

FINANCIAL REVIEW

Opinion

Time for Australia to get serious about its relationship with India

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Australia's engagement with India has intensified over the last few years. In 2014, the Indian prime minister visited Australia after a gap of 28 years. Three years later during former Australian prime minister Malcolm Turnbull's state visit to India, the two countries proclaimed themselves "[partners in the Indo-Pacific](#)".

More recent signs, however, suggest that the Australia–India strategic relationship has been put in the fridge.

The formation of the [Japan–America–India \(JAI\) partnership](#) — "jai" meaning "victory" in Hindi — at the G20 summit in Buenos Aires in December 2018 is cause for Australian concern. India's [unwillingness](#) to invite Australia to participate in the Malabar naval exercise, despite Australian lobbying, has also sparked speculation over the fate of the Quadrilateral Consultative Dialogue (the Quad) involving India, Australia, Japan and the United States.

The emerging dissonance is drawing attention to the [health of the Australia–India relationship more generally](#). It also raises questions over the wisdom of seeking to ground the relationship in a regional architecture, built around multiple Indo-Pacific trilateral and quadrilateral groupings that compete for attention, without first dealing with bilateral strategic divergences.

For Australia a free and open Indo-Pacific means establishing a regional architecture with fellow democratic countries to help maintain the rules-based order as China becomes the most powerful actor in the region. It also means retaining US strategic engagement in the region.

Since "engagement" means "leadership" for the United States, Australia implicitly — if not explicitly — continues to promote a US-led regional order. The Indian Ocean is still peripheral in Australia's strategic vision. The "Indo" in "Indo-Pacific" simply attaches India to Canberra's [existing strategic area of interest](#) in the Asia Pacific.



NS Vikrant, the first aircraft carrier built in India, on patrol at East Indian ocean border. Both JAI and the Malabar exercises expose strategic divergences in the Australia–India relationship.

India's preferred formulation of a "free, open and inclusive Indo-Pacific" refers to a multipolar regional order within which Delhi can maintain its strategic autonomy, project its own leadership ambitions and follow a path of "multi-alignment" or "issue-based alignment".

This is in an effort to cultivate countries like Russia and China — in addition to Australia, Japan and the United States — as regional partners. While India shares Australia's concerns about Chinese domination in the region, Delhi does not see a reliance on US power and leadership as the way to address this problem.

The Indian Ocean remains strategically more important to India than the Pacific Ocean and the "Indo-Pacific" for India stretches out to the eastern coast of Africa.

The extent to which India and Australia share a common conception of a rules-based order, beyond vague references to respect for international law, is not clear. Recent remarks by Indian navy chief Admiral Sunil Lanba to the effect that "there wasn't immediate potential for a quad", appear to dash the hopes of Quad enthusiasts that this grouping would drive and underpin the creation a rules-based order backed by military cooperation in the Indo-Pacific.

Without addressing their strategic bilateral differences, the promotion of an Indo-Pacific security partnership will fall short.

Strategic divergences also exist between India, Japan and the United States. But these relationships are sustained by greater economic common ground. A conjoined set of economic and strategic issues such as connectivity, sustainable development, maritime security, disaster relief and freedom of navigation are central to the proposition of JAI cooperation.

These issues made it crucial for India to include Japan as a permanent partner in the US-India Malabar exercise in 2015.

A wide range of issues, including infrastructure building and connectivity promotion, have contributed to the growth of the India–Japan partnership. No matter how ambitious it may seem, the co-envisioned Asia–Africa Growth Corridor (AAGC) between India and Japan signifies a motivation to shape the trajectory of the region between Asia and Africa.

Likewise, the inaugural India–US 2+2 ministerial-level dialogue emphasises the significance of infrastructure and connectivity to Delhi's vision of the Indo-Pacific, stressing "[sustainable debt financing practices](#)".

Such a concentrated and specific articulation has not figured in the Australia–India dialogue. Key economic sectors that could be used to foster economic cooperation, such as agriculture and education, remain protected from foreign trade and investment in India.

India's desire for [visa reforms in Australia](#), which would permit more Indian workers to seek employment in Australia, remains unmet. Australia and India are yet to nurture a common bilateral perspective to figure out the modes and means of their cooperation in the absence of more substantive economic ties.

Australia's January 2019 announcement of a [South Asia Regional Infrastructure Connectivity initiative](#), with a paltry investment of \$25 million over four years, highlights the lack of vision and capacity underpinning the bilateral partnership.

Both JAI and the Malabar exercises expose strategic divergences in the Australia–India relationship. The time has come for an honest appraisal of these divergences and introspection regarding how to build a stronger bilateral strategic relationship, in spite of a limited economic relationship.

Last year the Australian government released an [India Economic Strategy](#) that comprehensively laid out the weaknesses of the economic relationship and identified pathways to push it forward. The Confederation of Indian Industry has recently established a task force to produce a complementary [Australia Economic Strategy](#). Similar initiatives aimed at evaluating and advancing the geopolitical relationship are sorely needed.

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