

Diplomatic heft fuels mutual hunger for Indian Ocean bond

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Relations between Australia and India are poised at an historic moment. These two Indian Ocean democracies have struggled for decades to find political traction, but in recent years the ground has shifted in positive ways.

Last week, a major informal dialogue concluded that recent efforts by both leaderships had built new levels of confidence and policy momentum. The ending of Labor's ban on uranium exports and Julia Gillard's visit to India in October have overcome fundamental obstacles of mistrust.

At the same time, Canberra and New Delhi are fast recognising the shared Indo-Pacific nature of their strategic and economic geography and their convergent security interests in this Asian Century.

This points to creative new partnerships with third nations, too, notably Indonesia. And the economic and societal logic is plain. From energy to services, education to human capital, investment to security intelligence, Australia and India have much of what the other needs.

Taken together, this creates the biggest opening for Australia-India strategic partnership since Indian independence in 1947.

But the recent dialogue, the Australia-India Roundtable, also concluded that progress would need ideas and commitment across government, business and society.

There is a great need for champions for the relationship on both sides. After all, further stresses and misunderstandings, such as over Indian student welfare and occasional claims of prejudice, will be inevitable between two complex multicultural societies that follow each other's vociferous media.

The talks on December 4-5 brought together about 50 influential experts, policymakers, business representatives, parliamentarians and journalists from the two nations for a frank exchange of ideas unfettered by official talking points or preconceived policies.

What was striking was the level of candour, imagination and goodwill, with key participants on each side the first to criticise their own countries' failings.

It was what a conversation between two democracies should sound like. The talks were driven by Australian and Indian think tanks-- the Observer Research Foundation, the Australia-India Institute and the Lowy Institute, but policy decision-makers were integrally involved.

The Australian Minister for Resources and Energy, Martin Ferguson, gave a forthright assessment of global energy trends, and highlighted the need for both countries to get their own processes and markets right to maximise prospects for energy investment and trade. The talks were robust without being unduly partisan. The under-appreciated role of state politics featured prominently. No longer is it realistic for federal nations like Australia and India to quarantine state governments from external relations.

Instead, the federal character of these two nations could be a multiplier in advancing links in trade, culture, education, service delivery and development. Direct relations between Australian and Indian states and cities should become normal practice. Fittingly, Victoria, having borne the worst reputational damage from the student crisis, is leading the way in engaging India.

But the discussions revealed that some of the most intriguing prospects for partnership are in defence and security. Australia and India share strong interests in a stable multipolar regional order in Indo-Pacific Asia, spanning the Asia-Pacific and the Indian Ocean littoral.

The future of the world is likely to be multipolar, as the US National Intelligence Council's new 2030 report suggests. But for this to be stabilising there will need to be at least several strong, reliable centres of power in Asia beyond Beijing and Washington.

So Australia and India have a common interest in each other's military and diplomatic heft, as well as in fostering third countries, notably a strong Indonesia.

Canberra and New Delhi should step up their co-ordination to shape the emerging regional diplomatic and security institutions in this time of flux. This includes bolstering the East Asia Summit, which last month struggled to cope with South China Sea tensions, while also being open to creative new arrangements with small numbers of states manifestly willing to contribute to the regional order.

The recent quiet creation of an Australia-India-Indonesia troika in one forum, the Indian Ocean Rim Association for Regional Co-operation, is a promising start. This could provide a basis for three-way maritime security dialogue and co-operation.

India and Australia should also strengthen their direct security collaboration, including through regular bilateral naval exercises. Potential areas for defence co-operation include development of amphibious capabilities and operational communication links.

The two nations should also bring together maritime legal specialists to form shared understandings on critical regional issues such as freedom of navigation. And to manage any diplomatic misperceptions that may arise, the two countries should maintain and deepen their dialogues with China. This would provide reassurance about the stabilising nature of firmer Australia-India security ties as an idea whose time has come.

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