.9 per cent of our exports respectively. It is therefore evident that Australia is predominately an Asian economy, relying on positive relations between all partners for domestic economic prosperity. In 2012, Australian exports of which the majority went to the Asian continent were worth $258.8 billion AUD, the bulk of such value was based on commodities of which Australia is a significant world exporter, particularly coal, iron ore, gold, and alumina. Such economic prosperity however is deeply and irrevocably tied to the general stability of the region, and of maritime security particularly. Therefore, existing tensions between China and its neighbours cast doubt on the future of Australian prosperity as such freedom of navigation is hardly assured in the future. The geopolitical landscape of the region means that in the event of a conflict between China and its neighbours or perhaps the United States, Australia would effectively be cut from the majority of its markets due to the conflict existing heavily in the maritime domain. Such conflict would likely have its hotspots in areas of
economic importance to the region, seeing such straits as the Taiwan Strait, the Strait of Malacca, and potentially the Lombok and Sunda Strait as well as other straits closer to destination ports.

Figure 1. Choke Points of Asia. Source: www.bluebird-electric.net

For Australia, an outsider to the events of China, conflict on equal footing would not be in the best interests of Australia’s prosperity. Consequently, Australian leadership has set forth that its best maritime strategy is to avoid conflict at all costs if possible, and engage rather than antagonize regional powers. This can be done in a manner of ways developing comprehensive mutual trust at all levels of governance and industry. Much of this was
started in the late 1980’s in which the Labor government of the day called for increased cooperation across the entire Pacific Rim. The culmination of this was the Asia-Pacific Economic Cooperation (APEC) forum, established to encourage interregional communications on economic matters, particularly at a time as Japan was setting to become the regional economically dominant power. Australia’s championing of this organization has been well received, as the organization encompasses membership regardless of political or domestic leadership and is primarily focused on economic matters. Compared to the Association of Southeast Asian Nations (ASEAN), APEC has a much more narrow focus whilst simultaneously having a significantly larger membership base. This has helped APEC facilitate dialogue between nations that would typically be hampered by political constraints, an example of which is a side-line meeting between Chinese and Japanese leaders at the 2014 meeting in China. (Panda, 2015) The meeting between Xi and Abe, the Chinese and Japanese leaders, has led to a re-opening of discussions between the two nations. This has been seen as critical towards de-escalating tensions between the two powers which frequently send maritime and aerial forces to perform missions on or near the territory of the other. It is exactly these kind of issues that would be of importance to Australia to help mitigate in what ways it can, as any confrontation in the area, would likely translate into a larger regional conflict, impacting on Australia primarily economically, as well as militarily if such a conflict requires.

Despite China’s overwhelming growth in the region, it is hardly the only threat to Australia’s peaceful usage of regional waters. The other main potential threat comes from our nearest neighbor; Indonesia. An archipelago of islands with a population of over 250 million – predominately Muslim –, Indonesia is our nearest strategic rival. Further, Indonesian economic growth at current levels expects to place it within the top ten world
economies by 2030, the reality of such an achievement though depends largely on domestic political and economic stability. (AFM Investment Partners, 2014) The main threat from Indonesia comes from its historically vastly different ideological, cultural, and political differences which has seen it in the past been a client state of the USSR and then the Russian Republic. With expectations by many, including the Australian government that Indonesia will become a significant regional, perhaps even global power, there have been divergent thoughts on what trajectory this may take. Some, such as Professor Hugh White at the Australian National University believes that a stronger Indonesia may benefit Australia as its maritime capacity would be able to secure not only its own regional waters, but implicitly Australia’s. (Schreer, Why a Stronger Indonesian Military is Good for Australia, 2013) Conversely though, there are others that view Indonesia’s economic and military development as inherently threatening to Australia. Firstly, Australia and Indonesia share a large maritime border that historically Australia has violated on several occasions resulting in military activation of Indonesian naval and aerospace forces. (Lion, 2014) Such actions are just part of the mutual distrust that the two nations share, especially in light of the Snowden leaks that demonstrated systematic intelligence gathering on Indonesian officials including the President by sections of the Australian Intelligence Community. (Dorling, 2015) Such distrust is also shared on the Indonesia side of the border with President Yudhoyono in 2013 remarking that Indonesian ‘military forces must be larger and more modern than neighbouring countries like Singapore, Malaysia, Australia and so on.’ (Roberts, 2013) Yudhoyono’s comments on Indonesia’s need to develop its military capacity was intended to identify Indonesia’s future perceived position within the Southeast Asian order. Having been second rate in capacity to her neighbours, particularly Singapore and Australia’s highly modernized forces, Indonesia has felt
strategic insecurity for several decades. (Schreer, Moving Beyond Ambitions? Indonesia’s Military Modernisation, 2013) Whilst this may not be a significant issue for Australia at the current period, given our shared history and the many low points that have occurred in the recent past, such a military build-up would certainly change the dynamic of the Indo-Australian relationship. Such a change may not necessarily be a bad thing but will require an improvement in bilateral relations and a mutual trust of each other’s intents, something that up until now has been largely missing.

The challenges that Australia faces from its northern neighbours and maritime navigational freedom are issues require multilayered approaches to address. Firstly, Australia needs to develop a national strategy detailing how it will utilize not just its military and diplomatic capacity to effect change, but also shaping our commerce, education, and energy and mining sectors to position Australia favourable for this century. Secondly, Australia, as a maritime nation needs to specify a separately related maritime policy that will look at the multiple aspects that the country must work on to further its national strategy. The first section regarding a national strategy is beyond the scope of this article, and is already being very well dealt with by governmental agencies. A maritime strategy though is something that appears to be still in construction and has yet to be a fully realized document. Whist much progress has been made in this field in the last decade especially in light of the Australian Defence White Paper 2013, there is still work to do. The 2013 White Paper made note that ‘Australia’s geography requires a maritime strategy’, which is a marked shift from previous generations of strategic thought on the defence of Australia that had historically placed the nations safety based on a continental mentality such as the Defence of Australia policy from 1972 to 1997. (Muraviev, 2013) Such a policy limited Australia’s ability to pursue expeditionary wars and a forward defence, resulting in a reshaped navy unable to be as effective as
previously in projecting power. This took its main significance in the retiring of the HMAS Melbourne, Australia’s sole aircraft carrier, without a replacement. Therefore, for the Defence White Paper 2013 to again come to the fore with a focus on maritime strategy is a welcome change for Australian naval community.

Chapter Eight of the Defence White Paper 2013 started in earnest by listing the equipment and platforms the Royal Australian Navy (RAN) should be provided with in the near future. This list includes three Air Warfare Destroyers, two Landing Helicopter Dock (LHD) amphibious ships, and initiates the replacement programme of Australia’s Collin’s Class submarines. (Department of Defence, 2013) The Canberra Class LHDs is the largest ship ever operated by RAN with a displacement greater than that of the HMAS Melbourne, with a capacity to insert 1,000 military personnel into theatre, the first being commissioned 28 November 2014.

![Size Comparison](http://www.navy.gov.au/fleet/ships-boats-craft/lhd)

**Figure 2** The LHD can insert 1,000 into theatre with helicopters and watercraft. Sourced from the Royal Australian Navy Image Library: [http://www.navy.gov.au/fleet/ships-boats-craft/lhd](http://www.navy.gov.au/fleet/ships-boats-craft/lhd)
Such a platform is indeed a significant change for Australia’s military maritime strategy, allowing the ADF to exercise forward defence, a position that has become of growing popularity since the end of the Cold War. This position has been furthered with other naval programmes conducted by the Australian Government which include the Collins Class Replacement Programme which seeks to replace the indigenously designed and manufactured submarines by 2025. Other plans include the continued maintenance and required upgrades that certain major surface platforms will need over the coming years such as the ANZAC and Adelaide Class frigates, initiating a replacement programme for these as required.

By making such changes to Australia’s military capability, it is clearly demonstrating its perceptions of security threats in the region. The Canberra Class LHD is perhaps the most telling indication of how the Department of Defence foresees the security climate of the next ten to twenty years.
The requirement of a vessel, larger than that ever operated by Australia’s navy, essentially an aircraft carrier, states that the government perceives its next major threat coming from a well-developed enemy navy. Though no specific countries are named in the Defence White Paper 2013, the need for Australia to develop its multi-role naval capacity is a topic continually referred to in the paper, hinting at the need to deter our neighbours as they expand their naval programmes.

Australia though as a medium power cannot expect itself to be able to singlehandedly protect itself against its much larger and ever developing northern neighbours. Consequently, alliance centric warfare is likely to play a significant role in the manner that Australia’s armed forces, particularly its naval and aerospace assets evolve. Australia already works closely with a large assortment of countries in the maritime domain by dispatching its navy to perform joint operations. Evidence of this can be seen through Australia’s recurring leadership in coalition anti-piracy operations in the Arabian Sea off Somalia and North Africa, cooperation with our major partners in naval exercises such as RIMPAC, BERSAMA SHIELD, TALISMAN SABRE, and the Pacific Partnership. Exercises such as these have the dual benefit of forging closer ties between the militaries and governments of participants, whom based on their strategic interests should already be quite close, as well as fostering interoperability of said country’s navies. Interoperability is perhaps of increasing critical importance as many countries, particularly in the unstable Asian theatre lack the maritime capacity to defeat, let alone defend against, an emerging Chinese naval threat. In such a situation, similar to that of the Greek city states of the Peloponnesian Wars, it is in the smaller states interests to form alliances that would maintain a balance, and execute collective security arrangements to deter and or defeat hegemonic/dominant power oppression. It is this
reason why the United States is a patron to many of the maritime states such as Japan, The Philippines, Singapore, and South Korea, and why it would behoove Australia to integrate as much as possible into such a security arrangement. Whilst such a strategy is currently in place, it remains to be seen what actions on the part of China would activate collective security. A return of European Cold War dilemmas are emerging in East Asia, viewing Chinese aggression in the region similar to that of anticipated, although never eventuating, Russian aggression against Europe. Salami Tactics, or Piecemeal Strategy has been seen to occur in the Eastern Sea with China claiming bedrocks and undersea territory from its neighbours. (Hendrickson, 2012) An escalation in tensions, particular over these miniscule islands could eventuate into armed conflict, however, it remains to be seen whether third party countries would respond to a conflict should one emerge over these marginal territorial interests.

Military means of providing maritime security can also be supported by diplomatic, economical, educational and cultural means. Australia is still developing these mechanisms of establishing maritime security, and as such, how these factors may impact upon maritime security are still in the early phases of discussion. As mentioned earlier, the waters of the South East Asia are strategically and economically important to many countries, not just Australia. Because of the geography of these narrow water ways, there are considerable threats to navigational security and economic trade along these routes. These threats include but are not limited to piracy, maritime terrorism, state aggression, ecological accidents, and environmental disasters including climate change. These problems are unique in the fact that they cannot be solved by military power alone, and as such require a multilayered approach. The short scope of this paper prevents an in-depth analysis of all these topics, and as such, focus will be
given to the latter three related topics of ecological accidents, environmental disasters, and climate change.

The environment is an especially important concern in contemporary society, especially as the economic impact of environmental degradation becomes more apparent on a global scale. Such examples include the prolonged Californian Drought resulting in Governor Brown declaring a state of emergency in January 2015, current Chinese inability to use The Yellow River for agriculture due to extreme pollution, and the environmental destruction of large swathes of mangrove forests in Bangladesh from a 2014 oil spill. (State of California, 2015) (Yardley, 2006) (Simpson, 2014) Such concerns are equally applicable to the South East Asian waterways and Australia, however, the troubles are compounded due to two major factors, including states whose territory the water exists within, and states that must use the waterways for commercial reasons. These transnational threats require the coordinated efforts of several countries to mitigate these risks and facilitate the usage of the regional waterways for the years to come. Because Australia’s main trading partners are to our north, it is imperative that Canberra be involved in talks that facilitate the future trade of the state. A look at figure 4 will illustrate the growing use of the Strait of Malacca, which illustrates an increasing usage in the eight years of the study, despite the 26 December 2006 tsunami. The figures listed grew a total of 79,344 vessels in 2014 and are expected to continue rising if current political situations of South East Asia are maintained. (Hand, 2015) Such a high number of vessels, especially in the Strait of Malacca where seasonal fires in Indonesia can contribute significant haze in summer increase the likelihood of collisions and environmental degradation to the strait. To mitigate this damage, Canberra is a key partner in many bilateral and multilateral fora, not just specifically targeting maritime pollution. These include the United Nations Framework
Convention on Climate Change, The Kyoto Protocol, Major Economies Forum on Energy and Climate, utilisation of the International Maritime Organization (IMO) and International Civil Aviation Organization to address pollution concerns, The Climate Change Experts Group, and Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants. (Department of Foreign Affairs) To make the best use of these waterways for the long-term, it is definitely in the interests of all parties that use these narrow straits to develop a comprehensive and enforceable environmentally conscious means of traversing these straits.

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Figure 4 Growth in Traffic in the Strait of Malacca Source: [http://www.uq.edu.au/isaasiapacific/content/mohdmohrusli7-2.pdf](http://www.uq.edu.au/isaasiapacific/content/mohdmohrusli7-2.pdf)
One of the critical problems that exist in the Southeast of Asia is that the current situation is unknown. The Cold War provided stability in that the threats and concerns that were apparent were predictable and could be understood in an academic framework that was readily applicable to the situation. Consequently, the long peace of the Cold War has given way to unpredictability in the oceans, not just of Asia, but across the world to a greater or lesser extent. This is evident in the way that countries interact with each other, balance one another, develop their armed forces (particularly their navies), engage in joint military developments, their trading patterns, and lastly, their diplomacy. Some scholars have attempted to put a framework on all this complexity, and while some have more applicability than others, especially the recent works of Kissinger and the 1996 text by Huntington, it is still too early in this brave new world to be certain of anything. Consequently Australia has a large undertaking in the near and long term future as the situation in our maritime domain unfolds. So far, the Australian government has done proudly, expanding the development of its naval forces and its ability to project power well beyond her shores. This has been coupled with increased activity in the diplomatic sphere through fostering a close partnership with our neighbours in the military sphere as well as through economic regionalism. However, the main question is, will this be enough for Australia’s long-term security interests? It must be taken into account that Australia is a medium power playing great power politics, and given the rate of development in Asia, Australia will have to learn to settle into its place within the region. Economic integration is certainly a substantial stepping stone, however, as history has shown early in the 20th Century between Britain and Germany, economic integration is not enough to stave off conflict. There needs to be more, and it is this that will prove difficult for Australia as there are few cultural similarities that will bind Australia to Asia. Australia is true to its geography, an island,
isolated from its neighbours by more than the seas, but by a culture that cannot be bridged. In the future, Australia’s maritime security and its maritime strategy will depend less on its ability to provide military muscle, and more on its ability to play power politics at a civilizational level.

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