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Modi Meets Abbott: A New Start for Australia-India Relations?

BY IAN HALL

In mid-November, Narendra Modi is heading to the G20 Summit in Brisbane, and then on to Canberra and Sydney for an official visit.

Relations between Australia and India have markedly improved since the last visit of an Indian Prime Minister, in 1986, when Rajiv Gandhi met Bob Hawke. Then politicians and analysts in Canberra were still debating whether India was a destabilizing influence in South Asia and whether its naval modernization program might be potential threat to Australian assets in the Indian Ocean. These concerns moderated during the 1990s, as trade between the two grew, but the bilateral relationship took a serious blow with the Pokhran-II nuclear tests and Australia's very vocal criticism of India's actions. Indian officials were wounded by what they saw as an excessive response – which included the recall of Australia's defense attaché – and what they perceived as Australian hypocrisy in espousing non-proliferation at the same time as exporting uranium to China and sheltering under America's extended nuclear deterrent. Their Australian counterparts, on the other hand, were aggrieved that India had seemingly undone twenty years' worth of campaigning to prevent proliferation.

Since the nuclear tests, Australia and India have put some of their differences behind them and built a better, if still far from perfect, relationship. Trade and security interests have led the way, and Australian Prime Ministers, by and large, have made the running, but progress has sometimes been fitful.

Since 2000, John Howard (twice, in 2000 and 2006), Kevin Rudd (2009), Julia Gillard (2012) and Tony Abbott (2014) have all visited New Delhi with substantial political and business delegations. Ministerial-level trips also grew in frequency over the 2000s and afterwards, with a series of dialogues and second-track meetings alongside them, and in 2009 both countries decided to elevate their relationship to one of "strategic partnership."

At the same time, between 2001 and 2009, two-way trade increased from A\$3.3bn to \$20.9bn. But since then it has declined back down to A\$15.2bn in 2013, placing India outside Australia's top ten trading partners, below Thailand and Malaysia. The trade relationship is also skewed in Australia's favour, with exports of minerals (especially coal, gold and copper) and education services outweighing imports from India of travel services, cars, and gems. By contrast, the investment relationship is now skewed in the other direction, with Indian investment in Australia in 2013 about double Australian investment in India. Trade and investment may well pick up if negotiations for an Australia-India Comprehensive Economic Cooperation Agreement (CECA), ongoing since 2011, could finally be concluded.

Ian Hall, Senior Fellow in the Department of International Relations at The Australian National University, explains that "Modi's impending visit presents an opportunity to put some momentum back into a 'strategic partnership' that has drifted for some years. If nothing else, it will highlight how Australia has changed and the growing intensity of people-to-people ties with India."

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“Together, [Australia and India] could help to ensure the freedom of Indian Ocean sea lanes of communication, and engage in closer cooperation in counter-terrorism, where better, real-time intelligence sharing is needed.”

In the area of security, a similar story of initial promise, followed by faltering momentum, has unfolded. Memoranda of Understanding on Terrorism (2003), Defence Cooperation (2006) and Security Cooperation (2009) have all been signed. Australia and India have also worked together to reinvigorate the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC, now known as the Indian Ocean Rim Association, IORA) and establish the Indian Ocean Naval Symposium (IONS), first held in 2008. Yet despite repeated attempts by Australia to draw India into substantive cooperation on maritime and non-traditional challenges, progress has again been partial and slow.

These troubles with the Australia-India partnership are, on the face of it, hard to explain, especially from Canberra’s point of view. As the list of Prime Ministerial visits alone shows, Australia has invested a great deal of energy and political capital in wooing India. Moreover, it has made significant concessions to Indian interests. The reversal by the Gillard of the long-standing ban on uranium sales to India in 2012, justified on the grounds that New Delhi had not signed the Nuclear Non-Proliferation Treaty, is the most obvious example, and one with significant costs within Australia. Although it is unlikely that much if any Australian uranium will make its way into Indian reactors for a decade, this mostly symbolic decision upset – and continues to upset – Left-wing voters and politicians, as well as parts of the Australian foreign policy establishment long invested in the cause of non-proliferation and suspicious of Indian motives and safeguards.

Modi’s impending visit presents an opportunity to put some momentum back into a “strategic partnership” that has drifted for some years. If nothing else, it will highlight how Australia has changed and the growing intensity of people-to-people ties with India. Modi’s address to parliament in Canberra will be keenly watched, but arguably more significant will be his appearance at a gathering of the Indian community in Sydney, at Olympic Park. It will highlight not just India’s renewed effort to engage its diaspora, but the growing number of non-resident Indians and persons of Indian origin settled and settling in Australia.

In 1982, barely 1,600 Indians migrated to Australia to live and work. By 2011-12, however, India had overtaken China and the United Kingdom as the source of the largest number of permanent migrants – almost 30,000 in that year alone. There are now about 350,000 Indian-born people resident in Australia, with many more counting one or more persons of Indian origin in their families. This influx is slowly transforming Australian society into one much more familiar with Indian cuisine and culture, and much more aware of India itself and its political and economic interests in the region. India’s Australian diaspora is yet to wield the kind of influence – social and cultural, as well as political and economic – it does in Britain or the US, but will soon do so.

Modi’s visit should present an opportune moment for change. Australia and India do have shared interests – in creating conditions for Australia to help fuel India’s economy, for example, with investment as well as commodity exports. Australia can also play a role in supporting the much-needed expansion of India’s higher education sector. Together, they could help to ensure the freedom of Indian Ocean sea lanes of communication, and engage in closer cooperation in counter-terrorism, where better, real-time intelligence sharing is needed. Above all, both states would benefit from a renewed, collaborative push for better institutions and mechanisms to manage emerging regional security challenges.

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