

## **General**

The Australian High Commissioner Mr. Peter Varghese delivered a talk on 'Australia and India in the Asian Century' at the CLAWS Seminar Hall on 15 May 2012. Eminent personalities from the military, diplomatic and strategic community attended.

### **Opening remarks: Major General Dhruv C Katoch, SM, VSM (Retd), Addl Director, CLAWS**

The Addl Director welcomed all present. He thereafter welcomed the Australian High Commissioner to India and spoke of the importance of the India - Australia relationship.

### **Mr. Peter Varghese – Australian High Commissioner to India**

The idea of a strategic partnership between Australia and India in the 21st century is one that needs to be explored. The Australian government is already working on a white paper for the same. There has been a shift of power in the last two decades from the west to the east. While technology was the main driver of economic growth during the Industrial Revolution beginning with the 18th century, the resurgence of Asia in the last two decades as an economic powerhouse has made population the key variable in the power matrix. While partnership between India and Australia is a new concept, the economic and strategic interests of the two countries have enough common ground to justify a long lasting and strong relationship.

The period between 1947 till 1990 saw little contact between India and Australia. The opening up of India's economy under the leadership of Prime Minister P. V. Narasimha Rao paved the way for India's economic growth. As India grew economically, so did the need to integrate with the world markets, energy security and raw materials. With India's shift away from non-alignment towards hard-headed national interests, an opportunity has been made available for a strategic partnership between India and Australia. Economic and security interests could form the bedrock for this strategic partnership. Australia with its abundance of natural commodities and technological expertise can partner with India to fulfill her energy needs and aspirations.

#### *Australia's perception of the world*

Australia is a strategically anxious nation with a sense of vulnerability. This springs from the fact that Australia is a transplanted society with majority of population being European immigrants. Its small population inhabiting a large landmass has added to this facet. Australia also viewed Asia as an unstable and poor region posing challenges to Australian strategic interests.

The Australian strategic thinking is unique in the sense that it does not identify any particular adversary. Traditionally, the focus of Australian strategic policy has been on East Asia and Asia Pacific region. The focus is now shifting towards the Indo-Pacific region. The main challenge for the strategic partnership is the maritime security consisting of freedom of high seas, accessibility of SLOC and combating piracy. The East Asian Summit (US and Russia included as members - 2011) is an important grouping to enhance cooperation within the Indo Pacific region. The Summit acts as an instrument of economic cooperation among the member states advancing the goal of economic interdependence. A high degree of economic interdependence may not be a guarantor of peace but surely is a big plus towards the goal of stability. What is needed is the right mandate along with the right membership. It is both in India's and Australia's interest to build and advance the East Asian Summit.

The question for the Australian strategic community is whether the economic growth of Asia will last. The rate of growth would depend on the following factors:

- a) Economic reforms.
- b) Role of state, prevalence of subsidies and competition monitoring.
- c) Political reforms.
- d) Social stability.

There will be a narrowing of US influence coupled with increase in China's strategic reach. India will have to look beyond its immediate neighborhood to compliment its growing power. The main goal of policy makers on both sides would be to manage transformation as identification of changing patterns is easy, but projection is near impossible. The area of greatest change would be China's resurgence and its balancing of the strategic environment. An open economy coupled with a closed political system portends a revolutionary power in making, which has the ability to change the status quo among the international order. The paradox in case of China lies in the reality that its main rivals/competitors have deep rooted economic interest in China. The political leadership's claim to power is its ability to deliver high economic growth rates and wealth generation. Therefore, it can be said that US and China are strategic competitors but economic partners.

Looking into the future, it can be speculated that China might act as an Asian hegemon once it becomes the world's largest economy in terms of both its GDP and its purchasing power parity. The biggest challenge for China however and other emerging Asian economies would be to take care of its vast poor populations.

Australia's interests lie in open societies, inclusive memberships, stable strategic environment and role of values in multilateral institutions. Australia doesn't want to be put in a situation where it has to choose between US and China. If such an eventuality did arise, its strategic priorities would provide direction and clarity to future decisions.

### *Multilateral international institutions*

Presently, multilateral institutions around the world are in a state of crises. The Doha round is stalled, reform of UN Security Council is far off, climate change talks are stuck and only the financial institutions are working to some degree. According to Australia, G-20 is the centre of global action as it has the means to deliver on its mandate as well as its self assigned periodic agendas.

### *Australia and India*

There are four pillars of common interests upon which a sustainable and a workable partnership can be formed. These are: -

- a) Economic relationship – energy security, resource and commodity provider.
- b) Geostrategic – shared set of objectives at East Asian Summit, IOR stability.
- c) Working together multilaterally. For example, G-20, climate change and trade liberalisation.
- d) People to people contact

There is an urgent need to bridge the perception deficits between the two countries. There is little appreciation of Australian societal diversity and Australian innovation on the Indian side. On the Australian side, there is limited understanding of India's economic dynamism.

### *Concluding remarks*

Managing expectations would be critical. The future of the relationship could be based on the Australia - Japan model (trade led, commodity provider, value influenced). The concept of NAM has a strong hold on Indian vision, which can create dissonance. India's foreign policy of non-interference in others internal affairs can be best explained by John Quincy Adams' statement, "But she goes not abroad, in search of monsters to destroy. She is the well-wisher to the freedom and independence of all. She is the champion and vindicator only of her own".

Rising democratic India is not seen as a threat to the international order by the Australians because of shared values. The partnership can be one of align and communicate.

**Concluding Remarks: Major General Dhruv C Katoch, SM, VSM (Retd)**

There are bright prospects for India-Australia partnership in the 21st century. Non Alignment though oft spoken off, especially in terms of the recent discussions on NAM 2.0 is unlikely to have serious traction in India. However, India will remain committed to retaining strategic autonomy as the cornerstone of its foreign and defence policy in the coming years.