



Submission No 43

Inquiry into Australia's relationship with India as an emerging world power

Organisation: Australia-India Policy Institute

Thank you for giving me an opportunity to add to previous comments.

Since my earlier comments, however, we now have a new Rudd Labour Government, which unfortunately, has reversed some of the crucial decisions Howard Liberal Government had taken, with a view to taking Australia-India relations forward.

One of them being reversing the Howard Government's policy decision to sell Uranium to India. and the other to cancel the annual get-together of US, Australia, Japan and India, which was strongly promoted by the US and Japan, the two countries closest to India. After some dithering due to China's objections, the Howard Government was persuaded to join.

It was opposed by China, which considered the grouping as means to contain the communist nation. After the change of government in our country, China approached the weakest country in the link and its Prime Minister, and got the dialogue killed before it was formally born even.

With regard to the sale of Uranium to India, The International Atomic Energy Agency (IAEA) has already cleared the US-India deal on Civilian Nuclear Agreement, now it is being discussed at the Nuclear Suppliers Group (NSG) meeting in Vienna as I prepare this submission. Our Foreign Minister Stephen Smith did tell us that we will support India at the NSG.

Indian Government had to win a vote of Confidence in the national parliament to proceed with this US-India agreement, due to the opposition by the Left parties who were bitterly opposed to it on merely ideological grounds.

During the debate on the No-Confidence Motion in the Parliament House, Indian Prime Minister Manmohan Singh told the Indian Parliament:

“India needs to grow at 10 per cent to get rid of chronic poverty, ignorance and disease (for which) A basic requirement is the availability of energy.

“All over the world there is a growing realisation of the importance of the atomic energy to meet the challenge of energy security and climate change.”

This Indian vote should be important for us to, as a democracy we should support world's largest democracy and its development – to uplift millions of Indians.

However, what shocked me was that in his speech Prime Minister Singh mentioned 10 countries with which India has particularly good, close and friendly relations. Australia was not one of them.

The question arises, what are we going to do, rise to the occasion and be added into that list OR stay in the current unimaginative place of infamy in the minds of over a billion dynamic people on the move as a supper power.

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I commend the Hon Alexander Downer MP, our Minister for Foreign Affairs for initiating this inquiry into this important subject which would be crucial for the Long-term peace and stability in our region, and possibly the prosperity for our fellow Australians

I have had the honour of lodging a submission before this Committee in May 1997 in my then capacity as President of Australia-South Asia Chamber of Commerce, on Inquiry into **Australia's Trade with India**, and appeared before the Committee here in Adelaide to give evidence.

I feel honoured, once again, for the **Australia India Policy Institute**, for the opportunity to talk about relations as it exists and how they can be improved between our country and India, an emerging world power.

Over the years, the relations between the two countries have remained more or less lukewarm, despite several commonalities that exist between the two countries, they have not moved beyond the love of cricket, commonwealth bond. I cannot recall anyone ever being excited about India in our country.

Though, two of our Prime Ministers, Gough Whitlam and Bob Hawk have had close personal rapport with their Indian counterparts, Indira Gandhi and her son, Rajiv Gandhi, they were unable to move the two countries closer.

The only reason one could think of is the old cold war era mindset, though the world has moved along a lot since then, there has not been much change in our relationship with India.

The Challenge

Over the years Australia has concentrated mostly in the ASEAN and North Asia (Korea, China and Japan), and our relations with the west have existed for centuries due to the cultural affinity.

While India concentrated on then USSR, the UK, the US, Canada and Europe. Its recently initiated Look East policy has reinvigorated its traditional cultural ties with the ASEAN. Over the years, India has improved its relations with countries around the globe bypassing Australia, and our country has done more or less the same.

The knowledge that Australia and India have of each other is terribly limited, and the way one views the other is misleading and totally unfavourable, to say the least. One often hears superficial bureaucratic jargons by the leaders of both countries in describing the relations. Everyone talks about cricket, commonwealth and the like.

The Image Problem

It appears Australia has not seriously taken note of the resurgent India, its huge economy and the political and geo-strategic status that she has attained, whereas the other powers such as the UK, France, Germany, China, Russia and, indeed, the US have recognised the new power that India has emerged.

World powers are now eager to improve their political, military and economic ties with India, many world leaders frequently travel there for this purpose, many countries have already signed agreements with India to develop strategic ties with her, some of these being the US, UK, France, Germany, Japan, China, Russia, South Korea and so on. Our country, so far, has remained conspicuous by her absence

The US has established strategic partnership with India, and President Bush recently signed agreement with the Indian Prime Minister to share with India the civilian nuclear technology, he also undertook to ask their friends/allies to do the same. The Bush administration is working hard to have the US Congress/Senate amend the US legislation to make it all happen.

Australia, however, has been treating India with scepticism and continues to do so. Our leaders keep making statements detrimental to developing/improving ties with India.

The most recent being about the sale of Uranium because India is not a signatory to the NPT, but look at China, who has signed the NPT, but has proliferated like no body's business. Had it not been for China's proliferation, the world wouldn't have the problem it is now facing from Pakistan, Iran and North Korea. Yet we are happy to sell Uranium to China, but not to India which has an excellent record of strictly adhering to the NPT rules, without even signing it.

It was reassuring that after his return from a recent visit to Washington DC, Prime Minister Howard was seen defending India's non-proliferation record.

President Bush in his recent speech, praised India for reducing country's poverty. He said India's middle class, which emerged from among the poor, is larger than the entire population of the United States. He has realized the importance of India, as a major power

Australia's Image of India

How do Australians perceive India, the emerging world power, today?

Unfortunately, we still look at India as an old colonial and poor developing country, with closed economy, lacking skills and capital. This is so outdated, negative and counterproductive.

India's huge economic growth has enabled it to leap from 13th to now 6th position as our largest export destination for merchandise trade. Exports to India now exceed \$6 billion a year, while our imports from India are only \$1b, enabling us to enjoy a huge balance of payment surplus.

India has recently invested over a \$1 billion in this country. India's own multi-nationals are now looking around the globe to invest billions of dollars, and if we play our cards right, we can attract some of this money to our country.

So, by improving our relations with India, we have a lot more to gain than India. If we stay as we are, then surely we will miss the boat.

India no longer receives aid; it is an aid giver to many countries around the world, and makes huge contributions, in money, man/brain-power, and technology in the stability of South Asia, Asia and the Asia-Pacific regions.

With 53 per cent of the Indians less than 25 years old, highly educated and ready to move, it probably is the only country where people entering the workforce are more than those retiring. And Most of all, India is free, democratic and its people are full of dynamism.

The Future

We have to realize, we need India more than India needs us.

So, we need to create better understanding of real India among our people:

Initiate a process of regular visitations by our top leaders to that country and theirs to our country; when visiting India, the Prime Minister/Ministers should include in their delegations some eminent Australians of Indian background, the people who speak languages and know the culture. The US Presidents do it every time they visit India.

Organise Indian Film Festivals and Food Festivals in regional capitals with fanfare and enthusiasm, with opening ceremonies by the GG/PM

Exchange visits by journalists, writers, film personalities, parliamentarians and so on.

The purpose should be to familiarise our people about India and Indians about us.

In this connection, our **Australia-India Policy Institute** has already initiated an essay or a painting competition programme on India among young Australians, with a prize to the winner to be given by our Premier.

We will be happy to assist further any time required.

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