



AUSTRALIA-INDIA STRATEGIC LECTURE 2007

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The Australia-India Strategic Lecture is a public diplomacy initiative to strengthen the bilateral relationship with India with a particular focus on security and strategic issues. In addition to burgeoning economic links (over thirty per cent annual growth in Australian exports to India over the last five years), there is growing convergence of India's and Australia's strategic interests. The lecture series is a joint venture between the Australia-India Council (AIC) and the Lowy Institute, and provides a program of annual lectures in Australia by eminent Indians in the fields of regional and international politics and security. The Lectures will provide a forum in which areas for cooperation in this developing aspect of the bilateral relationship can be discussed, thereby strengthening understanding and contact between the two countries. The Australia-India Strategic Lecture series complements the existing Crawford Lecture (held in India) and Narayanan Oration (held in Australia) that have an economic/reform focus.

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The Lowy Institute is an independent international policy think tank based in Sydney. Its objective is to generate new ideas and dialogue on international developments and Australia's role in the world. Its mandate is broad. It ranges across all the dimensions of international policy debate in Australia - economic, political and strategic - and it is not limited to a particular geographic region.

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INDIA IN EAST ASIA

AUSTRALIA-INDIA STRATEGIC LECTURE

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Introduction

Let me begin by expressing my deep gratitude to the Australia India Council, the Lowy Institute and Asialink for making my visit to Melbourne possible. I am delighted to be here with all of you this evening to discuss the subject, 'India in East Asia'. This theme of 'India in East Asia' is unlikely to have been on anyone's mind, let alone in Australia, even, say, a couple of years ago. For many decades, India and East Asia were considered two very different entities without much of a relationship between them. It was quite commonplace some time ago to suggest that India did not merit a place even in Southeast Asia, let alone East Asia. Much, however, has changed in recent years in the way the world thinks about India and Asia. Amidst the new awareness of the emergence of India as a major power, the worldwide interest in the rise of Asia and its implications for the international system, the current dynamics in favour of Asian economic integration, and the unfolding debate on the construction of a new security architecture for the region have made it very reasonable to discuss the evolving Indian role in East Asia.

At the very outset, I would like to underline that regions, much like nations, are imagined communities. Attempts to define regions always tend to be political constructs rather than precise geographic expressions. The debate on whether Australia is part of Asia or not has gone on for a long time, both within this country and the region. Australia is now very much a part of the East Asia Summit process. So is India. The attempts to exclude them, as well as New Zealand, from the

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ASEAN-led East Asian integration did not succeed in the end. Above all the capacity of a power to influence outcomes in a particular region might be more germane to reality than the academic and diplomatic discourse on where one region ends and another begins. After all, the Indian troops under Mountbatten's South-East Asia command, that probably was the first usage of the term 'Southeast Asia', were critical for reversing Japanese aggression in the region. Independent India too was at the forefront of regional diplomacy to prevent the old European colonial powers from re-

external orientation of great powers in and around the region. When China and India turned inward in the late 1950s and early 1960s, they became relatively marginal to the region that they naturally dominate in terms of size of population, physical connectivity and historic relationships. Their influences for a few years from then were negative rather than positive. But since China, starting in the late 1970s and India from the early 1990s embarked on an outward orientation and rapidly grew their economies, their economic weight in East and Southeast Asia has begun to grow. So

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establishing themselves in Asia. The truth is that it was India that later turned away from the region, of its own volition. The issue is not whether India 'belongs' to East Asia. The important question is whether it matters to the region.

That brings me to two important factors that shape and reshape regions. One is the nature of the internal and

have their political interest and influence.

A second factor is the nature of the distribution of power. Political scientists of a realist bent have always argued that changes in the distribution of power constitute the principal driver in recasting regional and international relations. As China and India seek to recapture their past economic centrality in Asia and regain their strategic

influence, many traditional notions of what constitutes the region are bound to alter.

The main objective of my lecture tonight is to give a sense of where India is coming from and how it would fit into the evolving Asian economic, political and security structures. I propose to divide my presentation into six parts. I will begin with an assessment of India's historic attitudes to collective endeavours in Asia, and then move on to the changing nature of its economic relationship with the region. The third and fourth parts deal with the rapidly changing nature of India's relations with China and the United States, which in turn are bound to have the greatest impact on the future of Asia. The fifth and final section of my presentation will examine the Indian conceptions of a potential security order in Asia.

India's internationalism

The Indian nationalist movement, which evolved over nearly a century from 1857 to 1947, was like a mighty river of ideas enriched by very diverse

intellectual traditions—from spiritualism and anarchism to nationalism, socialism and communism. As the river reached the plains of Indian independence, what prevailed was the liberal idea. Liberal democracy at home and liberal internationalism abroad have endured as India's basic national values. India's commitment to internationalism and multilateral institutions was at the core of the Nehruvian legacy that continues to animate India. Newly liberated India's enthusiasm for establishing collective security was so strong that a mandate to cooperate with international institutions was written into the Indian Constitution. Multilateralism, whether regional or global, has always had a powerful appeal to the founding fathers of the Indian Republic.

At the same time, the Indian elite, which absorbed its Enlightenment values from Europe, was dismayed by the two great wars on the continent and deeply alienated by the naked power politics, aggression and brutality they saw from the European powers. As their own struggle

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for independence fused with the unfolding inter-imperialist rivalry, it was natural for the generations that grew up during and after the interwar period to reject power politics. The founding fathers of India also convinced them they would have nothing with power politics, which informed the intellectual basis for future non-alignment. As a generation that saw the tragic consequences of the balance of power politics in Europe, they were convinced of the importance of the United Nations in managing collective global security. And within the region, the Indian national movement was intensely animated by the notion of shared Asian destiny. As India's new identity emerged from the struggle against European colonialism, a number of ideas fed into India's support for the ideas of 'Asian unity' and 'solidarity of the newly decolonised states'. One was the notion of oriental superiority over the occident, well you know the metaphor—'noble Asian spiritualism versus crass Western materialism'. Another stemmed from the

rediscovery of India's own past history of cultural influence in Asia and muted into the notion of India's natural right to lead a future resurgent Asia. A third was the felt need to help and assist the struggles of fellow Asian peoples against the European colonisers. Few Indian nationalists, even the most enlightened and western-oriented intellectuals, could resist the heady brew of Asia's re-emergence after the Second World War. Months before its independence, India took the lead in organising an Asian Relations Conference in 1947 to focus on regional political cooperation. Jawaharlal Nehru, India's first prime minister, often talked about an 'Eastern Federation' encompassing India, China and a number of Asian nations to the east and west of India.

By the end of the 1950s, India's idealism about global collective security, as well as its romanticism about Asia, took some big knocks from the usual tragedies of international politics. As the Partition of the Subcontinent along religious lines coincided with the long-

awaited independence, India found itself in confrontation with Pakistan over Jammu and Kashmir. Given its faith in collective security and the United Nations, India chose to take its dispute with Pakistan

India turned into a bitter critic of the U.S. politics of containing Soviet Russia.

As Cold War politics began to shape and influence the internal orientation of Pakistan and other third world states, India

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to the United Nations Security Council. New Delhi, to its chagrin, quickly discovered that in the emerging politics of great power rivalry, the UNSC might not necessarily support what it thought would be a fair approach from the international community. The responses of the Western powers in the UNSC and their tilt towards Pakistan left India determined ever since to insulate its own internal territorial consolidation from the vagaries of the international system, multilateral or otherwise. As Washington declared Pakistan a front-line state in the Cold War and made it a lynchpin of its Asian alliances such as SEATO and CENTO,

convinced itself that non-alignment was the best guarantor against external pressures as well as internal military coups and militarism. The impact of the Cold War on the subcontinent and Asia, the difficulties of managing the Tibet question with China and the inability to come to a satisfactory resolution of the boundary dispute with Beijing undermined what little prospect there was for Asian unity. The generations of Indian nationalists that grew up in the early decades of the 20th century, marked by persistent crises in the Western capitalist world and the rapid economic growth of the Soviet Union, convinced themselves that state socialism was the way to go in

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lifting its millions of poor to a reasonable standard of living. As India sought to build socialism in one country, there was little enthusiasm for economic multilateralism.

As a consequence, India severed the

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historic commercial linkages that once bound the Asian nations together.

It was only after the collapse of its state socialism at the turn of the 1990s that India was compelled to launch sweeping economic reforms and re-emphasise the importance of economic cooperation with Asia. Recognising the importance of accessing external markets, finance and technology, finding itself completely isolated from Asian economic dynamism, and apprehensive about Chinese economic successes, India launched its 'Look East' policy of befriending Southeast Asian nations in the early 1990s. Through the decade, India steadily became a part

of the ASEAN institutions, including the ASEAN Regional Forum. By the turn of the new millennium, India was expanding the ambit of its Look East policy. In geographic terms, India was now including China, Japan, Korean Peninsula and Australia and the South Pacific in its single most important post-Cold War diplomatic initiative. Once it became part of the ASEAN structures, India began to emphasise the restoration of physical connectivities with neighbouring regions in Asia. And finally looking beyond the economic, India has begun to focus on security cooperation with the East Asian countries. Within a decade and a half, India's trade and investment linkages with the East began to outpace the more established ties with the West.

Asian economic integration

The central aim of India's Look East policy is to re-establish India's economic and political centrality in Asia. This objective, however, remains to be achieved in a

comprehensive manner. Indian leaders recognise that while they have made considerable headway since the early 1990s in Asia, they have a long way to go. While India is now almost fully integrated with the structures of ASEAN and has acquired a place at the East Asia Summit, India's limitations are difficult to ignore. India is yet to gain admission to APEC. And in the EAS, India, much like Australia and New Zealand, is concerned that 'ASEAN Plus Three' is in the driver's seat. India's attempts to convert its own annual separate summitry with the ASEAN leaders into an 'ASEAN Plus Four' has not succeeded. Despite the EAS, India, like Australia, is aware that 'ASEAN Plus Three' remains the driving force in the construction of a potential Asian economic community. Even as India resents being kept out of some crucial multilateral decision-making in Asian institutions, New Delhi finds that its own domestic political constraints have prevented a more rapid economic and political integration with Asia.

Powerful interest groups in India have tended to slow down the prospect of India's economic integration with East Asia. The policy tussle between 'globalisers' and 'protectionists' has been intense in recent years. It is not just intellectual activism against globalisation that prevents India from being fully part of Asia's new institutions. Whether it is sections of the industrial class that press for continued protection or the left-wing trade unions, or the farmers who are afraid of cheap imports, the opposition to globalisation is driven by a coalescence of some real economic interests. Two very different governments, led by the right-of-centre government of Atal Bihari Vajpayee that ruled India between 1999 and 2004 and the left-of-centre dispensation of Manmohan Singh which has been in power since 2004, have both fully understood the historic nature of the structural shift in the global economic balance towards Asia, and the importance of India's ensuring its rightful place in the future institutions of Asia.

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It was not easy, however, to translate the political commitment for integration with Asia into a capacity to nudge the domestic interest groups into accepting a quicker pace of liberalisation and globalisation. As a consequence, India's negotiations with ASEAN for a free trade area have faltered, resulting in intense frustration with its Southeast Asian neighbours. However, the 'protectionists' will ultimately have to yield to the 'globalisers', as the broader benefits of already existing liberal bilateral trading arrangements with Thailand and

India and China: between rivalry and cooperation

The ties between India and China are extraordinarily complex and are misunderstood both within the two nations and in much of the world. Oscillating between romanticism, underscored by bouts of rhetoric on mutual solidarity, and an intense mutual wariness of each other's intentions, Sino-Indian relations have tended to defy easy predictions on either their drawing close

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Singapore, as well as the proposed ones with China and Japan, alter the domestic balance on free trade. Meanwhile, the bruising internal battles will tend to increase India's opportunity costs and reduce its credibility in Asia as a purposeful economic partner.

or drifting apart. But one thing appears certain: the future direction of Sino-Indian relations will be a key element of the incipient balance of power system in Asia. Even before the two nations emerged as modern states in the middle of the last century, the competing impulses were increasingly visible. In the early

decades of the 20th century, British India recognised that the emergence of China was inevitable and tried to work out a mutually satisfactory arrangement with China on Tibet and the boundary in 1914. Even a very weak China, with very little real control over Tibet, however, was not prepared to cede ground. Meanwhile, the Indian national movement expressed powerful emotional support for China's own resurgent national movement. For all their solidarity, the two national movements could not see eye-to-eye on a range of international issues that confronted them. These differences persisted in the middle of the century after the communists took charge in Beijing and the Indian nationalists in New Delhi.

For much of the world, the rise of China is a more recent phenomenon. For India, the resurgence of China in the middle of the last century and its emergence as a neighbour by its renewed control over Tibet made it central to India's strategic calculus. Even as they

proclaimed high principles of friendship, the two neighbouring giants drifted towards inevitable conflict. Distrust over Tibet resulted in India's concluding bilateral security treaties with Nepal, Bhutan and Sikkim during 1949-50. Since then, balancing China in Asia has been a recurring theme in Indian foreign policy. Whether it was India's alignment with Moscow from the late 1950s, or New Delhi's support of Hanoi's intervention in Cambodia in the late 1970s, economic and political competition in Burma, or India's Look East policy, India has constantly competed against China over the last six decades. China too has sought to balance India, by extending nuclear, missile and conventional military assistance to Pakistan and by undercutting India's traditional influence in the smaller countries of the Subcontinent.

This behaviour of mutual balancing has been partly mitigated in recent years as India and China construct a cooperative relationship. After a tentative

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rapprochement that began at the end of the Cold War and a brief chill in bilateral relations following India's nuclear tests, India and China are today in the process of building an expansive relationship. Bilateral trade between the two countries is booming and China is all set to become India's largest trading partner in a few years. The two countries are indeed embarked on a dialogue to resolve their long-standing dispute over the Indo-Tibetan boundary. For the first time in centuries, the peoples of the two nations are on the verge of an explosive mutual interaction. Sino-Indian relations are in their best ever phase since the two Asian giants emerged on the world scene nearly six decades ago. That, however, does not in any way mean that the sources of competition between the two countries have dried up.

China today serves a number of functions in the Indian political discourse. For one, China's economic miracle, achieved in barely one generation, is a

constant spur for optimism about India's own economic future. If China can lift up its billion-plus population into a mighty superpower in the making, so too can India. Put another way, India can emulate China in acquiring a larger economic and political profile on the world stage. The Indian reformers constantly use the Chinese example to beat back left-wing opponents against economic change. As China begins to unveil elements of its new great power behaviour, it reduces the opposition within India for fundamental changes in its security policy. Both nations are expanding their strategic reach, from the maritime domain to outer space. And in some areas, like Southeast Asia, especially in Burma, their competition is open and vigorous. This does not mean that India's relations with China will turn adversarial. The Sino-Indian relationship is likely to see enduring elements of both rivalry and cooperation. It is also equally certain that India will not accept a secondary role to that of China in Asia.

India and the U.S.: natural allies?

While Sino-Indian relations are being managed in the space between security dilemmas and cooperative security, Indo-U.S. relations are moving from a prolonged estrangement during the Cold War to a conscious effort to build a strategic partnership. India's own recent attitudes towards the U.S. have swung wildly between the expectations of a natural alliance to the fears of ceding autonomy in a potential embrace with the world's

Washington? The traditional assessments of India's foreign policy and its world-view suggest that a 'non-aligned India' would never want to get too close to the United States. Underlying this conventional wisdom is the proposition that India is opposed, as a matter of national principle, to alliances. A careful reading of India's foreign policy, however, suggests a more complex behaviour on New Delhi's part. India's close ties with the Soviet Union, in particular during the 1970s and

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sole superpower. Since the visit of U.S. President Bill Clinton to India in 2000 and the advent of the Bush Administration, which has taken an empathetic view of India's regional and global aspirations, there is one big question that confronts us. How far is India willing to go in partnering the United States? Is India in fact ready for an alliance-like relationship with

1980s, was an alliance for all practical purposes. It is also necessary to remember that while India was in fact prepared to embark on alliances as it did with the Soviet Union, it was not prepared to become a junior partner to Moscow. This suggests that India, while seeking alliance-type relationships when convenient or necessary, has found ways to protect its

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broader space for autonomous action and escape the rigours of a tight embrace that an alliance warrants.

This would indicate India is not necessarily opposed to a future alliance-like relationship with the United States. Since 2001, under President Bush, India has gone much farther than in the previous decades in instituting political cooperation with the United States. Whether it was the consideration of sending a division of troops to Iraq in the summer of 2003, or in working with the U.S. navy in providing Tsunami relief at the end of 2004, or in signing an expansive ten-year framework for military cooperation with the United States in 2005, or in agreeing to work with the United States for stability in the Subcontinent, India has broken free from many of the past inhibitions on military/strategic engagement with the United States. But the consolidation of the Indo-U.S. partnership might have to wait for three important developments.

First is the implementation of the historic nuclear deal signed by Prime Minister Manmohan Singh and President George W. Bush in July 2005. The agreement seeks to end nearly three and a half decades of nuclear disputes between India and the United States, and clear the way for stronger bonds of political cooperation. Under the agreement, the U.S. has promised to change its domestic non-proliferation law and persuade the international community to modify the current regime to facilitate civilian nuclear cooperation with India. While the U.S. has indeed changed the domestic law at the end of 2006, the two sides are finding it difficult to hammer out a legal framework that defines the terms of resumed nuclear cooperation. The Indian atomic energy establishment has deep concerns that the U.S. might continue to impose unacceptable constraints on its freedom of action.

Second, the Indo-U.S. defence cooperation has to graduate from service-to-service exchanges and expansive joint

military exercises to actual cooperation in weapons supplies and technology transfer. While the American arms industry is hoping to secure some major defence contracts in India, the Indian defence bureaucracy is worried about the reliability of the U.S. as a defence partner and doubts whether Washington would genuinely loosen its controls on defence technology transfers.

Third, India and the U.S. have some way to go in harmonising their interests where they intersect in the Subcontinent and the larger region of Asia. India's traditional resistance to external involvement in its immediate neighbourhood is slowly yielding place to a form of security cooperation with other major powers, especially the U.S., E.U., and Japan, in managing the regional security challenges. This has been especially visible in Nepal and Sri Lanka, where New Delhi and Washington have increasingly worked together. But the same cannot be said about Pakistan and Afghanistan. While the U.S. has

welcomed India's role in the reconstruction of Afghanistan after the ousting of the Taliban, it is hesitant in accepting a political and security role for India, for fear of offending Pakistan. Meanwhile the triangular relationship between New Delhi, Islamabad and Washington has become less tension-prone in the final years of the Bush Administration. But Washington remains extremely wary of working together with India in promoting a politically moderate Pakistan. In the broader region, there is an increasing convergence of Indian and American interests in Southeast Asia and the Indian Ocean. But they find it difficult to forge a shared understanding on the Middle East. India, with its 150 million Muslim population, is hesitant to identify with increasingly unpopular American policies in the Middle East. India is also reluctant to take sides in the growing confrontation between Washington and Tehran.

If these differences narrow in the coming years, would it be possible to conceive of a formal alliance between

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New Delhi and Washington? Two broad propositions might be stated here. First, India's main objective is to emerge as an indispensable element in the Asian balance of power. Given its history and location,

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India is likely to pursue this objective irrespective of an alliance with the United States. Second, while strategic cooperation with the United States could immensely strengthen India's future options, India is unlikely to become a junior partner in an alliance with the United States. India is unlikely to be either Japan or Britain in its future relationship with the U.S. Nor is it likely that India will become a France. Given the profound reluctance in New Delhi to enter into unequal alliances, strategic coordination with the U.S., something less than an alliance, is a more likely option for Indian planners. The emphasis on new military cooperation does not necessarily mean India would

down play its bilateral defence ties with Russia. India has also chosen to go along with Russia in its plans to build a trilateral forum involving China. Meanwhile, India also appears increasingly willing to consider multilateral strategic cooperation with the U.S. allies in the region, like Japan and Australia. In essence, India might be prepared for strategic coordination with the U.S. on an issue-by-issue basis rather than a blanket prior commitment to endorse and support all actions by Washington.

India and the Asian security order

As its pace of economic growth accelerates and its ability to make a difference to the Asian balance of power begins to be understood in New Delhi and felt around the region, India will increasingly be called upon to make choices. These choices in turn are likely to depend on a number of enduring elements of Indian strategic thinking:

- One, for all its normative rhetoric on collective security, India has never been

willing to subsume its own interests to presumed universal interests. India's rejection of Brezhnev's collective security system for Asia in 1969, despite strong ties to Moscow, is worth recalling. India is unlikely to want the EAS or any other system emerging as a supra-national security structure in Asia.

- Two, India is also opposed to any system of security in the region that transcends the notion of sovereignty. Much like China and the United States, India will not allow any regional system to interfere in what it considers internal security threats.
- Three, at the pan-Asian level, India's preference will be for an inclusive arrangement, rather than an exclusive one. China's seemingly exclusivist approach had not only targeted the U.S. but also India. Despite its continuing trilateral strategic dialogue with Russia and China, and participation as an observer in the Shanghai Cooperation Organisation, India has no interest in

joining Moscow and Beijing in pushing American military presence out of Afghanistan and Central Asia. And in East Asia, India has no desire to play second fiddle to Beijing. It is this central principle that underlines India's current emphasis on a 'multipolar Asia', a notion that is not particularly welcome in China.

- Four, even as it redefines its relations with great powers, bilateral security cooperation with regional actors will remain an important dimension in India's approach to Asian security. India has embarked on an expansive military diplomacy in the region, and its defence cooperation agreement with Singapore is likely to emerge as a template for military engagement with key Asian nations.

India does not envisage a single overarching structure of Asian security emerging in the near future. Asia is quite far away from forming a European-style security community. The Asian security

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efforts at resolving intra-state, inter-state and regional conflicts have not been impressive. The capacity of even weak states to defy presumed norms by playing great powers against each other has been demonstrated by both Burma and North Korea. Even when great powers seem united, as in the case of North Korean nuclear proliferation, their capacity to deter, dissuade and compel Pyongyang seems open to question. The current attempt at building security institutions in Asia is premised rightly on the value of limiting conflict in the region amidst a fundamental change in the distribution of power. But the very process, as we have found, is not immune from the new dynamic of mutual suspicion and great

alliances, both formal and informal. India is no exception. Amidst all the debate about a collective security system in Asia, the real challenge might be about engineering a credible balance of power. The stronger India gets, the more eager it will be to construct a new balance of power system for Asia.

Before I conclude, it is necessary to address the one big question. Will India emerge as a mere cynical power in Asia, without any reference to its own democratic values? The emphasis in my lecture on balance of power does not mean political values will be conspicuously absent in India's Asian policy. Despite many shared elements in the foreign policies of China and India—the emphasis on classical notions of

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power rivalry among the great powers. Most powers in the region do believe that while multilateral arrangements are useful, they are no substitute for building credible

power and undiluted national sovereignty—New Delhi's approach to Asia will remain very different from that of Beijing. Unlike China, New Delhi will never elevate its

emphasis on non-intervention in the internal affairs of other states to the level of a supreme principle, the ‘Beijing Consensus’. After all, India itself has a tradition of using force beyond its borders and conducting one of the more

interventions in supporting the quest for justice in Asia and in reconstituting potential failed states in Asia.

Finally, whether it is in reshaping the power politics of the region or in working

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successful humanitarian interventions that led to the creation of Bangladesh. More recently its political interventions have successfully launched a democratic transition in Nepal. But India would not want to elevate either the idea of promoting democracy abroad or the ‘responsibility to intervene’ as sacred principles. Like other large democratic powers, India will face increasing tension between the absolute commitment to liberal political values at home and the necessity of tempering them in its dealings with other nations in Asia. The success of India’s own democratic experiment, New Delhi believes, has a huge demonstration effect on the rest of the region. While India will not embark on a crusade for the promotion of democracy, it is unlikely to rule out occasional

to promote democratic values, India and Australia will have to address a huge common agenda in Asia. After years of mutual neglect, reinforced by the Cold War, India and Australia today have the opportunity to fundamentally redefine their political relationship and contribute to the construction of a stable and prosperous Asia. The only thing that limits us is our capacity to imagine a future that will be different from the past.

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