

Time to forge a partnership for the Asian century

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The Australian

19 September 2011

P. 10

Amid Asia's strategic flux and China's rise, Australia is hewing closer to its alliance with the US, as last week's ministerial talks in San Francisco attest. Another Indo-Pacific power also looms large in Australia's calculations: India.

Much has been made of Australia's supposed need to choose between its US ally and top trading partner, China, in a contested Asian future. The emergence of India makes Asia's power dynamics more complicated, but potentially more beneficial for Australia.

Canberra and New Delhi are discovering a great convergence of their security and economic interests. Both are concerned about the strategic impact of a powerful China. They cherish their shared democratic values and defy the jihadist enemies of the open society.

Their endowments are a perfect match: Australia has huge mineral deposits and a developed, stable economy, while India has exceptional human capital and massive demand for energy and resources. Australian exports to India are growing at 20 per cent a year. Yet, despite the efforts of some talented diplomats, Australia-India relations keep falling short of their vast potential. Controversies about student welfare and Australia's refusal of uranium exports to India point to deep problems of misperception in what should be a natural partnership.

The critical question is whether the two nations can now build trust, relevance and mutual understanding needed for a truly strategic relationship, the kind where each reinforces the other's interests in a changing world. This basic question will drive a major dialogue, the Australia-India Roundtable, at the Lowy Institute in Sydney today. About 50 officials, experts and business leaders from the two countries will meet to talk candidly through challenges in the relationship and look for ideas to shift it to a new plane.

For India, energy security is central. India will need to increase its total energy use many times over to keep developing and lifting hundreds of millions to lives of opportunity and dignity. Nuclear energy is only part of this picture. A much bigger practical contribution will be Australian exports of coal and gas, as well as mining and infrastructure investment in both directions.

Still, Australia needs to get serious about lifting its ban on selling uranium to India for electricity generation. Australia is now the world's only big nuclear supplier that refuses even to consider exports to India, even though it helped the US change the global rules to let any such sales proceed legally. Canberra recognises New Delhi's record of not spreading nuclear weapons technology, something that cannot be said about Beijing, an Australian uranium customer.

India may not need Australian uranium for many years, but the ban is read in New Delhi as a signal of distrust. For its part, India needs to understand that Australia's uranium blockage simply reflects differences within the Labor Party, with some elements clinging to an antiquated, ideological policy and successive leaderships so far unwilling to force the issue. It could be resolved as early as the next Labor national conference in December. It would certainly be resolved by a change of government.

India, of all countries, should appreciate the complications of democracy. It also should realise how disappointing Australia found the decision of the Indian Prime Minister to skip the Commonwealth summit in Perth. Whether or not uranium had a part in that, it is not in New Delhi's interests to hold back on engagement with Australia, notably in defence, security and intelligence.

It is time for both powers to steam ahead with serious maritime security co-operation. They should strengthen and raise the level of naval engagement in the Indian Ocean region and in their Southeast Asian neighbourhood.

As China's interests and naval reach continue to expand, and as transnational seaborne challenges like piracy and people-smuggling persist, it makes sense for the Australian and Indian navies to work together. They are well-placed to lead in building a rules-based maritime order in the Indian Ocean as well as to support one in the South China Sea. This will be especially necessary if disturbing incidents of Chinese assertiveness continue.

Planners in both capitals should also think creatively about embedding Australia-Indian collaboration in the emerging regional security web. It would be fruitful to look at three-way talks with mutual friends Indonesia or Japan, beginning with transnational security challenges. India's interests are expanding to its east and its partnership with the US, despite ups and downs, is now a given. Meanwhile, Australia is looking with new seriousness at its defences on the western and northern coasts and the prospect of increased US naval access there. So Canberra's strengthening bonds with Washington could also prove an asset in engaging India.

On the wide canvas of Indo-Pacific Asia, Australia and India need to work together to use emerging multilateral forums such as the East Asia Summit to mutual advantage. But first they will need the pillars of strong institutions of bilateral diplomacy. It is time to drop old habits of misperception and build a partnership for the Asian century.

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