

AUSTRALIA-INDIA RELATIONS: THE WAY AHEAD

Address by Senator Gareth Evans, Minister for Foreign Affairs and Trade, to the South Asian Association for Regional Cooperation, Monash University, Melbourne, Friday 26 October 1990

India has held special and powerful attraction for generations of Australians. It was an attraction which led many of us to go beyond the refracted images of English writers such as Forster and Kipling, compelling as their images were, and ourselves travelled the length and breadth of the country to experience at first hand its extraordinarily rich and diverse civilisation. And in more prosaic ways, the bases for a substantial partnership between our two countries are obviously solid: Australia and India are both vigorous democracies, attached to democratic principles such as the rule of law and freedom of the press; we can do business in the same language; we enjoy many of the same sports; and we are regional neighbours.

Yet many have felt that the relationship between Australia and India has not developed as dynamically and robustly as it could have. Just over six years ago, my predecessor, Bill Hayden, spoke of a sense of drift in Australia's Indian Ocean policy, and remarked that "the relatively low level of priority we have given our relationship with India has not been to our advantage ... it cannot be argued that we have done ourselves or anybody else any good by it". Bill Hayden himself did what he could to redress that situation! Bob Hawke made a special effort of his own; and so have I.

But as recently as July this year, we find the Senate Committee on Foreign Affairs, Defence and Trade, whose report on the Australia-India Relations: Trade and Security is the starting point for this seminar, expressing the view that "relations between Australia and India are underdeveloped ... despite recent initiatives, the past neglect of India by Australia had not been overcome completely". The report goes on to argue "a need for a more coordinated national strategy towards India based on long term assessments of India's potential importance in Asian affairs".

So what is the shape of our relationship with India? Is there a problem of substance, of perception, of both, or of neither? If there is a continuing problem, what should we be doing about it?

The perception that Australia and India do not do enough constructive business together may owe something to two particular circumstances. First, the Australian media has tended to focus on India, and on our relationship with India, only when commentators have had something critical to say. In this context, I would point to coverage of India's military capability, our crossing of verbal swords over the sale of Mirages to Pakistan, political turbulence in India: for the rest, a deafening silence.

And secondly, India has not been a principal actor in many of the foreign policy issues of most immediate and direct concern to Australia, and with which we have most obviously been recently preoccupied. We have built constructive bilateral relations with Indonesia and Papua New Guinea, our immediate neighbours, in direct cooperation with those two countries. Our principal interlocutors on Cambodia have been the Permanent Five members of the Security Council, the Cambodian factions themselves, and the countries of Southeast Asia - although I hasten to note that we have discussed Cambodia with India, and are very well aware of India's interest in that issue and the constructive contribution it has been making to its resolution. The process of Asia Pacific Economic Cooperation has grouped those countries of the Western Pacific rim and North America which have a significant degree of economic interaction, and has thus not offered a context for exchanges with India.

There is nothing particularly surprising or alarming about all this. The agenda of common interests and concerns between any two countries will change with time. There is a natural ebb and flow of issues which command attention in any bilateral relationship, and there is equally very little to be gained by inventing an inflated agenda of joint concerns.

But more importantly, I would argue that there is an extensive range of substantial issues which concern us both; and that although the relationship has some way to go before it realises its full potential, I believe that, with the attention Prime Minister Hawke and I have given the relationship, in particular with the visits we have both made to India over the last 20 months, we have constructed a viable framework within which the relationship can now develop.

At the outset, however, I should like to compliment the Melbourne South Asian Studies Group for bringing together area specialists to examine the relationship, which can only benefit from this kind of scrutiny. If we are to continue to build our relations with India - and indeed with other countries of the Asia-Pacific region - we need to be sure that knowledge about the potential for expansion in our relations, and about the resource constraints on our activities, is widely accepted by informed observers and disseminated to the public at large. Without that basis of knowledge, the government will find little general support for its efforts. So the academic community itself has a vital educational role to play in contributing to the outcome it urges government to achieve - that is, a relationship which adequately reflects India's importance to us. I welcome this seminar as a solid step in the right direction.

In setting our foreign policy directions, we have to focus on priorities: be sure about why we are channelling scarce government resources into a particular initiative or relationship. We simply do not have the capability to take up good ideas at random, without asking what national interests will be served. But India, I believe, passes the test.

It is the world's second most populous nation and, on present projections, seems likely to overtake China as number one sometime early next century. It represents a market of great potential for Australian exports, with a middle class of around 100 million people. In terms of Australia's security, it has a direct and major impact on the area of Australia's primary strategic interest, which

includes the eastern reaches of the Indian Ocean and Southeast Asia. It is a potential nuclear-weapons state and the dominant power in a traditionally unstable region. It is a prominent player in international affairs and has a leading role in the Non Aligned Movement and the United Nations. Moreover, as the Cold War recedes into history and superpower competition ceases to provide the bipolar organising principle of international affairs, India's relative weight in Asia is set to grow.

These factors, as most of you will be aware, prompted a reassessment, which began in 1984, of our approach to the relationship with India. I feel confident that no-one familiar with Indo-Australian relations as they stood at the time of Bill Hayden's remarks in 1984, and as they are now, would dispute the fact that the relationship has made significant advances in those six years. A great deal of effort has gone into the relationship on both sides and the results are evident. Let me spell them out.

The major focus in the development of the more substantial relationship agreed upon by Prime Ministers Hawke and Gandhi in Canberra in 1986 has been commercial. In the six years to 1990, bilateral trade increased by well over 200 per cent and is fast approaching the \$1 billion mark. We now have in place an extensive array of bodies or forums designed to promote the economic relationship between us. Those bodies include the Australia-India Joint Business Council, the Joint Trade Committee, the Joint Working Group on Coal (with the possibility of similar Joint Working Groups in other sectors), high level aid consultations, and the Joint Ministerial Commission - an initiative of the former Indian Prime Minister, Rajiv Gandhi.

Some doubts have been expressed, endorsed by the Senate Committee, as to just how much more growth there can be in Australian trade with India, at least in the short term. And indeed there may be limits to our commercial exchanges, set by characteristics of our two economies. But the Government believes we have not yet reached these limits. We are aiming to identify new sectors where Australian exporters are, or can become, competitive, as well as to diversify our exports away from primary commodities.

There is much Australia has already achieved and can be proud of. Projects such as the Piparwar open-cut coal mine and the Karwar naval base consultancy are important successes for Australian companies and show-cases for Australian expertise and technology. But by contrast, India has not so far been successful in winning a major contract in Australia. In consultation with the Indians, we agreed to set a target whereby one per cent of our total imports of engineering products should come from India by the end of a five-year period beginning in October 1986. We have done what we can to assist India to achieve this target, notably through sponsoring trade displays, and some progress has been made.

An important component of Australia's economic relationship with India is our expanding development cooperation program. The government was concerned to re-establish development cooperation with India on a sounder basis, and a new \$35 million program, to run over three years from 1990/91, was announced by Prime Minister Hawke during his visit to India last year. It is still very early days in the development of that program, but a number of sectors have already been identified which offer potential for projects to assist India's development and in which Australia has particular expertise - for example, telecommunications, food handling, and mining technology. The first round of annual high level consultations on the implementation of that package has been held in Canberra over the last two days. I am pleased to say that a new treaty to facilitate our development cooperation was signed at that meeting.

If the main focus of the revitalised relationship has been in our economic exchanges, this is not to say that we have pursued the dollar or the rupee at the expense of all other areas of endeavour. Cooperation in science and technology is proceeding well under the umbrella agreement signed at the time of former Prime Minister Gandhi's visit to Australia in 1986. We now have a number of subsidiary memoranda of understanding which have sprung from the main agreement in areas such as space science, monsoon meteorology, telecommunications and the development of photovoltaic cells. Very shortly, we hope to see direct cooperation get under way between the CSIRO and its Indian equivalent, the Council of Scientific and Industrial Research. Indian and Australian scientists are taking up the opportunity to visit and work in each other's institutions, and a number of other potential areas have been identified for future cooperation, including biotechnology, geoscience, marine science and environmental protection.

Again, the cultural relationship between our two countries is alive and well. We have developed a varied and productive exchange with India under the auspices of a Mixed Commission, which meets every two years. For our part, the exchange has involved Australian sportsmen and women, exponents of the many facets of Aboriginal culture, of jazz, classical and modern music, as well as Australian writers, poets, film-makers, actors and actresses, academics, puppeteers and displays of Australian art, handicraft and sculpture, and films. You will all, I think, be familiar with at least some of the wonderful exhibitions and performers the Indian Government has sent to Australia in return.

These active and diverse cultural exchanges contribute to the goal of increasing awareness and understanding of each other: a goal we pursue not only because we take enjoyment in the arts, but because a more accurate perception - by Indians of Australia, and by Australians of India - generates its own returns elsewhere. By working to break down the sense of 'otherness' that has existed between Australia and its neighbours, including India, by projecting a positive image of Australia and of our capabilities, we increase our chances in the race for commercial opportunities, and, ultimately, add to our security by breaking down suspicion and building mutual understanding.

As important as the trade, science and technology, and cultural dimensions of any bilateral relationship all are, it is ultimately the political dimension which has the highest profile and sets the tone for the rest. In what shape, then, is the Australia-India political relationship?

Australia and India have both traditionally taken an active role in international affairs including in forums where we are both represented - the United Nations and the Commonwealth. All too often in the past, however, we had little dialogue about matters on the international agenda of direct concern to both of us. This has now changed. An integral part of our efforts to develop our bilateral relationship over the last six or so years has been an intensification of the political dialogue, both formal and informal. The increase in high-level visits, particularly Ministerial visits, between both countries has played a major role, as has the establishment of annual disarmament talks between us. We have pursued these contacts not - or not only - because we enjoy visiting

each other's country, but because, in parallel to the contribution cultural exchanges make to general public understanding, it is equally important that governments and ministers have a clear understanding of each other's perceptions and intentions.

And indeed we have had much to discuss. A series of issues of direct interest to Australia and India has come very much to the fore in recent years - including Fiji, Cambodia, Antarctica, chemical weapons, the Uruguay Round of multilateral trade negotiations.

Our political dialogue with India is now an active and very relevant one. It is, of course, not the case that we agree all the time on all the issues. Quite often, we seem to be coming at the various topics we discuss from diametrically opposite points of view. Nonetheless, we find fairly frequently that we have the same ultimate objectives, even if we disagree about the ways of getting there. And the simple process of sitting down and discussing subjects which are important to both of us, of hearing the other side's point of view, has led to a better understanding of each other's position and of the reasons behind it.

Perhaps the best example is the bilateral disarmament talks, which were held for the first time in New Delhi in May this year. India and Australia agree about the overall objectives of the disarmament process, but disagree on many of the means of achieving those objectives. The first round of the talks could therefore have become an unproductive exchange of statements, as opposed to an exchange of views. Fortunately, both sides adopted an informal and flexible approach which led to a genuine exploration of our respective policies. The talks were well worth the effort, and another round is scheduled to be held in Australia next year.

There can be no question of the importance of this sort of dialogue with a country like India. India's international influence, already considerable, will increase, and it would be foolish of us, in seeking to develop a broad-based relationship of substance, to ignore or play down the political dimension. For although it deals often in intangibles, it ultimately sets the tone and character for the entire relationship.

The overview I have given of our bilateral relationship contains nothing startling. We are not taking the world, or each other, by storm. Nonetheless, I would venture to suggest that - despite an occasional loss of impetus and despite the temporary hiatus caused by the unfortunate timing of the Mirage sale to Pakistan - we have made a very solid start.

Neither country, I am sure, took up the challenge of building a relationship of substance in the belief that the sort of results we hoped to obtain would fall into our laps overnight. A week may be a long time in politics, but building up a foreign relationship of substance is a task measured more in years than in weeks. But I believe we have laid down the basis for expanding our relations. Both governments are now considerably more aware of each other than was the case in 1984, and the exchanges and dialogue which set the framework for the further development of relations have been put in place at government level.

I accept the Senate Committee comment that we should be looking at how we might achieve a greater degree of forward planning and coordination in handling the relationship - that will have to be carried forward in the context of tight resources. But equally, bilateral relations - with India or with any other country - do not depend on government activity alone. More work needs to be done outside the government in each country. As I remarked at the outset, seminars like this will be useful in that process, by raising the profile of the relationship and stimulating interest in it.

What of the future? I would be misleading you if I suggested that dramatic progress - some sort of quantum leap - in the relationship was in the offing. Instead we will see more steady progress towards building the sort of substantial relationship of which Prime Minister Hawke and former Indian Prime Minister Gandhi spoke during Mr Gandhi's visit to Australia in 1986. That steady progress will mirror the growing importance India will have for Australia, both economically and in political and strategic terms.

Tangible commercial opportunities for Australia are now being actively explored in areas such as coal and the mining sector generally, energy efficiency, power generation and telecommunications. In the Indian power generation sector, the additional electric generating capacity being contemplated by the Indian Government for the Eighth Plan suggests that private sector involvement and foreign investment will, in all likelihood, figure more prominently. Similarly, the National Front Government's intention to shift a greater proportion of budget resources to the rural sector may herald the growth of opportunities in areas in which Australian expertise is particularly competitive.

The government-to-government framework required to manage and stimulate the growth of the economic relationship through the next decade is already in place or now being established. The Double Taxation Agreement, for example, which we hope will come into effect next year, will remove what many Australian companies have identified as a major impediment to greater commercial cooperation with India.

I am not suggesting here that more institutional links with India will not be forged. Indeed, the Indians have recently raised with us the prospect of establishing a Joint Working Group on Power, along the lines of the Joint Working Group on Coal, and we are evaluating that proposal carefully. And I do not minimise the importance of those institutional links. Although there is a limit to the role that governments can perform, and ultimately business must sign the contracts and deliver the goods, it is still the case that in India, despite economic liberalisation, the public sector role remains predominant. Institutions like the Joint Trade Committee, Joint Ministerial Commission and Joint Working Group on Coal will be vital in focusing the attention of the public sector on Australia; in highlighting the relevance of Australian technology and expertise; and in helping to move along particular projects which are already on the agenda.

In terms of Australia's security, we have a clear and justified interest in remaining well informed about India's intentions and capabilities. Australia does not perceive these capabilities as posing a

