



Australia's Blueprint on Future Engagement with India

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Within a short span of two months, Australia released the Country Strategy Papers (CSP) of two developing economies i.e, Indonesia and India. CSP on Indonesia was released in July while that of India was released in the last week of August. These documents have been prepared after consultations and written submissions from a number of stakeholders including think tanks and civil society in Australia to promote public participation in foreign policy. The CSP is based on recommendation made in the Australia's White Paper titled 'Australia in the Asian Century' released in October 2012 that calls for focussed approach to Asian economies such as Indonesia, India, Japan, China and Korea.

The CSP on India refers to the Joint Statement made by the two Prime Ministers in October 2012; *"India-Australia relationship is anchored in shared values as liberal democracies, converging interests and shared opportunities in the Asian century"*. The Paper further envisages the need for cooperation in multilateral forums such as G-20 and East Asia Summit(EAS), and at the same time proposes strengthening of multilateral organisations in the Indian Ocean region particularly the IOR-ARC and Indian Ocean Naval Symposium (IONS).

The document discusses the broad contours of engagement between the two countries in sectors such as education, food and water security, energy resources, infrastructure development, S&T etc. The CSP also outlines the need for developing understanding, awareness and mutual

interest in a number of areas. It stresses the need for developing convergence in business, economics, trade and investment but is apparently constrained in highlighting the defence and strategic cooperation, largely because of the infancy of the concept of Indo-Pacific and the possible ripple effect of projecting defence partnership between the two democracies.

A significant portion of the Paper is devoted to developing understanding between peoples, businesses, entrepreneurs and calls for developing greater awareness and enhancement of knowledge about each other. Further, it acknowledges that India being the tenth largest trading partner of Australia with bilateral trade pegged at US \$ 17.5 billion in 2012, has the potential of becoming one of the top five trade partners of Australia. Once Australia-India Comprehensive Economic Cooperation Agreement (CECA) comes into effect, it needs to be complemented with enhanced flow of investment and capital to achieve a threefold increase in trade.

The CSP also identifies three steps to enhance bilateral partnership through increased cultural familiarity and exchange, promotion of bilateral mobility, and better informed and selective focus on a number of issues. It acknowledges the contribution of 450,000 strong Indian community, fourth largest in Australia, and suggests greater role of the expatriates in promoting Australian education and tourism in India.

According to the CSP, Australia's foreign office has been tasked to undertake policy decisions to increase interaction between people to promote mutual understanding, encourage Asian languages training including Hindi, germinate new ideas and support cooperation in S&T including collaborative research. In media and business sectors, it proposes Senior Editors dialogue, frequent interactions through bilateral CEO Forums, and collaboration in services sector. However, as a caveat, it admits that Australian investors prefer China more than India when it comes investing overseas.

To make the business processes easy and transparent, the CSP suggests upgradation of the existing Double Taxation Avoidance Agreement, social security agreement, and support e-government processes. It foresees Australian manufacturers will be able to connect with the

global value chains especially in defence, aviation and automotive sectors. The document predicts that Australia is expected to remain the top exporter of coking coal, copper and even Liquefied Natural Gas (LNG) to India. Further conclusion of Civil Nuclear Agreement would facilitate uranium exports to India.

The CSP appreciates the work of the Joint Working Groups on education, agriculture, energy & minerals, satellite data, and counter-terrorism. It suggests expanding the ambit of talks to include areas such as cyber security, non proliferation and disarmament. While cyber security is seen as an area of future cooperation, the latter two areas need greater interactions to develop mutual understanding. A need is expressed to integrate foreign, economic and trade policies discussions with the defence cooperation. It further stresses on institutionalised interactions on water and food security issues. Interestingly, the CSP advocates exploring the possibility of trilateral and multilateral dialogues with China, Japan, Indonesia and US-clearly promoting Australia's centrality in each of these forums.

For promoting bilateral ties, it supports more parliamentary exchanges, young politicians meetings, local government level interactions, policy consultations and promotion of IOR-ARC along with Indonesia. Under Australian Chairmanship (2013-15), the document envisages using the IOR-ARC forum to promote maritime security and safety, disaster risk reduction, sustainable growth, and balanced development.

In the concluding section, the CSP recommends greater focus on Indian Ocean because of its ever growing importance as a facilitator of trade and commerce as well as energy exports. It suggests Australia, India, Indonesia, South Africa and other states to come together to promote dialogue and capacity building in the Indo-Pacific region. This clearly showcases Australia's objective of integrating the Indian Ocean region with the larger Indo-Pacific construct.

The strategy paper giving a broad outline of engagement by 2025 suggests that new multilateral structures need to be studied. The paper also gives a broad outline of Australia's future engagement with India and places a premium on the expanding Indian market, talent pool

and its expatriate community. Finally, the document defines the contours of engagement with India in the future and is a welcome initiative.

The CSP shows Australia renewed policy approach towards India and India must respond to this initiative in a positive way.

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