

India-Australia relations

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Manifest pedagogy: UPSC 2020 has proved again that the section on International relations provides considerable amount of flexibility for UPSC to frame new and innovative questions. They have moved from mere Bilateralism based questions to Questions on Bilateralism in context of Global politics and issues. This makes a clear understanding on the changing global dynamics an imperative to answer such questions. In these changing trends an understanding on India Australia relations is necessary.

In news: Defence Minister Rajnath Singh is expected to visit Australia in November, 2019 and both countries are likely to conclude the long-pending mutual logistics support agreement (MLSA).

Placing it in syllabus: India Australia bilateral relations

Static dimensions: India-Australia relations – historical perspective

Current dimensions:

- India's interest in Australia and vice versa
- Relation in recent times
- Present issue

Content: India- Australia relations – historical perspective:

Australia and India have established diplomatic relations since pre-Independence period.

1941: Consulate General of India was first opened as a Trade Office in Sydney in 1944: Lieutenant-General Iven Mackay was appointed Australia's first High Commissioner to India.

1945: India's first High Commissioner to Australia arrived in Canberra.

1950s: As part of the **Colombo Plan**, many Indian students were sponsored to go and study in Australia.

1960s: Easing of restrictions saw an increase in non-European Indians migrating to Australia especially professionals.

1992: The **Australia-India Council (AIC)** was established.

2008: **Mutual Legal Assistance Treaty (MLAT) and the Extradition Treaty** between India and Australia, were signed. (entered into force in 2011)

2009: Upgradation of bilateral relationship between the two nations to a "**Strategic Partnership**", including a joint declaration on Security cooperation.

2013: Former Defense Minister A K Antony paid the **first ever official visit by an Indian Defence Minister** to Australia and held bilateral talks with the then Australian Defence Minister.

2014: A **Civil Nuclear Cooperation Agreement** between the two countries was signed during the visit of then PM Tony Abbott to India. (came into force in 2015)

2014: **Social Security Agreement(SSA)** was signed.

2016: The Australian Parliament passed the "**Civil Nuclear Transfer to India Bill 2016**" which ensures that contracts to supply Australian uranium to India for civil use is fulfilled.

Why India and Australia need each other?

India and Australia have several commonalities, which serve as a foundation for closer cooperation and multi-faceted interaction. **Both are strong, vibrant, secular and**

multicultural democracies. As Australia is in India's extended neighbourhood, it sees India at the heart of the historic shift in political and economic influence.

Why India needs Australia?

- Australia supports India's candidature in an expanded **UN Security Council**.
- Both India and Australia are **members of the G-20, Commonwealth, IORA, ASEAN Regional Forum**, Asia Pacific Partnership on Climate and Clean Development, and have participated in the East Asia Summits.
- Australia is an important player in **APEC and supports India's membership** of the organisation.
- **Defence Cooperation** between India and Australia has expanded significantly in recent years.
- **India's trade in goods and services** with Australia was approximately US\$ 15.6 billion in 2016. India's exports to Australia stood approximately at US\$4.6 billion in 2016.
- Australia is now the **2nd biggest overseas education destination** for Indian students.
- In the **mining sector**, Australia's exports include minerals and fuels, energy investment and collaboration on areas of joint significance.
- India, in its "Make in India" initiative can significantly use **Australian expertise in the field of health, education and tourism** as these are areas in which Australia has a comparative advantage.
- India which will have the largest working population in the world by 2027 and will need to **up-skill 400 million people**. Australia is well-equipped to assist with this huge need for knowledge-sharing, education and skill development.

Why Australia needs India?

- **India is now Australia's 4th biggest export market.**

- **Services exports to India** have also been growing rapidly with education leading from the front.
- **Indian tourist arrivals** have also been on the rise, contributing to Australia's services exports to India.
- **India's globally-renowned IT industry** is growing ever-stronger and there are solid linkages with Australia's ICT capabilities.
- The **Australian Trade Commission** offers services for Indian businesses in identifying potential Australian business partners, sourcing Australian technology, products and expertise and in identifying Australian joint venture partners & investors.
- At almost 700,000 strong, **Australia's Indian diaspora**, makes a significant contribution to Australia's society and economy. They are the **second highest tax paying diaspora**, behind the British.

Both the nations can effectively address the shared challenges such as combating transnational crime, terrorism, people smuggling, and illegal fishing. Both the nations, being aware of China's assault on maritime security and freedom of navigation in the Indo-Pacific region, can serve **together as the net security provider** in the region.

Relation in recent times:

- The two countries are currently discussing a **Comprehensive Economic Cooperation Agreement (CECA)** which will provide greater market access to exporters of goods and services and address the border restrictions to trade.
- India is also seeking to **address its adverse balance of trade** in Goods and Services through specialized market access for its products.
- India and Australia have recently emerged as close strategic partners in the **Indo-Pacific** which is evident in the number of high level visits and the number of **joint military exercises** between the two countries.

- The shift in the relationship is primarily led by a common **maritime security concerns** due to a rising China and its strategic consequences on the Indo-Pacific strategic order.
- The joint naval exercise, **AUSINDEX**, is a manifestation of this synergistic approach to maritime security. The third iteration held in April, 2019 saw the largest deployment of Australian forces to India so far.
- Both are also part of other multilateral naval exercises such as Rim of the Pacific (RIMPAC) hosted by the US and the Exercise MILAN hosted by India.
- Other areas of cooperation include the establishment of a **blue economy, infrastructure and connectivity initiatives**, and strategic industry collaboration.
- Reports suggest that India and Australia are likely to sign a number of important agreements sooner including the Mutual Logistics Support Agreement (**MLSA**), **an information exchange agreement and a broader maritime agreement**.

Maritime security cooperation, especially the information sharing arrangement, will help both sides to gain a better strategic awareness picture of the Indo-Pacific region. These have been identified as elements in the India-Australia Joint Declaration on Security Cooperation signed in 2009 and Framework for Security Cooperation signed in 2014.

Present challenges in the neighbourhood:

China has been increasingly challenging the traditional areas of influence of both India and Australia, i.e., the Indian subcontinent (**String of Pearls**) and South Pacific Islands. China's growing deployments in the Indian Ocean has thrown a challenge to India in its immediate neighbourhood.

On the Australian continent, China is trying to win over the Pacific countries (small islands such as Vanuatu, Tonga and the Solomon Islands have become beneficiaries of China's

seemingly generous economic outreach) through **chequebook diplomacy**.

However, amidst all the engagements of India with Fiji in recent years (Forum for India-Pacific Islands Cooperation (FIPIIC), pledging US \$ 1 million towards climate change assistance to Fiji's COP23 Presidency in 2017) Australia has not expressed disapproval about India's presence in the Pacific region.

Likewise, Australia's four-year, A\$ 25-million South Asia Regional Infrastructure Connectivity Initiative (SARIC) has been well-received in India. As **China challenges Canberra and New Delhi in their traditional geographies, the two nations have found in each other reliable partners**.

Present issue:

Both countries are likely to conclude the long-pending **MLSA** and a broader maritime cooperation agreement when Indian defence minister visits Australia in November, 2019. Signing of these agreements would lead to greater interoperability and help in elevating the strategic partnership.

The logistics agreement has been in the discussion phase for a few years now and Australia is reported to have given India a draft text in 2016. India concluded **LEMOA with the United States in 2016**, and since then has signed two such agreements, **one with France and a second one with South Korea, just a few weeks ago**.

The MLSA assumes greater importance in light of India and Australia's limited naval capabilities. The scarcity of resources puts severe limitations on a country's ability to project power in the distant waters, leaving its far-off assets at the mercy of other actors. In the case of India and Australia, such a limitation puts them at a disadvantage vis-à-vis China.

Similarly, India has legitimate interests in the wider Indo-Pacific with its ever-increasing trade with the countries in the region. It faces occasional challenges in the distant waters of South China Sea, the latest being China's deployment of a survey vessel, close to waters where state-owned ONGC Videsh is engaged in oil and gas production. The conclusion of MLSA at the earliest will help improve the capabilities of both nations to operate in distant waters.