



Submission No 12

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

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The Secretary
Joint Standing Committee of Foreign Affairs, Defence and Trade
House of Representatives
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Sir/Madam

Please find attached my submission for the Joint Standing Committee of Foreign Affairs, Defence and Trade's *Inquiry into Australia's relationship with India as an emerging world power*.

Yours faithfully

(Signed) C.J.G. Snedden

Christopher Snedden

Submission to Joint Standing Committee of Foreign Affairs, Defence and Trade's
Inquiry into Australia's relationship with India as an emerging world power

Terms of reference

Summaries

Trade and tourism including investment opportunities

Less reliance on cricket and English; develop more substance via a deeper understanding of India and Indians

The defence relationship

Increased military cooperation, including via bi-partite or tri-partite intelligence exchanges

The strategic possibilities for both nations resulting from increasing globalisation and regional imperatives

Australia and India are good acquaintances, not intimate friends. They could, however, engage on regional issues to do with the Indian Ocean and SAARC.

Comments of terms of reference

Trade and tourism including investment opportunities

I believe that Australians have to move beyond a tendency to engage Indians in a superficial way predominantly on the basis of their shared use of English as a communication medium and a shared interest in cricket. This method has often led to both partners tending to take the other for granted. It has also resulted in a relationship with insufficient depth and robustness to endure political and diplomatic changes and upheavals.

To build a deeper and broader relationship with India, Australians would do better if those visiting India were genuinely more interested in knowing about India, Indians and their complex, interesting yet understandable nation (with far more depth to it than just cricket and an English-speaking elite). This requires those Australians intent on doing business with and in India investing more time, energy and resources in Australia to learning and teaching more about India and Indian languages—and to teaching Indians in India about Australia.

Equally, I think that some Australians, particularly in the education sector, need to be wary of the exceedingly short term strategy of seeing India simply as a 'cash cow' (no slight to Hinduism intended) which they can 'milk' to prop up, enhance or 'grow' their business, student enrolments, courses, etc., while concurrently often appearing to maintain a somewhat paternalistic or neo-colonial attitude while giving insufficient in return to those paying the fees. Indians can see through such attitudes or ruses that put the 'cart' of income before the 'horse' of offering an excellent and meaningful product or service that is attractive, value-for-money and that sells itself internationally because of its reputation.

The profit-driven 'cash cow'-mentality ultimately is bound to fail when Indians (invariably?) start to look elsewhere for cheaper educational options or when their own tertiary sector develops sufficient momentum to educate Indians in large numbers. The best investment that Australia can make is to engage in what is clearly a mutually-beneficial relationship, rather than one that appears to be one that invariably seeks to first and foremost advance Australia's national interests.

The defence relationship

Australia and India's defence relationship traditionally has not been close. This has largely been due to them being on different sides in the Cold War, during which neither nation thought much of the other. With India now liberalising its economy, increasing its economic capabilities and increasingly seeking to satisfy a long-held desire to become a great power, Australia is well placed to seek an enhanced defence relationship with India. Such a relationship should be based on those interests that we have in common. For example, our shared geographic location on the Indian Ocean and a strong desire to see trade flow through this ocean unimpeded suggests that further joint naval exercises, ship visits and/or joint air patrolling and/or monitoring of shipping in the region are ways that the defence relationship can be strengthened. Similarly, both nations want to see the non-Taliban regime in Afghanistan strengthened and prospering. To this end, joint army exercises and further military exchanges would be a useful way to further enhance this relationship.

One of the most meaningful area in which the defence relationship could be strengthened is through regular and high-level intelligence exchanges. To combat the increasing preponderance and deleterious effects of transnational issues such as crime, piracy and money laundering, transportation of drugs and people smuggling, and AIDS, other health-related issues and transmittable diseases, the best intelligence possible is needed. Australia collects intelligence in our region that may be of use to India on such matters; similarly, India collects intelligence that could benefit Australia. Intelligence exchanges could also be broadened to include the United States (from which Australia obtains a large amount of its most significant international intelligence). This would both broaden the process and encourage India's further involvement in Western-type security agreements and arrangements.

The strategic possibilities for both nations resulting from increasing globalisation and regional imperatives

Australia and India are still only good acquaintances, not intimate friends. They are too distant diplomatically, militarily and economically to engage with each globally. Until this relationship develops into one of intimacy, I see little international strategic possibilities in the short term for India and Australia resulting from increasing globalisation, apart from some indirect ones via trade with a third party or joint participation in United Nations missions. Should this situation change for the better, it would be mutually beneficial for Australia and India to actively seek to engage internationally with each other. For the present, however, Australia should look to get involved with India in 'its' region both to enhance India's economic development and

to further its positive international engagement. Equally, this would assist the region's overall economic development and its security wellbeing.

The end of the Cold War roughly coincided with the commencement of India's ongoing program of economic liberalisation. Concurrently, India also started to look beyond the subcontinent for new relationships and allies. In recent years, with India's confidence, economic capabilities and aspirations rising, India has begun a program that is seeing it extend its strategic reach into and, occasionally, beyond, the Indian Ocean. This is partly in line with India's ambition to become a great power. This offers challenges and opportunities for Australia. Indeed, Australia needs to remain aware of India's efforts in this area. This is not because these necessarily pose a direct threat to Australia and its trade that crosses the Indian Ocean, but perhaps more importantly because of the rivalry, insecurity and possible instability that this could engender in other nations located on or near the Indian Ocean littoral, particularly as India gets economically bigger and militarily more powerful, including through an enhanced naval capability.

India's 'natural' rival is China. Apart from their increasing economic competition and their competition over resources, especially energy, the two nations also appear to be trying to outmanoeuvre each other for influence and for allies in and around the Indian Ocean. This includes both of them wooing nations such as Myanmar, Sri Lanka and Bangladesh, etc. Pakistan, however, remains very much with China in opposing what Islamabad sees as something akin to Indian hegemony in South Asia. To enhance its strategic situation, Pakistan has accepted Chinese help to build a strategic port at Gwadar, in south-western Baluchistan. This development also, of course, assists China secure some strategic reach. However, India is wary of Gwadar, while the development of this port is unsettling to some states in South-West Asia. Although the India-China border is still disputed by both nations, India-China rivalry is currently militarily benign. Nevertheless, India has also partially justified its acquisition of a nuclear capability as being needed to deter China. While both India and China neither need nor seek Australia's assistance, Australia should use its good offices to encourage and, if required, help, both nations to further develop their relationship in a positive and meaningful way.

There are some regional imperatives with which Australia should engage India. The Indian Ocean is an area of regional significance to both Australia and India. Important trade routes cross this ocean. Escalating world oil prices and the dependence of many of the economies of North-East Asian nations on oil from the Persian Gulf further confirm that the Indian Ocean has become an even more important strategic waterway. Part of this importance arises from the need and desire of these north-eastern nations to protect their Sea Lines of Communications (SLOCs) that traverse the Indian Ocean. India is strategically placed to protect—or to interdict—these SLOCs. Its long peninsular gives it a significant sea frontage and reach into the Indian Ocean, as does its Lakshadweep territory located on the eastern edge of the Arabian Sea and its ownership of the Andaman and Nicobar Islands that are strategically located at the western opening of the Malacca Strait. India could play a very positive part in ensuring the security of the northern Indian Ocean. As an interested and cooperative party that also has an Indian Ocean frontage and territories in the Indian Ocean, Australia should consider being closely involved with any attempts by India (or others nations) to patrol or police this maritime area.

Similarly, Australia could help India to overcome the suspicion that the other members of the South Asian Association for Regional Cooperation (SAARC) have of it. (SAARC comprises Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.) This not only would help India, but also it would assist the development of the other nations of this poor and economically-backward region in which a free-trade agreement is struggling to reach any degree of effectiveness or cohesion. (This is partly—but not only—because Pakistan will not grant India Most Favoured Nation status.) The South Asian region is home to some 1.5 billion people, the largest number of Muslims in the world (some 400 million), some of the world's most insidious poverty, and two states with declared nuclear capabilities and large conventional military capabilities (India and Pakistan) which are deployed in the former princely state of Jammu and Kashmir (J&K) over which they have had a longstanding and bitter dispute. Some analysts now consider J&K to be a nuclear 'flashpoint'. There is also significant instability in the South Asian region, including ongoing insurgencies in north-east India, Indian J&K, Afghanistan, Baluchistan, Sri Lanka and Nepal. Some of these uprisings involve fighters who are 'terrorists' from so-called or alleged Islamic 'fundamentalist' communities in Pakistan, Afghanistan and, increasingly it seems, Bangladesh.

Although India does not necessarily intend to do so, it dominates the still-weak SAARC organisation because of its geography (India is the only SAARC nation that has borders with any other SAARC nation), size, population, economy, military and nuclear power, and international prestige. Joint and multilateral military exercises and other civilian and military-type exchanges between Australia, India and other SAARC nations could help to lessen the unease that other SAARC nations have with India and its perceived domination. These exercises could be enlarged to include states to which SAARC has already granted observer status (Japan and China) and to which it may in future grant observer status (United States, South Korea, European Union). These would also serve to further India's integration into, and involvement with, the greater Asia-Pacific region.