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Shared Interests:

Australia–India relations into the twenty-first century

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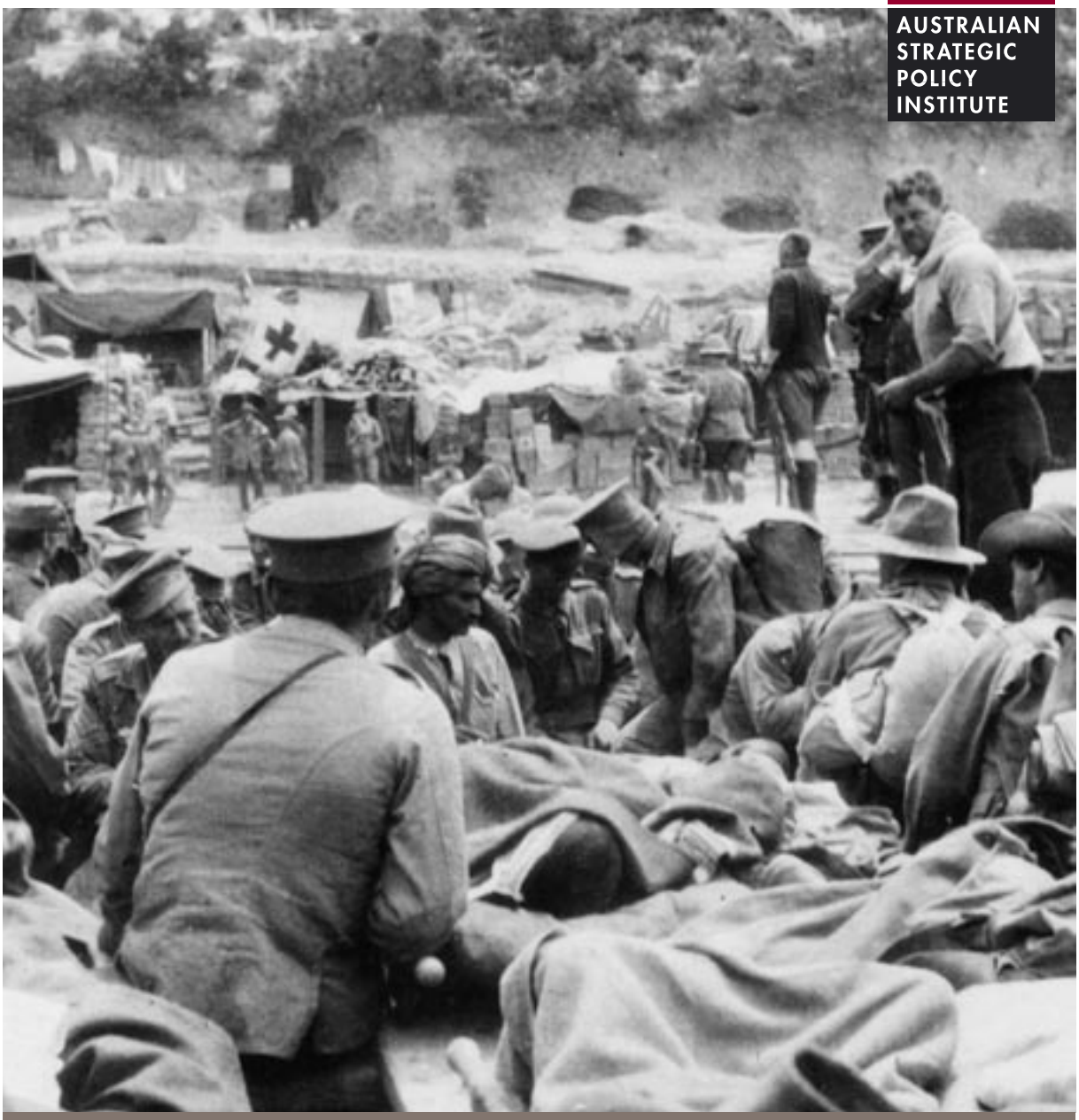

December 2005

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Australia–India Security Roundtable
Canberra 11–12 April 2005

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About ASPI

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The opinions and recommendations in this paper are published by ASPI to promote public debate and understanding of strategic and defence issues. They reflect the personal views of the author(s) and should not be seen as representing the formal position of ASPI on any particular issue.

Cover image: Wounded Australian soldiers lying on stretchers aboard a long boat that will evacuate them from Gallipoli. In the midground is a cluster of walking wounded and Australian Army Medical Corps (AAMC) personnel with, in the centre, an Indian soldier. Gallipoli, Dardanelles, Turkey, 1915. Australian War Memorial Negative Number P01815.006

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Director's introduction

In April this year, leading Australian and Indian defence and security analysts gathered in Canberra for the fourth Australia–India Security Roundtable. The first Roundtable took place in July 2001 in New Delhi, the second in May 2002 in Sydney, and the third was held in October 2003 in Chandigarh. This fourth meeting built on the success of previous dialogues, discussing a range of issues relevant to the future of the bilateral relationship and broader national, regional and global security, and proposing initiatives for consideration by the respective governments.

Although the strategic and defence dimensions of the bilateral relationship are not as fully developed as the economic side, Australia and India have shared a common military experience for much of the last century. From Gallipoli to Rwanda our forces have cooperated together on some of history's bloodiest battlefields. We have illustrated this ASPI *Strategy* with a series of remarkable photographs sourced from the collection of the Australian War Memorial and the Defence Department. These images record the experiences of almost a century of Australian and Indian military forces working together to promote peace and stability.

Short written papers or transcripts of presentations from all of the participants in the Roundtable make for very interesting reading, and we are very pleased to release these papers as a collected volume.

I thank Jenelle Bonnor, Consultant, and Professor Varun Sahni, Jawaharlal Nehru University, New Delhi for their tireless work in once again convening the dialogue. (Professor Sahni's address at the April ASPI Defence and Security Luncheon is also included in this volume.) The financial and other support of the Australia–India Council as well as the Asia–Pacific College of Diplomacy at the Australian National University, the Indian Ministry of External Affairs, Jawaharlal Nehru University, the University of Jammu and the Australian Department of Foreign Affairs and Trade are greatly appreciated. I would also like to thank Vanessa Lai, who acted as rapporteur at the Roundtable.

The views presented in each of these pieces are those of the individual contributors. I thank them all for sharing their perspectives on these important defence and security issues of mutual interest.

Peter Abigail
Director

Outcomes statement

The fourth Australia–India Security Roundtable was held in Canberra, Australia on 11–12 April 2005. This is the only 'second track' security dialogue between the two countries and in the four years since its inception, has proven its worth as a significant vehicle for enhancing and deepening mutual understanding on defence and security matters.

Aims

The Security Roundtable provides a regular opportunity for senior Australian and Indian security and defence analysts to:

- share their views and promote better mutual understanding on a range of bilateral, regional and global issues of concern to Australia and India
- discuss ways for the two countries to work more closely together
- make recommendations to their respective governments for further developing the bilateral defence and security relationship.

The focus of the Roundtable is to make a constructive, policy-relevant input to government policy making in each country as it affects the bilateral relationship and each country's national security.

Over two days of discussion, the Roundtable focused on seven important areas:

1. the bilateral security relationship
2. South Asian security, including India–Pakistan relations
3. Indian Ocean management and maritime security
4. Southeast and Northeast Asia's security importance
5. nuclear issues and missile defence
6. counter-terrorism
7. transnational challenges to security.

The meeting was again convened by Ms Jenelle Bonnor, Consultant, on behalf of the Australian Strategic Policy Institute, Canberra and by Professor Varun Sahni, Jawaharlal Nehru University, New Delhi.

Participants included leading security and defence experts, and their discussions were observed by government officials, members of the Australia–India Council and security analysts. In all cases, the participants took part in the Roundtable in their private capacities, and not as representatives of their countries or governments. The views expressed were therefore personal and not official.

Outcomes and opportunities

Participants noted the growing strength of the bilateral economic relationship. India is Australia's sixth largest merchandise export market and Australia is India's ninth most important import source. Australia is also the third largest destination for Indians studying overseas.

Energy is one of the most significant traded items, and energy supply is likely to provide an increasingly important link between the two countries. Participants believed that building a more substantial energy relationship would have economic and strategic benefits for both countries. The greater density of economic ties will, over time, lead to greater security cooperation between the two countries, of which the maritime component is likely to be salient.

At the moment, the significant economic relationship is not matched by the bilateral strategic relationship. Participants believed that it is important to have substantial security relations, particularly because both countries are vibrant democracies. Participants acknowledged the efforts made by the two governments to improve strategic ties, but noted that this is still in its early days, despite progress in the last few years. Sustained effort needs to be made by both governments to deepen and broaden the security relationship.

Participants agreed that Australia's and India's strategic horizons intersected in the eastern Indian Ocean and the Malacca Straits. Apart from escorting bilateral trade, there is scope for greater maritime cooperation and increased interaction between the two countries' navies, with a focus on these geographical areas.

Participants expressed regret that there had been no ministerial visits by either government since 2003. They once again reiterated the importance of visits at head of government level. They noted that although the Australian Prime Minister, Hon John Howard, visited India three years ago, it is 19 years since an Indian Prime Minister has visited Australia.

Participants reiterated that many of the recommendations for cooperation made by the third Australia–India Security Roundtable in 2003 remained current. During their discussions, participants identified a number of additional areas that they thought had potential to enhance the bilateral security relationship. These included:

- Cooperation in disaster management, post the December 2004 tsunami. Australia and India could work together to strengthen civilian response systems in consultation with other states in the region.
- Speedy conclusion of the bilateral Defence Memorandum of Understanding which would provide a framework for defence engagement.

- The two governments could explore the possibility of collaboration in defence research and development in specific technologies relating to defence.
- Participants thought that it was imperative for the Royal Australian Navy and the Indian Navy to institute formal navy to navy talks, including naval hotlines.
- Participants reiterated the need for enhanced intelligence exchanges, especially actionable intelligence transmitted in real time.
- The participants expressed concern about the speed with which militant political Islam was establishing roots within Bangladesh. This is an area that both governments should monitor more closely.
- Desirability of both India and Australia (and New Zealand) being included in the East Asian Summit, due to the compelling interests and existing integration.
- The participants noted the resilience with which Indonesia had responded to the 2004 tsunami and acknowledged that it was a sign of effective, democratic government. Consolidation of democracy in Indonesia is of vital interest to both Australia and India.
- Australia–India dialogue on the future of a more inclusive and effective nuclear order.
- Terrorism remains a clear and present danger for both Australia and India. Participants recommended improved bilateral dialogue on counter-terrorism, as well as working together in regional and multilateral forums, with special focus on the forthcoming regional counter-terrorism conference in Singapore, later in 2005.
- Australia and India could explore the possibility of innovative institutional arrangements to better manage their oceans, such as the appointment of 'Ambassador for the Oceans' by each government. Another idea was the setting up of national ocean commissions across the region to better coordinate maritime policy at the national level.

Participants agreed to:

- the Australia–India Security Roundtable meeting again in India in 18 months time
- continue research collaboration and information dissemination between participants and with other interested parties; including exchange programmes between Indian and Australian strategic centres and institutes in order to enhance links and broaden the understanding of each country in the other
- report the outcomes of the Roundtable to their respective governments as a contribution to further developing and strengthening the bilateral relationship.

The participants expressed their sincere thanks for the generous financial and other support provided since 2001 by the Australia–India Council and the Australian Strategic Policy Institute. The participants also thanked the Asia–Pacific College of Diplomacy at the Australian National University, the Indian Ministry of External Affairs, Jawaharlal Nehru University, the University of Jammu, and the Australian Department of Foreign Affairs and Trade for their support, including financial support, for this Roundtable.

Agreed by participants 12 April 2005, Canberra

Overview—India matters

Jenelle Bonnor

India is important to Australia. It is important strategically, economically and diplomatically. India will probably have the third largest economy in the world by 2050. Already its highly educated population and technological competency sees it achieving enviable growth rates. It has significant military might with an annual defence budget around 50% larger than Australia's. It is becoming an increasingly influential international power, not due just to its nuclear capability but to its impact on global security. It dominates one of the world's more unstable regions and its interests are expanding in the Asia–Pacific region. It is a country that the world is taking seriously.

India is now Australia's sixth largest export market, with almost half of its exports to India concentrated in coal. India is potentially an even more significant energy market, especially for LNG, as its need for oil and gas over the next 20 years is expected to triple. Australia, in turn, is India's ninth most important source of imports. India is playing a bigger role in global trade negotiations, where Australia has vital interests. In May 2005, Australia and India agreed to begin work on a bilateral trade and economic framework agreement, which some believe may be a precursor to a fully-fledged free trade agreement.

India is also playing a more prominent role in Australia's region of security interest—Southeast Asia. India has signed the Association of Southeast Asian Nations (ASEAN) Treaty of Amity and Cooperation (TAC) and has been accepted as an ASEAN dialogue partner at leader level. It is active in the ASEAN Regional Forum (ARF). It has committed to negotiating a free trade area with ASEAN. Both Australia and India have common interests in being involved in the East Asian Summit. India is also developing a much closer relationship with Australia's major ally, the United States. India will inevitably come to play a larger

Photo opposite: Visiting Australian Foreign Minister Alexander Downer (L) shakes hands with his Indian counterpart Natwar Singh (R) prior to a meeting, in New Delhi 8 June 2005. Mr Downer is on a four-day official visit in India for talks on economic and strategic issues, his office said. AFP/AAP/ Prakash Singh © 2005 AFP

role in the United Nations as it seeks a seat on the UN Security Council. In short, India is a country that Australia needs to engage more fully.

Australian diplomatic effort towards India has indeed expanded in recent years. The strengthening economic relationship demanded this. Regular dialogue between the governments of Australia and India is now well established. Exchanges of views take place through the Foreign Ministers' Framework Dialogue, the fourth meeting of which occurred in June 2005 during the Australian Foreign Affairs Minister's visit to India, as well as through the annual Strategic Dialogue between senior officials, the latest meeting of which was held in March 2005.

Despite these efforts to strengthen relations, unfortunately many influential Indians have not forgiven Australia for its reaction to India's nuclear tests in 1998. To the mystification of Australians, this remains a fairly large bone of contention that is regularly picked over by Indians. Together with the still present perception that Australia is a 'stalking horse' for the United States, this means Australia often does not get the hearing it should in India. For some reason, it has proven difficult to put the past behind us.

Patient diplomacy can help to address this but part of the problem lies in the fact that there is no natural constituency for Australia in India, and vice versa. This is because, for many years, neither side invested what it should have in developing the links necessary to underpin a strong bilateral relationship. The exception is the economic relationship, which has developed a momentum of its own. The economic realities of the bilateral relationship, however, are not reflected in strategic and defence relations. Yet they provide the necessary basis for stronger security interaction. This is an important gap in both Australian and Indian strategic understanding.

Things are slowly changing. Australia is now an increasingly desirable place for Indian migrants. India is one of its top five source countries for migration. Australia is the third largest destination for Indian students. But the base of those with knowledge of and interest in each other's country is low. That is why there is plenty of room for new ideas and for academic and educational exchanges, a long-term investment that is essential for broadening the base of individuals who understand the dynamics of the bilateral relationship, and who can contribute to strengthening it.

One such exchange has been the Australia–India Security Roundtable, the only 'second-track' security dialogue between the two, now in its fourth year. Every 12 to 18 months, eminent strategic analysts from both countries have met to discuss a range of important issues vital to each country's defence and security planning. The foresight and support of the Australia–India Council and the Australian Strategic Policy Institute have made such meetings possible, as has the important contribution of Professor Varun Sahni of Jawaharlal Nehru University in New Delhi, who has co-convened the last two roundtables.

At the most recent Security Roundtable—held in Canberra in April 2005—common security and defence interests were examined by fourteen experts from the two countries.

Participants agreed that Australia and India approach strategic issues from different perspectives, but they have enough vital shared interests to require that they take each other more seriously. A common desire for regional and global security and stability through countering international terrorism is one example. Management of the eastern Indian Ocean, the security of the Malacca Straits and the stability of Southeast Asia are others.

This collection of papers from the Australian and Indian participants in the 2005 Roundtable outlines a diverse and constructive range of policy-relevant ideas from which the governments of both countries can draw to help deepen and broaden security ties. As the papers illustrate, the bilateral relationship still requires continuing effort in order to achieve the level of ease and closeness dictated by its numerous common interests. This effort should not be confined to discussions, important though they are, but include increasing the number of exchanges and the level of practical cooperation in the security and defence area.

It is time to add greater breadth and substance to Australia–India relations to reflect economic realities and mutual strategic interests. Sustained commitment is required from government and non-official individuals and organisations in both countries if the relationship is to achieve a weight appropriate to its shared interests. A comprehensive and dynamic interaction is certainly achievable.

One

THE AUSTRALIA–INDIA BILATERAL SECURITY RELATIONSHIP—CURRENT STATUS AND OUTSTANDING GAPS

Frank Roberts

Introduction

Australia has long recognised the potential of India as a strategic partner, based on shared democratic traditions and common values and strategic interests. The current relationship between the two nations is reflected in strong economic ties—India is Australia's seventh largest export market—and burgeoning engagement in the areas of education, science and technology collaboration, and cultural exchange. From a defence and security perspective, our bilateral relationship mirrors the broader patterns of the relationship. We share high level strategic interests that shape and guide our interaction, and continue to develop cooperative defence activities and personnel exchanges.

Strategic interests

Australia and India share many strategic interests, including security within Southeast Asia, the stability of the Asia–Pacific region, combating international terrorism, non-proliferation of weapons of mass destruction, securing maritime lines of communication, and energy and resource security. We also share an interest in a range of transnational security challenges such as disasters, environmental degradation and international crime.

Photo opposite: The first Australian soldiers newly arrived from Gallipoli, escorted by an Indian soldier on horseback, with all their kit, ready to enter rest camp at Sarpi, 1915. Australian War Memorial Negative Number J01605

Of these strategic interests, our respective relationships with the nations of Southeast and Northeast Asia are particularly significant. Both of our nations are interested in fostering a closer participation with ASEAN, the ARF, and the emerging East Asia Summit. India has demonstrated a strong policy of 'looking east' to Asia, and Australia likewise sees many benefits in building stronger relations with the nations of Asia.

Australia has a strong alliance relationship with the United States, and the significance of that relationship for our national security is well known. Recently, the United States has commenced the development of a security relationship with India. We believe that a strong Indian relationship with the US can significantly enhance both regional and global security. However we recognise that India maintains a strong sense of independence with respect to its security policy.

Like Australia, India plays a substantial role in combating international terrorism. Over the last few years, the level of engagement between our two nations' counter-terrorism capabilities has grown, with positive benefits for both nations.

We share interests in the growth of the Chinese economy and its impact upon regional and global economic conditions. We also share a common interest in China's energy security issues, and their impact on the management of sea lines of communication and trade. Both countries maintain sound relations with China, and this may be a common position from which to build future policy.

Australia and India share a focus on national and territorial defence, supporting wider global security interests and multinational peacekeeping efforts, and ensuring the security of our respective immediate neighbourhoods. To that end, it is important to recognise that both India and Australia have been strong supporters of the United Nations, collective security and the primacy of international law.

Defence relationship and future activities

Australia's bilateral defence relationship with India has been growing in importance since ties were re-established in 2000. At present, Australia's priorities continue to focus on personnel exchanges and training, senior visits, service links, the establishment of a strong strategic dialogue, and the emerging field of maritime engagement and cooperation.

Professional exchanges

Australia and India have a strong history of staff college exchanges, which have provided high quality educational opportunities and enduring professional links for both nations' service personnel. Australia and India each exchange a place on the other's Colonel equivalent and Major equivalent staff colleges on an annual basis. The three Australian services send officers to the National Defence College in New Delhi and the Defence Service Staff College in Wellington on a rotational basis.

Unfortunately, Australia did not receive an invitation to India's National Defence College (NDC) this year, and despite many senior representations, India did not reverse this decision. While not crucial to the strength of our relationship, the senior staff college, in particular, is an important tool for military diplomacy and the establishment of long-term personal contacts in each others' services. The current Australian Chief of the Defence Force (CDF),

General Peter Cosgrove*, is not only a graduate of NDC, but also a strong supporter of the value of an Indian defence education for Australian officers.

Indian officers also attend a range of Australian courses and training seminars, including in areas such as emergency management, peace operations and defence management. Australian officers have in the past attended a selection of Indian courses, most notably at the Indian UN Peacekeeping Centre. This is an area of possible expansion for our Defence relationship, and Australia would welcome more opportunities for Australian Defence Force officers to attend Indian training institutions.

More recently, Australia and India have engaged in a series of reciprocal visits to officer training establishments, under the auspices of the Australian Foreign Academy Exchange Program. This is an encouraging development, as it expands the level of officer interaction and personal military diplomacy to include the junior, middle and senior levels, providing for career long links and allowing deeper relationships to develop.

Senior visits and strategic dialogue

Australia has undertaken a number of high profile senior officer visits to India during the past year. The CDF visited India in September 2004; a very successful activity for Australia. Both Chief of Army and Chief of Navy visited India during 2004, meeting with service counterparts. Deputy Secretary Strategy visited India in March this year, and Chief of Air Force was due to visit India in April this year, although this has now being delayed.

Australia and India also maintain a healthy program of strategic dialogue and exchange of defence and security policy. The annual Australia–India Joint Working Group on Defence met recently in Canberra and conducted a series of successful talks on bilateral Defence cooperation, Indian Ocean management and international security issues of mutual interest.

Australia is also interested in more comprehensive engagement with India on counter-terrorism initiatives and strategies. The two nations signed (in August 2003) a Memorandum of Understanding (MOU) on Cooperation in Combating International Terrorism. Whilst the MOU encompasses cooperation much wider than the Defence relationship, it is indicative of the whole-of-government approach and high political importance attached by both governments to counter-terrorism. As a tangible initiative in this area, India sent a representative to attend the inaugural Regional Counter-Terrorism Conference held in 2004. This conference provided a forum for the region's counter-terrorism experts to share ideas and to raise terrorism-related topics. Singapore is hosting the next regional counter-terrorism forum, possibly in September this year, and it is expected that both Australia and India will attend.

Australia believes that Special Forces engagement with India is an area for future exploration within the Defence relationship, though we are both in the very early stages of this and no new activities are currently being considered.

**This paper was presented in April 2005.*

Maritime engagement

Maritime engagement is an area of promise in our Defence relationship with India, based on shared interests in the security of the Indian Ocean region. The Royal Australian Navy (RAN) actively seeks opportunities to increase interaction with the Indian Navy. Australia looks forward to the further development of our maritime engagement in inaugural Navy to Navy talks that we hope will be held in the near future.

The RAN was to send a ship to participate in EXERCISE MILAN 05, the biennial exercise that brings together Indian Ocean based navies for a seminar series and the conduct of an exercise. As a result of the Asian tsunami crisis, this exercise has unfortunately been cancelled. The Indian Navy was also involved, in an observer status, in EXERCISE BLACK CARILLON, a submarine search and rescue exercise held in Western Australia in December 2003. An invitation to such events will continue to be offered to India in the future.

RAN visits to Indian ports by ships passaging to and from the Middle East have been very successful and will continue to be scheduled when possible. In the future, naval cooperation and interaction may also include systems integration, ship and submarine construction, submarine escape and rescue, logistics and material management, junior officer training, contractor support and networking.

Memorandum of Understanding on Defence Cooperation

Of note, Australia and India are in the final stages of negotiating an MOU on Defence Cooperation. Once agreed, this will provide a framework for strengthening the Defence relationship and assist in aligning expectations. This MOU has a focus on cooperation in all the above-mentioned areas, including formalising defence training exchanges, strategic dialogue, maritime cooperation, and also materiel cooperation.

Australia sees India as a natural strategic partner, and recognises our shared strategic interests.

Conclusion

The Australia–India bilateral defence relationship is very important to Australia. Australia sees India as a natural strategic partner, and recognises our shared strategic interests. At present, Australia is happy with the status and direction of the defence relationship and the intensity of activities and levels of cooperation. Once signed, the MOU on Defence Cooperation will both guide and shape the direction and substance of our defence relationship, and I see no reason why this will not continue to grow in a mutually satisfying direction.

Varun Sahni

India and Australia have converging strategic horizons; their strategic interests meet in the eastern Indian Ocean. In confronting terrorism, both face a common security threat, even though it does not always emanate from a common source. Finally, the two countries have complementary force structures: there is much that their militaries can learn from each other.

India and Australia have converging strategic horizons; their strategic interests meet in the eastern Indian Ocean.

In identifying the bilateral security agenda for the future, we could make up two distinct lists, one consisting of issues that the two countries need to talk about, the other comprising initiatives that they could take to work together. The many issues that India and Australia can talk about and share perspectives on include:

- the rise of China, and the reshaping of Asia through the development of new regional structures such as the East Asia Summit
- the future role of the United States, which has been 'asleep on the watch' in relation to Asia for much of the Bush Administration
- Indonesia, the stability of which is of considerable importance to both countries
- the Pacific island states—ethnic cleansing in Fiji concerns India, and it could learn much from Australia and its experience
- integrated ocean management policy
- military modernisation and defence sector reforms: this is an increasingly important issue for India, which has raised concerns in Australia in the past. India needs to explain what is driving its actions, Australia to understand that India's military modernisation is modest in relation to India's size, and is likely to be stabilising in its impact
- non-proliferation, counter-proliferation and disarmament—the game has moved on beyond the normative framework. India's relationship with the United States has been transformed, and Australia is now out on a limb in viewing the issues from the normative standpoint
- building the energy relationship: energy is becoming a security issue in India, with its needs increasing steadily.

There are also areas in which Australia and India can do more together:

- Intelligence sharing regarding terrorist threats; there is still not a great deal happening bilaterally. Police exchanges were a recommendation of the last Australia–India Security Roundtable. Although an officer of the Australian Federal Police has been posted to the High Commission in New Delhi, there has not been much else in the area of counter-terrorism intelligence and law enforcement.

- Joint naval exercises and visits: patrolling in cooperation with the navies of Southeast Asia is an option to explore. It appears there are still feelings of distrust between the Indian and Australian navies; more discussion of a candid nature between them is needed. The proposal of the last Roundtable to set up a hotline between Australia's Maritime Command and India's Andaman & Nicobar Command needs to be urgently considered.
- More can be done on cooperation between the two countries' special forces, although this is admittedly a sensitive area.
- Arms procurement and military industry: India is currently working with Russia on these issues, but we should start thinking about whether we can work together.

Progress in the bilateral security relationship has been inhibited by several factors. India is focused on its relationships with the United States, China and Pakistan, which have all improved recently. There is also a question in India about Australia's seriousness and staying power in the relationship. Finally, there is the issue of style: on the Indian side, at any rate, there have been recurrent perceived slights.

**This is a summary of Varun Sahni's presentation at the Roundtable.*

INDIA'S SECURITY CHALLENGES OUT TO 2020

Varun Sahni

**This is the text of the speech delivered by Professor Sahni at the ASPI Defence and Security Luncheon on 12 April 2005.*

In the 1968 movie *The Party*, Peter Sellers plays an Indian actor who gatecrashes a Hollywood party and, once inside, causes merry mayhem. The apoplectic host, at a particularly precarious stage in the proceedings, turns to Sellers and asks in an outraged voice, 'Who do you think you are?' The Sellers character responds, 'We Indians don't think who we are. We *know* who we are.'

Tempting though it is, I will not this afternoon go down the path of millennial civilisational certitude. To understand better the security challenges that India will confront over the next 15 years, Indians such as I must at least *try* to *think* who we are: what moves us, what we stand for, where we are planning to go, why we want to go there and how we propose to get there. In that spirit, this lecture is a very personal statement. I would like to clarify this point because this particular ASPI Defence and Security Luncheon, although a part of a distinct program of events, is nevertheless embedded in the fourth Australia–India Security Roundtable, a Track 2 engagement that began yesterday and which continues this afternoon. Some of the most experienced and original minds in the Indian strategic community are here with us this lunchtime; it would be great if they would jump in during the Q&A session afterwards. It would be like getting six Indians for the price of one.

The Holy Grail for Indian security policy is its quest for strategic autonomy.

I focus on 2020 not for obscure ocular or numerological reasons, but rather because India by that year, at current growth rates, would be a very different place and player. Indian economic growth from 1947 to the early 1990s averaged between 1.5 to 3% per annum. Over the next 20 years, India will aim for growth rates of 8–10%. Looking at growth figures in the Indian economy over the last few years, this is achievable: real growth of Indian GDP was 8.2% in 2003, 6.4% in 2004, and is expected to be around 6.2% in 2005. However, even with a growth rate of 7% per annum, national income would double every 10 years. At this slower rate of growth, Indian per capita income in 2015 it will be US$1200; and in 2025, 75 years after Independence and in the first quarter of the 21st century, it will be US$2400. Indeed, denominating the size of the Indian economy in US dollar terms gives us a rather distorted picture. India is already the fourth largest economy in purchasing power parity (PPP) terms, after the US, China and Japan; purchasing power parity, as we know, is what a nation's currency actually buys in goods and services, and not on the basis of its exchange rate against the US dollar. With the per capita income of a middle-income country and a population of around 1.3 billion in 2020, India would be a major economic power, globally as a player of this rank and weight, it would be a major contender on virtually every diplomatic-strategic chessboard. India's security threats over the next 15 years therefore have to be seen

in the light of India's emergence as a state with system-shaping capabilities and, dare I say, intentions.

The Holy Grail for Indian security policy is its quest for strategic autonomy. To understand why, I will state the matter starkly: India finds itself largely friendless in the world today. Since the demise of the Soviet Union, India has friendly relationships with many states but friendship with none. India's budding friendship with the US is constrained by many factors including the latter's security links with Pakistan. Nevertheless, the most important factor that places limits on US–India security relations is that the former does not regard India as a member of the 'democratic core' of states. Since India is not a part of the security community led by the US, it cannot rely on the latter for security backup as it successfully depended for 2 decades upon the Soviet Union. Also, it must be kept in mind that India is just too *big* to be accommodated in any security community as a junior partner. Essentially friendless, faced by powerful foes and potential adversaries, India has no option but to rely on its own capabilities. These capabilities, while significant in certain contexts, are by no means sufficient and are prone to debilitating weakness in critical areas.

The biggest security challenge that India's quest for strategic autonomy throws up for its policy is the country's continued external dependence for certain critical technologies. It must be clearly stated that India is ahead of the herd in several frontier technologies, particularly in the area of biotechnology; level-pegging with the leaders in other technological areas such as information technology; and among the early birds in yet other areas like nanotechnology. And yet, India's technological dependence in other areas is uncomfortably evident. Let me highlight India's security challenges in some of the areas linked to technology.

A good starting point would be India's military industry. The emphasis on self-sufficiency has always been evident in India's defence production program. The Department of Defence Production and Supplies (DDP&S) in the Ministry of Defence administers 39 Ordnance Factories and eight military industries—known as the Defence Public Sector Undertakings (DPSUs)—involved in aeronautics, shipbuilding, electronics, earthmoving equipment, missiles and super alloys. From 1983 onwards, India has invested heavily in a number of military programs, with varying levels of success and rates of progress. Ongoing development programs include the Light Combat Aircraft (LCA) program, which aims at producing a fighter/ground attack (FGA) aircraft for in-service use by 2008–2010, the Advanced Light Helicopter (ALH) program, the Advanced Technology Vessel (ATV) program that is developing a nuclear-propelled submarine, and the *Arjun* main battle tank (MBT) program. The Integrated Guided Missile Development Program (IGMDP) includes the *Akash* and *Trishul* surface-to-air missiles (SAM), *Prithvi* and *Agni* surface-to-surface missiles (SSM), *Surya* intercontinental ballistic missile (ICBM) and *Sagarika* sea-launched cruise missile. While the missile programs are proceeding largely on schedule, there have been significant delays in the LCA and MBT programs; the ALH is just now entering squadron service. Meanwhile, little if anything is publicly heard of the ATV program. One can reasonably expect that these indigenously produced combat aircraft, tanks and submarines—the typical 'bread and butter' weapon platforms that distinguish the strong from the weak—will not enter regular service earlier than 2015. In the meantime, India has no option but to buy costly and sophisticated foreign weapon systems in order to maintain a certain pace of military modernisation, particularly given its tense external security environment.

The Indian list of arms acquisitions from abroad remains a long one. Russia continues to be the premier source for arms imports, supplying India with fighter/ground attack aircraft, tanker aircraft, helicopters, surface-to-air missiles, submarines, frigates, a tanker ship, fast patrol craft, ship-to-ship missiles, sea-launched cruise missiles, main battle tanks, air defence systems and artillery, and potentially an aircraft carrier. Other arms suppliers included the United Kingdom (FGA and naval fighter aircraft), Germany (submarines), France (FGA aircraft), South Africa (armoured personnel carriers), Israel (forward air control systems, unmanned aerial vehicles [UAV], inshore patrol craft, and artillery), Ukraine (FGA aircraft), Slovakia (armoured recovery vehicles [ARV]) and Poland (trainer aircraft and ARV). The avionics on the Indian made *MiG-21* aircraft were upgraded using French and Israeli equipment. Israel also took on the upgrade of Soviet-era artillery guns. Thus, India is *simultaneously* spending on overseas arms purchases to meet current security threats *and* on domestic arms production to meet future security threats. During the Kargil conflict against Pakistan in 1999, India was forced to make emergency acquisitions of military hardware, particularly high-technology direction-finding equipment. To give only one example of India's arms acquisition dilemma, the unreliability of the indigenously-produced *Arjun* MBT in user trials, coupled with Pakistan's purchase of 320 *T-80* MBTs from Ukraine, forced India to acquire Russian *T-90* MBTs through direct purchase and licensed production. India will therefore now be simultaneously entering into the production of *both* the *Arjun* and *T-90*.

If overseas acquisitions continue to supply crucial hardware to meet current security threats, India's military R&D necessarily has to be geared to contend with *future* threats. Thus, Indian military industry not only has to keep in touch with current military technology but also has to anticipate future technological advances. This involves making a huge leap into the realm of frontier technologies of the future, at a time when keeping pace with the technological breakthroughs of today is a difficult task in itself. India's constant search for security *today* does not permit it the luxury of spending the next 25 years building a technologically competitive and commercially viable defence industry. Since technological progress is an evolutionary process with few 'quantum leaps' along the way, India may have no option but to accept the delays and deficiencies of its military industry and to continue to muddle through.

Whether it is unregulated population movements, state sponsored terrorism, gun running or the smuggling of counterfeit currency, India faces cross-border threats that are more lethal and better organised that ever before.

The need for India to come up with a technological response to border management is yet another case that I will put before you. The cross-border challenges that India faces have gone up exponentially, both quantitatively and qualitatively, over the last decade. Whether it is unregulated population movements, state sponsored terrorism, gun running or the smuggling of counterfeit currency, India faces cross-border threats that are more lethal and better organised than ever before. Managing India's land borders has traditionally been

a labour-intensive task that has resulted in the permanent deployment of large numbers of military personnel at altitudes, in weather and on terrain that exacts a brutal human cost. The human and financial costs incurred by India due to the Siachen deployment are particularly illustrative. Climatic conditions on the Saltoro ridge and over the Siachen glacier are unbelievably ferocious: blizzards can be of speeds up to 150 knots (nearly 300 kilometres per hour), while the temperature drops routinely to 40 degrees below zero on the centigrade scale. The high altitude severely compounds the bitter climatic conditions. Base Camp for Indian forces is 12,000 feet above sea level, with some forward bases as high as 22,000 feet. Due to the steep gradient the area is also badly prone to avalanches. These adverse climatic conditions have direct consequences; since the Siachen hostilities began only 3% of the Indian casualties have been due to hostile firing; the remaining 97% have fallen to the altitude, weather and terrain. What is of singular importance is that Indian forces have been deployed in these brutal conditions since 13 April 1984, thereby making Siachen by far the longest-running armed conflict between two regular armies in the twentieth century, one that, till recently, showed no signs of ending. Given its experience with Siachen, India therefore has to face a stark reality: the only feasible way to monitor the line—whether international border or line of control (LOC)—particularly in the high Himalayas, is to replace man with machine. Of course, human beings can never be replaced: it is *human* agency and ingenuity that would design, produce, test, deploy, replace and interpret the data from mechanical sensing devices. The induction of technical monitoring systems would be an incremental process, involving substantial overlap between man and machine over a considerable transition period. Depending upon terrain and other considerations, the optimal ratio of human versus technical monitoring would differ all along the line. A necessary corollary of technical monitoring would be the creation of a specialised unit of airborne army engineers who would be periodically airlifted to check and replace sensing devices. The financial costs involved in technical monitoring are another factor that must be considered. In the final analysis, India would have no option but to incur these costs. Certainly, it is preferable to losing and blighting the lives of young soldiers. That, for a liberal democratic state, should be the least desirable option of all. For too long, India has relied solely on a readily available pool of unemployed rural youth to man its fighting forces. The demands of border management should spur Indian defence and security planners into analysing the viability of a more capital-intensive force structure.

My discussion of technology dependence leads us quite nicely into India's civilian nuclear program, which appears to have reached a capability plateau and would therefore benefit hugely from an infusion of technology from outside. India currently has 14 nuclear reactor units at 6 sites—Tarapur, Rawatbhata, Kalpakkam, Narora, Kakrapar and Kaiga—with a combined generating capacity of 2,720 MWe. Nuclear power generated 2.5 GWe of electricity (out of a total of 110 GWe) in 2003, amounting to 3.3% of India's electricity that year. Nuclear Power Corporation of India Ltd (NPCIL) has ambitious plans to boost output to 20,000 MWe by 2020, or 7–10% of India's total energy generating capacity. Plans to have eight new reactors in operation by 2008, including two Russian-designed 1,000 MWe VVER units, with a ninth plant (the Kalpakkam prototype fast breeder reactor) expected to come online in 2010. Why do I characterize the problem of India's civil nuclear sector as being one of capability? India's 14 nuclear reactors currently under operation—the two boiling water reactors (BWRs) built by GE at Tarapur, the two Candu pressurized heavy-water reactors (PHWRs) at Rawatbhata, and the ten PHWRs at Rawatbhata, Narora, Kaiga and Kalpakkam—are all *small*, with none having a net generating capacity of more than 202 MWe. This is

quite clearly an uneconomical way in which to proceed, and is a path of diminishing returns if the ambitious target of nuclear generation capacity of 250 GWe, or 25% of India's power, is to be reached by 2050. Admittedly, plant efficiency seems to have improved significantly over the last decade; the capacity factors of India's nuclear power plants increased from 60%—one of the world's lowest—in 1995 to 85% in 2001–2002. Nevertheless, the only way forward for the Indian civil nuclear sector is to import technology. It is therefore not surprising that India has turned to Russia to supply two VVER-1000 (V-392) pressurized light-water reactors, with a net generating capacity of 953 MWe each, at Kudankulam, of course under full IAEA safeguards. To summarise, India's technology-dependence in the civil nuclear area arises because it has not, till very recently, been able to break out of the 202 MWe plateau through indigenous effort. This could, of course, change if India is able to successfully pursue its plans to construct four 220 MWe PHWRs, ten 700 MWe PHWRs, three 500 MWe FBRs and six 1000 MWe VVERs between 2010–2020.

... energy security has become a core challenge for India, one that will claim considerable amounts of diplomatic energy and policy attention over the next 15 years.

With its growing economy and modernising society, India can no longer treat issues of energy solely in economic or developmental terms. India's growing hunger for energy is evident: it now has the sixth largest energy consumption in the world, and one of the fastest growth rates of increasing energy consumption. Thus, energy security has become a core challenge for India, one that will claim considerable amounts of diplomatic energy and policy attention over the next 15 years. Very recently, the US has attempted to wean India away from a possible gas pipeline project that would connect Iranian supplies to the Indian market via Pakistan, proposing in its place a dialogue on the civil nuclear sector that would presumably lead to a new technology relationship between the two countries. We should be clear that for India the energy options are no longer stacked in either-or terms: India needs multiple sources of energy, and it needs to search for these sources of energy with frenetic urgency. Guaranteeing India's energy security will be a core security challenge in the years leading up to 2020, and all feasible options will be considered and operationalised: building gas pipelines, constructing nuclear reactors, diversifying oil supplies and revisiting coal-fired thermal power stations will all be grist to the Indian energy policy mill.

A distinct but linked security challenge for India is going to be its future role and location within global nonproliferation/counter-proliferation arrangements. India is not a member of the entire web of interlocking treaties, arrangements and suppliers groups that makes up the multilateral non-proliferation architecture: Treaty on the Non-Proliferation of Nuclear Weapons (NPT), Missile Technology Control Regime (MTCR), Australia Group (AG), Zangger Committee, Nuclear Suppliers Group (NSG) and the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Technologies (WA). Indeed, these multilateral arrangements are located within a normative framework that stigmatises both India and its programs. The fundamental problem with a normative approach to nonproliferation is that it divides states in the international system into the 'gatekeepers' and those who have been 'excluded at the gate'. The normative approach works so long as none of the excluded

states have *both* the capability *and* the will to buck the system. However, this approach is next to useless in dealing with successful 'gatecrashers'. The central dilemma for normative nonproliferation remains: How does one deal with an excluded state that is now within the gates, short of accepting that it too is now a gatekeeper?

While exclusionary regimes also exist in the space launch vehicle/missile issue-area, they are still largely ad hoc arrangements. The MTCR, as an exclusive club, is explicitly non-universal and legally non-binding, and is therefore quite correctly regarded by target states such as India as an insulting nuisance. Nor is the efficacy of the MTCR universally accepted. Indeed, the inefficacy of global multilateral missile nonproliferation measures can be seen in the missile launches by North Korea and Iran in 1998. The fact that clear violations of the MTCR—China's missile and missile technology transfers to Pakistan, for instance—have gone unchallenged makes this particular missile non-proliferation 'regime' even more suspect in India's eyes. An important stumbling block is the dilemma of 'dual-use' technology: how to impede missile programs without simultaneously punishing space launch vehicle programs. To summarise the fundamental challenge in this area from an Indian perspective, the proliferation security initiative (PSI) and the container security initiative (CSI) would benefit from India's full participation, but that would require the prior accommodation of India within the exclusive and exclusionary multilateral proliferation initiatives.

A fundamental security problem that India currently confronts is the construction of a deterrence relationship with Pakistan. As very new nuclear weapons states, both are still learning the basics of nuclear deterrence. Unfortunately, nuclear deterrence is *not* a 'one-size-fits-all' business, in which all nuclear dyads are subject to the same systemic constraints and hence behave in similar if not identical ways. It makes much more sense to view each nuclear dyad as *sui generis* in which a deterrence *relationship* is created *ab initio*; in other words, the experience of others does not ultimately matter. Instead, we have 'learning by doing'. The concept of the 'deterrence relationship' thus becomes critically important for India and Pakistan. The central notion here is that a stable deterrence does not magically or alchemically emerge if two adversary states have nuclear weapons, but rather is an edifice that must be slowly and carefully constructed. The crisis of 2002 would indicate that both India and Pakistan are on a steep learning curve when it comes to building a robust deterrence relationship, which must necessarily be based on the notion of *partnership with the adversary to prevent and manage conflict*. As an indispensable starting point, nuclear risk-reduction measures (NRRMs) and direct communications between the national command authorities are urgently needed. Unfortunately, Pakistan has tended to drag its feet on this issue, since a larger nuclear 'comfort zone' for India is understandably not in Pakistan's interest. This would suggest that as long as Pakistani policy is predicated on nuclear compellence (leveraging its nuclear capability to 'internationalize' Kashmir in order to force a settlement upon India), a stable deterrence relationship in unlikely to emerge between the two states. The matter is likely is get even more complicated in the 2008–2010 time frame, when India's *Agni-3* missiles, which would have the range to cover all of China's territory, would come on line. If a stable deterrence relationship with Pakistan has not materialised by then, India would face the complex task of signalling deterrence intent to Pakistan and China simultaneously. The danger that New Delhi would, in that situation, be inadvertently sending out mixed and confusing signals to its two nuclear adversaries should be evident.

Let me now turn to the challenge of terrorism. From an Indian perspective, I feel, we need to ask a simple question: What precisely is *global* about global terrorism? The answer to this seemingly simple question, I argue, lies in whether we choose to analyse terrorism by focusing on its causes or on its consequences. I assert that the definition and redefinition of global terrorism since 11 September 2001 has ominous significance for states such as India that have for long been on the receiving end of 'non-global' terrorism. The new centrality of terrorism in the agenda of states is certainly welcome to the extent that it leads to the adoption of effective anti-terrorist strategies and inter-state cooperation to deal with the phenomenon. But for weaker states confronting the menace of terrorism, global anti-terrorist strategies present two distinct dangers. The global approach could lead to the highjacking of the inter-state agenda by the most powerful state in the anti-terrorist coalition. The most powerful state could place its specific security concerns at the top of the agenda and force its ordering of priorities upon weaker states. Second, the danger of a global anti-terrorist strategy is a 'one size fits all' approach that, in most circumstances, would be detrimental to the interests of weaker states. For India, the 'global war against terror' is thus at best a double-edged sword. We need to get back to the basics of what terrorism is, or, to put it differently, to remember what terrorism used to mean before it 'went global'. Terrorism is the deliberate use of violence on non-combatants to shocking effect in the pursuit of certain political ends. It is 'not an ideology or a political doctrine, but rather a method.' The role of shock is fundamental to any terrorist activity: it is the shock inherent in terrorist activity that the terrorists hope would raise the cost of an unacceptable status quo and thereby induce political change. The apparent paradox at the heart of terrorism is that even seemingly random acts of violence are carefully planned to appear random. The specific victims of a terrorist act may be struck down at random; the population from which the unfortunate victims are drawn has been carefully selected in advance by the terrorists as their target.

The conventional discourse on terrorism went something like this: while the loss of innocent lives in terrorist acts was lamentable, the terrorists themselves had been driven to desperation by the lack of non-violent solutions and legal remedies for the unjust situation in which they found themselves. In other words, the emphasis clearly was on the cause that had driven the terrorist act. The focus on causes was helped by the fact that few terrorist acts before 9/11 were catastrophic in terms of loss of life. The causes that were enlisted to justify terrorism were of course varied, but they could invariably be presented in the idiom of liberation, an end that was worthy of attainment through violence when no other recourse was apparent. The unquestionable nobility of the end justified the ethically dubious means that perforce had to be employed. Obviously, the emphasis on causes made the entire discourse on terrorism relativistic and slippery. Depending upon one's attitude toward the professed cause, one could have a variable judgement on the terrorist act as well as the terrorist actor. Thus, as the well-worn phrase goes, one person's terrorist was another person's freedom fighter. As long as terrorism was a fundamentally local phenomenon that did not impact significantly on world politics, relativism in the analysis of terrorism reigned supreme.

The emergence of global terrorism has marked a tectonic shift in this relativistic approach. In the short time in which it has been in vogue, global terrorism has come to mean three very different things. First, the new type of terrorism could be characterised as global because the terrorist group that carried out the 9/11 attacks is indeed a global terror network with global reach that transcends scores of sovereign boundaries. Second, the new

terrorism could be regarded as global because the sheer audacity with which Al Qaeda attacked the most powerful state in the international system made it an actor of global significance. Third, the new terrorism could be global in the sense that it has given rise to a global war against itself. The new terrorism, in brief, is global because of its reach, its consequences and the response that it has unleashed.

If terrorism is now global in nature, a relativistic approach toward it is likely to prove inadequate. Once the most powerful state in the system has been grievously hurt by terrorism, the focus necessarily shifts from the causes of terrorism to its consequences. This shift in emphasis from cause to consequence should be seen as a positive development. An analysis of terrorism based on causation is necessarily relativistic; a consequentialist analysis, on the other hand, can reach absolute judgements about the illegitimacy and non-validity of terrorism. While the cause that underlies an act of terrorism is almost always justifiable, at least by its perpetrators and often by a wider circle of supporters, the consequence of a successful terrorist act is almost always too horrible to justify.

... recent Western formulations on terrorism are far from propitious for a country like India.

Nevertheless, recent Western formulations on terrorism are far from propitious for a country like India. US President George W. Bush's formulation in the wake of 9/11 ('you are either with us or with the terrorists') was expressly maximalist in that it deliberately did not make any distinction between acts of terrorism at the level of causes. In other words, terrorism anywhere, for any reason whatsoever, was reprehensible and would be combated. However, this formulation had almost no operational utility, since it was impossible to target all forms of terrorism across the globe simultaneously, nor indeed was it necessary for the US to do so. The intent is now to delineate a distinction between 'global' terrorism, which has systemic causes, from other forms of terrorism caused by essentially local grievances. This attempted distinction at the level of causation is ludicrous in most cases. The attempted redefinition of terrorism is in reality a reformulation that has nothing to do with terrorist causation, either of the 'local' or the 'global' variety. Instead, the attempt at redefinition is cynically *consequentialist* in that it seeks to classify a terrorist act based on the *identity* of its victims, the gruesome end product of the terrorist act. Thus, if the victims are Americans or other citizens of the 'democratic core' that forms the Western security community, the terrorist act is considered 'global' and has systemic consequences. All other terrorist acts can then safely be deemed to be 'local', the bloody result of 'ancient hatreds' that characterise politics outside the democratic core. For a non-Western state target of terrorism such as India, the only rational policy is to devote its capabilities and policy resources to devising autonomous counter-terrorist strategies to deal with the dangers it confronts, while simultaneously giving low-cost, high-visibility rhetorical support to global counter-terrorist endeavours.

This Australian audience would perhaps be wondering by now whether I intend to say anything at all about the Indian Ocean. Your impatience is totally understandable. After all, it is in the eastern Indian Ocean that the strategic horizons of our two countries meet. Let me first make two assertions in favour of India's naval modernisation before expressing a strong note of reservation. First, let us recognise that the task that India's naval institution

confronts is a daunting one. India is a country of continental proportions, with one of the longest coastlines in the world (7562 kilometres, if the islands are included). As a result, India also has an enormous exclusive economic zone (EEZ) of over two million square kilometres and important insular territories whose security the Indian Navy and Coast Guard must ensure. Second, India already has a three-dimensional, blue water Navy. India's naval institution today is in fact a force in decline, with more capital ships in the process of being decommissioned than there are hulls being laid and new vessels acquired. Thus, what is at issue is not India's present naval capability, which if anything needs significant strengthening, but rather the vision that underlies naval expansion plans for the future. Here, let me warn you that my point of view is *not* representative of informed Indian opinion on the matter; indeed, I often suspect that I am in a minority of one on this issue. Anyway, for whatever it's worth, anchors aweigh!

My deep concern is that India's naval planning is based upon an inflated vision of naval threats and capabilities. Indian naval over-ambitiousness is temporal, structural and geo-strategic in nature and manifests itself in all three ways simultaneously. From the *temporal* perspective, Indian naval planners are aiming to do too much too soon. The time has perhaps not yet come to start thinking of protecting India's sea-lanes of communication (SLOCs): India is not yet a trading nation, its total exports amounting to just 19% of its gross domestic product (GDP). Moreover, India's foreign trade is only a one-half per cent (0.5%) of total world trade. India's naval over-ambitiousness also has a *structural* dimension. Aircraft carriers, in particular, need to be demystified. Although they are impressive symbols of global reach and national might, aircraft carriers are expensive in peace and vulnerable in war. In force structural terms, it is therefore in India's interests to move away from a 'sea control' strategy, for which the aircraft carrier is the preferred platform, to a 'sea denial' strategy that is largely submarine-based. However, it is the final form that over-ambitious naval planning that concerns me the most. In any meaningful *geo-strategic* sense, India is a continental state, and hence a land power. This is clearly evident in Indian history: even the Chola dynasty of peninsular India, for all its naval expeditions to what is today the Malay peninsula and Indo-China, was primarily a land power rather than a sea power. It is true that India was colonised by European sea power. Nevertheless, India has not faced a threat on its shores, even remotely, since 1971, nor is one likely to emerge in the foreseeable future. India's main adversaries share disputed land borders with it. This is the geo-strategic reality of Indian power. Over the last century and a half, the two continental states that have aspired to become sea powers, Wilhelmine Germany and the Soviet Union, both came to grief in the process of bringing their maritime aspirations to fruition. The example of the Soviet naval expansion, in particular, ought to be is a cautionary tale for India's Mahanian navalists. Russia has always been a land power; it is the Eurasian 'heartland'. Under Admiral Sergei Gorshkov, the Soviet Navy attempted to compete against the US Navy. Its success in doing so was, in retrospect, clearly deceptive. The Soviet Union remained a land power: indeed, the Afghanistan intervention bled it dry. The mothballed vessels from Archangel to Sevastapol to Vladivostok are a grim warning of what happens to a continental state that harbours overly grandiose maritime ambitions. That India has acquired an aircraft carrier originally named after Sergei Gorshkov suggests the farcical nature of history repeating itself.

I am acutely conscious that I haven't even mentioned internal security challenges so far. This is surely surprising, given that a significant proportion of India's million-plus personnel army is engaged in internal counter-insurgency and counter-terrorism operations. However, I firmly believe that the internal security task facing the Indian fighting forces will come

down dramatically over the next decade. I have two reasons for making this bold assertion. First, external sponsors of terror and insurgency in India will find their manoeuvring room severely constricted by the international context and Indian reaction: the 2002–2003 crisis clearly showed that India was willing to risk war in order to put a stop to cross-border terrorism. Second, and just as important, as India's global profile increases the prestige associated with 'being Indian' naturally goes up as well. The electronic mass media have also had an important impact in augmenting a pan-India sentiment within the country. As a continent-sized state, India has always had the ability to deal with localised dissent, using coercion and cooptation with equal efficacy and often in tandem. This ability to manage dissent will only increase in the years to come.

Permit me now to shift gears drastically and focus upon an issue that is not often conceived of as a security challenge for India, but which surely is one in a very profound way. Over a period of 17 years, India's HIV-infected population has shot up from two persons to 5.1 million. According to official figures, which for methodological reasons almost certainly understate the problem, nearly 1% of India's adult population is now carrying the deadly virus, according to official sources. India's HIV/AIDS infection rate has perhaps not reached the statistically and epidemiologically important 1% mark among the general population, but let us also note that some Indian cities and regions are already reporting more than 5% infection rates. India's aspirations for the future would surely be severely impacted by a HIV/AIDS epidemic. The biggest negative impact would obviously be demographic. By 2020, an estimated 64% of the total population would be in its working years, thereby giving India a huge economic advantage over its rivals and competitors. However, the mean age of HIV-positive people in India is currently between 25–30 years. A severe epidemic, it is expected, would imply 140 million new HIV-infected persons in 2025, leading to a decline in India's estimated working-age population in 2025 from 932 million to 854 million. Admittedly, even the latter figure is, in demographic terms, a formidable number of economically-active people, until we also consider the terrible socio-cultural impact of the potential breakdown of hundreds of millions of families.

Since this would be a very gloomy note upon which to end my talk, I'd like to place before you two other security challenges that India will perforce confront in the coming years. The first set of challenges relate to the systemic architecture that India will face and, increasingly, shape in the coming years. The year 2020 is particularly interesting because it is a useful marker of the future *relative* decline of the US. The history of the sovereign state system would suggest to us that hegemony is a relatively rare condition: since 1648, only France under Louis XIV and Victorian Britain achieved a state of unmatchable power akin to the US today. History also tells us that once attained, hegemony lasts about 25 years before other powers rise, singly or in coalitions, to challenge the hegemon. Thus, India's emergence will coincide with the rise of China and relative decline of the US, not to consider the future place and role of Brazil and perhaps a couple of other possible power centres. In a rather obvious way, then, India's security challenges over the next 15 to 20 years are tied to the changing map of Asia. For perhaps the first time in Asian history, and certainly for the first time since European colonialism, a security architecture that is continent-wide in character is finally arriving in the Asia–Pacific. This continent-wide security interdependence is linked quite clearly to the rise of China. In other words, China is converting Asia into a region: if a rising China didn't exist, there would be no Asia—in geopolitical terms. However, the unvarnished fact is that China *is* rising, and every single one of China's neighbours has to make this fact an integral part of their own policy calculus.

We can be reasonably confident about New Delhi's policy preferences regarding a possible Washington-Beijing bipolarity in the future. India will not be drawn into the containment of China. But I also think that India will not become a party to an Asian alliance against the West. Thus, if an Asian security architecture of opposing axes were to emerge, I would posit a new non-alignment for India. However, we must recognise this new non-alignment would be much more difficult than the first round of non-alignment was for India, for two reasons. First, China is a neighbour, so one of the poles of a new bipolar order would be a country with which India shares a huge and as yet unresolved border. But I think there's another reason why fence sitting is going to be very difficult for New Delhi to pull off this time, and that is because India would also have system shaping influence. So there are compelling reasons then why an Asia composed of opposing axes and balances would be bad news for India.

But Asia's future need not be of opposing axes and balances. We can also conceive of a cooperative security arrangement in Asia—an Asian Helsinki process. Obviously, an Asian Helsinki process coming into being would depend crucially on China, which has the capacity to either make or break the process. While there could be no Helsinki process on the Asian landmass without China, India could play a very important role in signalling and nudging China in that direction. Indeed, in the years to come we may well find China predisposed towards an Asian Helsinki process. Constructing a cooperative security arrangement in Asia would be a contentious and tortuous process, but it would be well worth the effort. It would reduce the size of arsenals in Asia. It would enmesh American and Chinese—as also Indian and Japanese—capabilities in Asia within a larger cooperative process. Over time, it would lead, perhaps, to the evolution of a new and authentic Asian identity. It would build habits of cooperative behaviour on the Asian continent. Clearly, there is a lot riding in a possible reconfiguration of Asia over time in a more cooperative structure. This process could unfold over a 10 to 15 year time horizon. Since this would be the time period in which in US capabilities would probably be beginning to decline in relative terms, it would therefore be an opportune moment in which to actually imagine the United States getting enmeshed in this new cooperative security process. By building robust political links with both China and the US, India could end up playing an important catalytic role in bringing both countries together in a new cooperative Asia.

After having ranged far and wide across Asia, let me end my talk by bringing all the disparate threads back home to India. Maintaining democracy and promoting development—and treating both as equally important and necessary—is the biggest security challenge facing India. Fifty-five years of genuine liberal democracy in a pluralist, multicultural, socio-economically deprived, continent-sized setting is surely an achievement of world historical importance that deserves to be celebrated. But let us not forget the deep-rooted socio-economic deprivation that characterises so much of India still and makes the life of so many Indian citizens a miserable and perpetual struggle for survival. (Even in PPP terms, India's annual per capita income is US$2,800, well below the floor of US$6,000 that defines a middle-income country.) After nearly 60 years of independence, India has yet to create authentic public health and public education systems. But these are domestic mysteries that are best addressed domestically rather than on alien shores.

Two

SOUTH ASIAN SECURITY, INCLUDING INDIA–PAKISTAN RELATIONS—UPDATE AND IMPACT ON INDIA AND AUSTRALIA

Kapil Kak

Three key processes have transformed India's profile in South Asia: the economic–trade liberalization which was somewhat negatively impelled by a serious balance of payments problem in 1991, a defining strategic readjustment following the collapse of the USSR, and the monumental nuclear tests of 1998. Besides a combination of sustained GDP growth rates of over 6.5% annually over the last fifteen years, leveraging global connectivity and trade, and readiness to come to the assistance of friendly countries in its extended strategic neighbourhood—as during the 1988 Maldives crisis and the tsunami crisis of 2004—have greatly enhanced India's regional profile and responsibilities.

On the flip side, India has long been perceived as a hegemon in South Asia. Former elements of India (Pakistan and Bangladesh) have feelings of territorial inadequacy and huge asymmetries across the politico-economic and technological spectrum, and are seeking to achieve parity through developing external linkages and, worse still, employing, as in the case of Pakistan, asymmetric conflict like trans-border state-sponsored terrorism. This transformation of a normative framework could have implications for Australia's security too, as evidenced by the targeting of its citizens in Bali (Indonesia) and elsewhere through terror networks that have their epicentre principally in Pakistan. In another crucial example of external security

Photo opposite: An unidentified soldier (centre) with the 3rd Battalion, The Royal Australian Regiment (3RAR) wearing a slouch hat, leans against a jeep ambulance as he talks with two soldiers probably from the 60th Indian Field Ambulance, Korea c. March 1951. Australian War Memorial Negative Number HOBJ2160

linkages, the China–Pakistan nuclear-missile cooperation is perhaps the only instance in world history where one country has assisted another in turning it into a nuclear weapon power. Pakistan's nuclear proliferation to Iran, Libya and North Korea are too well-documented to merit emphasis.

There is also the issue of natural resources—India, as the upper riparian, has a stranglehold on water in the region, leading to Pakistan's water insecurity. But the international community has not failed to appreciate that despite four India–Pakistan Wars—three of which were clearly initiated by the latter—the bilateral Indus Waters Treaty of 1960 has stood the test of time primarily because India, as a responsible international player, refused to renege from its treaty obligations even in war situations.

As a geostrategic construct South Asia is inherently flawed. India's extended neighbourhood includes Central Asia, Afghanistan West Asia, Northern Indian Ocean, Myanmar, Southeast Asia and, most importantly, China—its long-term strategic challenge. With the shift in the centre of gravity of global power balance from North Atlantic-Europe to Asia, India's wider strategic frontiers lie beyond political territorial states, with overlapping political, economic, diplomatic and military linkages that result in stability, security and peace.

... a stable and secure Asia Pacific could accommodate the interests of both countries.

In the abovementioned geostrategic dispensation, Indian and Australian security interests coincide. Australia is a power of immense consequence in the Pacific and thus a stable and secure Asia Pacific could accommodate the interests of both countries. Timely and effective management of the December 2004 tsunami crisis was a recent example of mutually-beneficial joint endeavours. Such future initiatives in safeguarding sea-lanes of communications, maritime security, counter-terrorism and counter-nuclear proliferation would have a stabilizing influence on the security of Asia–Pacific region.

Indonesia is Australia's neighbour and also that of India. These three countries are not only a part of an evolving framework of democratic inclusion, but a trilateralisation of their security policies in the region has a dramatic stabilising potential. India and Australia also have a common interest in Fiji. In South Asia specifically, there is greater consensus that establishment of free trade linkage with all of India's neighbours and injection of a healthy dose of what some analysts have termed 'positive unilateralism', even in regard to Pakistan, would not only enhance confidence levels but also serve to bind South Asian neighbours economically and culturally in an integrative security framework.

In June 2002, following the suicide attack on India's Parliament by Pakistan-based terrorists and the consequent military mobilization, the two countries were near war. Since then there has been a positive transformation brought on by the India-initiated mutually-evolved composite dialogue process. In dealing with the intractable and highly complex issue of Jammu and Kashmir, the *process* was far more important than the *speed* in reaching any end game. In fact, the twin-tracks of India–Pakistan composite dialogue, that includes a wide

range of confidence building measures, and the equally vital engagement of the separatist elements in a political dialogue by India's Central Government may itself eventually throw up a solution to the vexed issue of Jammu and Kashmir.

Free and fair elections in Jammu and Kashmir in 2002 have greatly helped in the restoration of near normalcy. However, expectations and the problems in delivering on the same could impede complete elimination of terrorist-induced violence. More importantly, the terrorism infrastructure in Pakistan still exists and this tends to create instability in the deterrence relationship. It is important that India:

- underscore the salience of sustained engagement, and continue the across-the-board dialogue with Pakistan even at the risk of emergence of unforeseen wild cards
- demonstrate yet greater flexibility to settle less intractable bilateral issues like the delineation of maritime boundary, river waters, and Siachen glacier
- adopt a multi-layered approach towards encouraging the fledgling civil society in Pakistan by actively supporting extensive people-to-people sociocultural, academic, educational, tourism and economic linkages to create the right critical mass. In addition, confidence building measures, greater restoration of normalcy and exchange of ideas at the level of intellectuals may also generate creative ideas towards a mutually acceptable solution to the Jammu and Kashmir issue
- initiate diplomatic moves in directions that ensure there is a calibrated international strategy to put the onus of making and sustaining peace squarely on Pakistan.

Peter Abigail

An Australian perspective of South Asian security will inevitably be shaped by Australia's interests which include:

- maintaining global security, which raises issues of peace and stability, the proliferation of weapons of mass destruction, terrorism, secessionism and non-military threats
- fostering security in Southeast Asia, through bilateral and multilateral linkages including continuing involvement in the relevant architecture and processes
- adapting and adjusting to the future influence of India, both regionally and globally
- maintaining a workable balance of power in East Asia
- safeguarding proper management and access in the Indian Ocean, which incorporates a widening range of maritime security concerns.

The trends concerning all of these interests seem more positive than negative, although there is clear potential for things to go wrong. The South Asian region like all others is subject to global conditions that influence local events, so it might be useful to consider some broad contextual thoughts.

Global context

We live in an ongoing period of re-calibration in international security affairs. No enduring new world order has yet emerged following the demise of the Soviet Union and the conclusion of the Cold War.

Within this fluid geopolitical setting the various threads of globalisation are affecting individuals, populations, and nation states in many different ways. There are winners and losers in any dynamic system, and as the demands for modernisation and economic expansion gather strength in more countries, with the accompanying social and environmental effects, we face a future in which resources security and transnational threats are likely to attract increasing attention.

Energy, water and pandemics will feature prominently in security calculations in the years ahead. Already, non-state actors including transnational criminals and terrorist organisations are included in the security calculus of most nations. And the threat of a pandemic involving a virulent form of influenza is seen by some as a real and present danger.

Security affairs have become more complex, the notion of an enduring unipolar world—a *Pax Americana*—that accompanied the assumed US supremacy in the late 1990s has had its day, and we may well be on a path towards multi-polarity, perhaps characterised by regional groupings and other strategic partnerships.

For example, in Europe the expansion and consolidation of the European Union could provide an alternative to the North Atlantic Treaty Organisation (NATO). Elsewhere, and particularly in Asia, nascent powers with the potential to exercise regional and global influence, and even approach longer-term peer status with the United States, are emerging. China is the obvious candidate. India could also become part of the equation; the nation will certainly be in the mix.

In all this the desire for effective multilateral processes remains strong, despite the disappointments of the last decade. Regional groupings are an important and expanding element in international relations. The United Nations is seeking to re-establish its relevance and status in world security affairs and to initiate reforms redressing the problems that have undermined its utility in recent years.

US policy

The US remains the dominant player and will have this status for many years to come. It is pushing for a wider adoption of democratic processes around the world, but with a focus on regions with enduring strategic significance to it, and ongoing interstate and intrastate tensions. Most obviously, interest is high in the Middle East, the Gulf, and South Asia at the moment.

The methods championed by the neo-conservatives in the US Administration have been contentious in recent times, but this era of US 'muscular democratisation' has probably run its course, at least in the short term.

Bush's second term portends a different approach. With its ongoing commitments in Iraq and Afghanistan, the US seems to be shifting emphasis from military to diplomatic tools elsewhere, using 'soft' power and influence to reshape strategic environments, particularly in regions of major tension.

The Administration appears to have accepted that there are limits to even US military power (particularly land forces) and that the possibilities for decisive use of such power are diminishing. For example, Iran and North Korea present much more difficult military problems than Afghanistan and Iraq, although Syria might be possible.

Additionally, the US needs the support of key players in the international community to achieve further progress in the War on Terror and to fully exploit the potential offered by its present status as the world's only superpower.

This has implications for India–Pakistan relations, for it appears to be the context in which US 'de-hyphenation' of its approach to South Asian security and engagement is being pursued.

India–Pakistan

Bilateral management of the relationship and initiatives such as extending the 'hand of friendship' have been important factors in improving relations between India and Pakistan, but it seems that the change in US approach offers new opportunities to consolidate this trend.

All three countries are undoubtedly leveraging what they can from the War on Terror.

> Pakistan finds itself in the unexpected, unfamiliar and complicated role of US-ally and is seeking every advantage possible, including access to modern technology, military and economic assistance, and support for the Musharraf presidency. Pakistan's leadership is playing a risky hand, and the stakes are high.

The US hopes to see Pakistan transform itself into a successful and moderate state, fulfilling a responsible role in a fractious area. In the case of India, the US probably anticipates advances in its own global interests relating to defeating terrorism, arresting weapons of mass destruction proliferation and preserving a stable balance of power in Asia, through a complementary expansion of Indian power.

In all this India stands to be the big winner, with US assistance in its quest for great power status; provided the US can deliver the relevant technology transfers.

There are risks and challenges.

Is Musharraf the best bet for peace and stability? He seems to be at the core of US strategy concerning Pakistan. How risky is this?

Can the US dual-engagement with India and Pakistan play a moderating and stabilising role in South Asian security? What are the risks to continuing US engagement?

Does a closer relationship with the US imply a shift towards alignment for India?

India–China

Relations between India and China appear to have been improving with the 'shelving' of border disputes reportedly being managed through consultative processes. But suspicions remain in both countries about the strategic intentions of the other. China is reportedly concerned about US attempts to use India in a strategy of containment. India, for its part, harbours concerns about China's engagement with India's neighbours. China's intentions, engagement and influence in the South Asian region remain rather opaque.

What are China's intentions in its relationships with India's neighbours, including Burma? What are the implications for security in South Asia and the Indian Ocean?

Other issues

There are many other issues impacting on South Asian security with implications for Australia, that will be addressed by other speakers. Four warrant mention now: terrorism, democratisation in the Middle East, Iran's nuclear ambitions, and Southeast Asian security architecture.

Terrorism

Terrorism remains a key security concern throughout South Asia and Southeast Asia. In some areas it is the tool of secessionist movements; in others, it takes the form of a global jihadist movement.

Linkages to South Asian terrorist organisations have emerged in investigations of Australian terrorist suspects. It is reported that a number of Australian terrorist recruits have undergone training with such groups. A worrying possibility is the emergence of Bangladesh as the next terrorist breeding ground.

Middle East and the Gulf States

The 21st century version of the 'Domino Theory' may well involve democratisation rather than totalitarianism as its coordinating theme. Questions remain about the prospects of success for this US-led strategy and the implications for energy security as this theme plays out in the Gulf region.

Nuclear Proliferation

When India announced its successful nuclear tests in 1998 an informed Australian observed that: 'Pakistan will follow, and Iran will press ahead with its own bomb'. The Iranian nuclear program could prove to be a major destabiliser for regional security. But the prospects for a negotiated roll-back appear bleak.

Southeast Asia

Leadership changes in Indonesia and Malaysia are offering new possibilities for enhanced engagement by Australia and India in Southeast Asian security dialogues. Australia should be involved in an expanded ASEAN security architecture. And it seems clear that India shares this aspiration.

Three

SOUTHEAST AND NORTHEAST ASIA—HOW THEY SHAPE AUSTRALIA'S AND INDIA'S SECURITY OUTLOOK

Shankari Sundararaman

The security situations in the Southeast Asian and East Asian regions are significant to both India and Australia. From both a geopolitical and geostrategic perspective, the eastern limits of India and the western limits of Australia converge or meet in the region of the Eastern Indian Ocean—encompassing Southeast and Northeast Asia. This meeting point is a vital area of concern in many ways and has the potential to affect the interests of these two states. The current paper raises five critical issues that look at the changing nature of the security scenario within the region and the manner in which each of the actors within this region have both defined and altered the security dynamics.

Changed security environment in Southeast and East Asia

Within the context of Southeast and Northeast Asia there is a difference in terms of what the region views as its security perspective. The Southeast Asian concept of security differed from that of the west, which was basically state-centric and militarily dependent. Recognising the need for an inclusive and holistic approach to security the original five members of ASEAN aimed towards the formation of some kind of 'collective political defence'. This approach had two basic components—which reflected both external as well as internal security issues into the broader spectrum of security. So it also

Photo opposite: An example of United Nations cooperation. At extreme left and right are Indian volunteers with the 60th Indian Field Ambulance in Korea. Between them are British, New Zealand and Australian soldiers. On the bonnet of the jeep is a mess tin which suggests that they are about to enjoy a cup of brew together. Note the Indian (left) is wearing a turban, and the soldier next to him has boots with clips up the front, c. 1951. Australian War Memorial Negative Number HOBJ2110

factored in dimensions of security such as communist insurgency, ethnic tensions and socioeconomic disparities within the domestic setting.

Moreover, members of ASEAN had to face threats relating to regime stability, intra-state disputes as well as inter-state ideological differences that were enhanced by the presence of the major powers within the region. In fact these factors were responsible for the emergence of inclusive regionalism and multilateralism as being the factors that dictated ASEAN's security approach and also ensured the strengthening of the twin pillars of 'musyawarah' and 'mufakat' which represent consultation and consensus respectively. This resulted in broadening the basis for what came to be known as the 'ASEAN way'. ASEAN's emergence as a normative player has to be seen within the light of the redefinition of security in the East Asian region. The diplomatic success of ASEAN's efforts to end the Cambodian conflict defined for it a new role within the regional setting, which emphasised standards and norms of diplomatic conduct. While the regional dynamics of Southeast Asian security are undergoing a rapid process of change, it will be the diplomatic success of ASEAN that will continue to shape the outcome for Southeast Asia.

As far as Northeast Asian security was concerned two aspects were significant. Till about the late eighties China was seen in a negative light as an exporter of insurgency and Maoist ideology, and also because of the numerous border problems that it shared with several countries. However, Chinese foreign policy in the nineties has seen a shift towards multilateralism and a clear willingness to endorse regional institutions. This is clearly seen in the manner in which China has become a part of regional institutions such as the ARF, Asia–Pacific Economic Cooperation (APEC), ASEAN+1 and the ASEAN +3 initiatives. In addition to this, China's 'new security concept', proposed by foreign minister Qian Qichen, began to highlight the significance of cooperative security approaches for managing regional security issues. This change in policy, combined with the exponential economic growth of China has led to a reassessment of the role that China can play within East Asia and the larger regional security calculus. While the engagement with China is therefore on a continuous growth scale it does not suggest that there is no fear from China's growth. The increasing realisation seems to be that greater engagement with China will necessarily tie the dragon down and mitigate the prospects of threat from China.

The second factor that dominates the security environment in the East Asian region is that the region has been dominated by the security presence of the United States—which is commonly referred to as the 'hubs and spokes' model, where the US acts as the hub of the wheel and its Asia–Pacific bilateral alliances with Australia, Japan, South Korea, Thailand and the Philippines are the spokes of the wheel. Even today for most of these allies the hubs and spokes arrangement remains unchanged and provides the overarching security superstructure for the region. Within this arrangement there is today one significant change. This relates to the manner in which Japan has been reasserting its right to become a 'normal state'.

Japan's espousal of the Fukuda doctrine in the aftermath of the Second World War and its renunciation of any military role defines its security position with the region. This smaller political role had been substantiated by a larger economic role for Japan. There has been a change in the nineties with the Nakayama proposal, which endorses a credible Japanese rethink on the role of multilateral regional organisations. This can be attributed to the end of the Cold War itself and the reassertion of Japan to play a political role that does not enhance the suspicion of the rest of the region. This assertion to be a 'normal state' will play a critical role for security calculations in the region.

Challenges to security in Southeast and East Asia

The security situation within this region has been challenged by several issues that have emerged within the last decade or so. First, the Asian Financial Crisis led to the recognition that economic globalisation impacts upon stability. The assertion to control economic assets has exacerbated the articulation of identity and separatist issues, as in the case of Indonesia. Regional institutions such as ASEAN and APEC have seen a divergence of opinion on this. Added to this China's entry into the World Trade Organization (WTO) and the entry of the new ASEAN members—Cambodia, Laos, Myanmar and Vietnam—into the same, has furthered the debate on the impact of globalisation.

The second challenge is the expansion of ASEAN itself which has led to the inclusion of Cambodia, Laos, Myanmar and Vietnam into ASEAN, leading to the diversification of ASEAN both politically and economically. The expansion of ASEAN has also led to the diversification of security interests—the core security interests of the original five members are not shared by the new members. Economic compatibility between the old and the new members is another matter that needs to be addressed. This factor has been responsible for driving China's interaction with the new ASEAN states. Development of the Mekong Basin has been valuable as it brings Chinese investment to the region and also allows landlocked areas within China like Guangxi and Yunan connectivity to waterways. This interaction allows the reduction of the developmental gap both within China and within ASEAN itself. As economic issues are becoming more critical in security calculations, the China–ASEAN linkage begins to assume greater significance for the region.

The third challenge in the region relates to terrorism. Religious revivalism with fringe groups seeking refuge in radical Islamic ideology has been on the increase. However, intra-ASEAN linkages have been strengthened, especially the trilateral security pact between Indonesia, Malaysia and Philippines. ASEAN has also initiated joint declarations with countries outside the region—such as the United States, India, China and Russia, which endorse joint action and cooperation in counter-terrorism operations.

The fourth challenge is that Northeast Asia is home to two of the most intractable conflicts—namely the nuclear impasse on the Korean peninsula and the crisis in the Taiwan Straits. The six-nation dialogue on the Korean crisis has not progressed and the continuing mistrust between North Korea and the United States makes the situation intractable. Added to this the Taiwan Straits issue is another flashpoint in the Northeast Asian security dynamics. Moreover, the issue of China's military modernisation is a cause for concern. In fact the whole of the East Asian region has seen a military build up in the post Cold War period which does not correspond with the military reductions in Europe.

Policy options for India

In the final section of this presentation I look at the manner in which the security situation in the East Asian region impacts upon the policy implications that India may face.
One of the significant moves is to find a common platform within the WTO and other economic forums as members who belong to the developing world—the issues relating to globalisation is a factor for concern for the East Asian region and India too needs to consider the impact it may have in time to come. One of the significant areas in which both India and Australia could play a key role is in the revival of the Asian Monetary Fund. This idea was mooted after the financial crisis and later met with opposition from the International Monetary Fund (IMF). If the European Union could further the idea of the European

Monetary Fund, considering the economic setback after the 1997 crisis, it is imperative for the region to build a mechanism for macro-economic risk management and that is where the Asian Monetary Fund must be looked at as a viable option.

Second in terms of its security approach to the Southeast Asian region, India has acceded to the Treaty of Amity and Cooperation (TAC). It has also endorsed the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ), which has gone a long way in ensuring the region of India's intent. The TAC is based upon the provisions of the UN charter and the *panchasheel*, to which China too has acceded. If the ASEAN+3+1 initiative furthers into the ASEAN+4 dialogue this could be expanded to cover the whole of the East Asian region and will automatically broaden the security platform in East Asia with India as a member too. In fact the recent moves for the East Asia Summit that includes both India and Australia should receive ample support from these two countries. It would be in Australia's interest to consider the signing of the TAC which is a prerequisite for Australia to be a part of the East Asia summit.*

Third, in the development of infrastructure—road and rail links are proposed and these need to be pushed forward. India's assistance to Laos and Cambodia has been well received—there is expectation that India can contribute to the development of the IT industry, the leadership and entrepreneurial programmes under the Vientiane Action Programme. With India as the software giant and the Chinese expertise in the hardware sector, there can be joint collaboration towards this effort. This will also allow for a reduction in China and India competing with one another in this area of development to one where they actually complement each other.

Strengthening ties with the region through cooperative research in medicine and pharmaceuticals is another area that both India and Australia can pursue.

Fourth, recent episodes like the bird flu and Severe Acute Respiratory Syndrome (SARS) have been issues of concern for East Asia. Strengthening ties with the region through cooperative research in medicine and pharmaceuticals is another area that both India and Australia can pursue.

Fifth, joint naval exercises have already been taking place, but also efforts to improve information sharing on terrorists threats and exchange and training on counter-terror tactics needs to be pushed forward and not remain mere suggestions. This can also be broadened to address issues of disaster management. Australia's capacity to act in the recent tsunami has been well appreciated.

Sixth, both India and Australia must support the development of institutional mechanisms that strengthen and advance the democratic process in Indonesia. The 2004 elections in Indonesia are indicative of the fact that the process of reform has become further consolidated. Greater political stability in Indonesia would be significant for strengthening ASEAN. This could contribute towards some degree of regional cohesion and stability.

**This paper was presented in April this year.*

Greg Sheridan

Australia is something of an oddity, with its alliance to the US, its largest trade partners in Northeast Asia, and a western identity.

The September 11 terrorist attacks have revealed several trends; an Islamist franchise, the rogue and semi-rogue states which play a part, and the dangers of proliferation. These issues will converge.

China

There is a need to manage China's rise, however it should be kept in perspective. Japan is still very important.

One of Australia's major policy interests is to avoid conflict between China and the United States. This will not necessarily be done by appeasement. Australia should help China avoid miscalculation in thinking that US allies would desert it. There is also a need to a avoid precipitous action by Taiwan. The idea that Australia can be neutral is misguided—Australia has a hard-wired attachment to the alliance.

Regional architecture

There are many other ways Australia is engaging Asia. The East Asia Summit's ability to deliver anything is slight. While it would be better to be involved than not, almost more important for Australia is whether India is given membership, as this would indicate whether the grouping is inclusive or not. Certainly China would like an exclusive membership, as it would be easier for China to dominate the grouping without India.

Terrorism is the salient feature in Southeast Asia:

- The Philippines is a growing problem, with a constant safe haven available to terrorists in Mindanao. Corruption within the Armed Forces of the Philippines contributes to the difficulty of dealing with this threat.
- Violence in southern Thailand is growing. The situation is ripe for militant elements there to link up with other regional movements.

Indonesia is crucial to the success of Southeast Asia. More political progress and sophistication has been displayed in recent years than expected. Indonesia will contribute to our security by securing itself. Its stability is important because it is almost immune to Chinese dominance.

Increasing Indian involvement in Southeast Asia would be useful to Australia, diversifying outside involvement and also because of its democratic nature.

**This is a transcribed version from the record of proceedings.*

Four

SAFEGUARDING THE NUCLEAR STRATEGIC BALANCE IN SOUTH ASIA AND MISSILE DEFENCE—WHAT IT MEANS FOR AUSTRALIA AND INDIA

Rajesh Rajagopalan

Seven years after the nuclear tests in South Asia, it is difficult to agree with the pessimists who saw the nuclear tests in the region as heralding a period of instability and, possibly, even nuclear war. Here, I outline some of the challenges that nuclear deterrence has faced in the region and the reasons why it has held despite these challenges. I also look at how the deterrence relationship might develop in the coming years and the impact of missile defences on the future of deterrence relationship between the nuclear powers in the region.

Many scholars and analysts who looked at the nuclear dynamics in the region suggested a number of reasons why nuclear deterrence will not hold in South Asia. At the outset, it must be emphasised that almost all such analyses have been confined to the difficulties facing the development of a nuclear deterrence relationship between India and Pakistan. China, with which India also seeks a deterrence relationship, has been by and large ignored. This is unfortunate because Indian concerns encompass China too, even if we discount the 'China excuse' for the Indian nuclear programme. Moreover, China's nuclear weapons seriously affect the nuclear dynamic between India and Pakistan. India

Photo opposite: Patrolling the barracks enclosing the headquarters and accommodation area of the Australian Medical Support Force in Rwanda are two members of the 2nd/4th Royal Australian Regiment (RAR) serving in Rwanda, 1995. They are part of the 120-strong protection element which provides security at the barracks, the Kigali Central Hospital, convoy and VIP protection, and crowd control measures at clinics and displaced persons' camps being attended by Australian medical staff. The barracks are shared with an Indian engineer squadron, two members of which are watching the Australians on patrol. Australian War Memorial Negative Number MSU/95/0016/23

is unlikely to accept nuclear parity with Pakistan because of Indian concerns vis-à-vis China; and China has deliberately bolstered Pakistan's nuclear and missile capability as means of complicating India's nuclear deterrence calculus. Nevertheless the Sino–Indian nuclear deterrence relationship has received very little attention and has not been seen as any cause for worry.

A number of concerns have been cited regarding the India–Pakistan nuclear deterrence relationship. These include both the probability of deliberate/intended use of nuclear weapons by one or the other side, as well as the possibility of unintended use of nuclear weapons. Deliberate uses of nuclear weapons include such possibilities as a pre-emptive nuclear attack, deliberate nuclear escalation and nuclear retaliation. The main target of such concerns is Pakistan, which has refused, unlike India, to rule out the possibility of a nuclear first use. But Pakistan's nuclear strategy has been misinterpreted: Pakistani leaders have never suggested either a bolt-from-the-blue type of surprise attack, or even an early use of nuclear weapons in a conventional war. Pakistan has suggested that it might use nuclear weapons to stave off yet another military defeat at the hands of India's superior conventional forces. This is a prudent position for Pakistan to take and it will lead to a nuclear war only if New Delhi engages in extremely reckless military adventures.

Neither India nor Pakistan has demonstrated any such propensity for reckless behaviour.

Neither India nor Pakistan has demonstrated any such propensity for reckless behaviour. On the contrary, leaders on both sides have shown that they are willing to make even politically painful compromises rather than undertake militarily uncertain escalation in the midst of a crisis. In the Kargil crisis in 1999, for example, Pakistani Prime Minister Nawaz Sharif sacrificed his political career, and very nearly his life, by pulling Pakistani forces back; three years later, despite all his rhetoric and bluster, Prime Minister A B Vajpayee chose to back down rather than carry through to its logical conclusion the largest military mobilisation in the country's history.

The possibility of accidents and inadvertent use of nuclear weapons are also somewhat overblown. Both India and Pakistan are believed to exercise strict and centralised control over their nuclear weapons. There is also no evidence so far that either side has dispersed their nuclear weapons, nor that either side keeps their respective nuclear arsenals 'locked and loaded'. Both sides are thought to have disassembled nuclear warheads, with the nuclear core and trigger mechanism and delivery vehicles kept separately (and in India's case, under different agencies). Such caution is a far cry from the ready-to-fire nuclear arsenals that both superpowers maintained during the Cold War and indeed still do. These doctrinal differences have an important impact on nuclear stability, but this is an issue that has remained under-explored in much of the academic literature.

Another worry has been about the possibility of a destabilising nuclear arms race in the region. There is little indication of any such arms race. Despite frequent reports in the Western press that Pakistan is pulling ahead in its missile capability, New Delhi has shown little concern about the nuclear balance in the region. Indian plans to develop a longer-range version of the Agni series of missiles has been proceeding at a slow, very slow, pace.

Despite several official announcements about an imminent test for the last three years, no test of the new Agni-3 has yet taken place. With the exception of the Agni-1, a shorter-range derivative of the original Agni missile, India has produced no new strategic ballistic missile in the last five years.

This is not to suggest that there is no concern in New Delhi about Pakistan's nuclear missiles. India's pursuit of a ballistic missile defence (BMD) system suggests that there is some concern. But this is a concern that goes back to the early 1990s and Pakistan's acquisition of M-9/11 missiles from China. And there is little haste in this BMD-hunt. India has been seeking a BMD system for over a decade now, but has said little publicly about what kind of BMD system it wants or any other parameters. The Indian government's reluctance to think through such issues appears to be the primary stumbling block to closer cooperation on this issue with the US. Paradoxically, it now appears that the US is more eager to cooperate on this issue than New Delhi.

Do Indian BMDs represent a threat to strategic stability in the region? It is not even clear that India will actually acquire BMDs. For one, BMDs are unsuitable for a country the size of India. Attempting a national system would be ruinously expensive, even if it is technically feasible, which is itself a rather large 'if'. So any Indian BMD system will most likely be designed to cover specific areas, such the National Capital Region around Delhi, and maybe one or two other such urban/strategic centres. Such a system would create domestic political difficulties for New Delhi: citizens of such 'protected' areas would protest that it would only make them more likely targets, while the rest of the country would protest their exclusion. Even if such a system were to be deployed, it would leave so much of the country open that it would make no strategic sense, nor, more importantly, dilute Pakistan's deterrence capabilities.

What nuclear weapons in South Asia have demonstrated is that there is more than one way to achieving nuclear deterrence. While this should not suggest any complacency about the nuclear danger, this is a danger that is not particular to South Asia.

Ron Huisken

Australia embraced the Nuclear Non-Proliferation Treaty (NPT) in 1973, but not without one of the most searching debates in our history on whether this regime could be relied upon over the longer term. Australian governments of all persuasions have since placed a premium on protecting the integrity of the non-proliferation regime. Although the decisions taken by India and Pakistan in 1998 constituted a serious blow to this objective, Australia now has the strongest interest in encouraging a nuclear regime in South Asia that is as defensive as possible of non-proliferation interests.

The difficult relationship between India and Pakistan is characterized by stark asymmetries: in population, in economic strength and potential, and in prospective roles and responsibilities within the international community.

The difficult relationship between India and Pakistan is characterized by stark asymmetries: in population, in economic strength and potential, and in prospective roles and responsibilities within the international community. These asymmetries will compound the difficulty of managing the nuclear relationship in a manner that fosters robust stability over the longer term at the lowest possible level of nuclear forces. The challenge for India in particular is not to safeguard the nuclear balance with Pakistan, at least not in the sense of parity in force levels or in the diversity of nuclear weapon systems. It cannot be in India's interest to see a Pakistan that strives by any and all means to match India's nuclear capabilities. India's objective might be more accurately characterized as seeking a nuclear accommodation with Pakistan that achieves a measure of separation between this axis and India's wider interests and concerns.

Other nuclear weapon states recognised slowly that adding this dimension to an antagonistic relationship requires that more, not less, account be taken of the interests and sensibilities of the other side. A nuclear relationship that is robustly stable even in a crisis, and one that dampens competitive instincts and action-reaction cycles of weapons acquisition becomes a compelling interest. These formative years of the India–Pakistan nuclear relationship are perhaps particularly crucial. Once capabilities are fielded, or even become entrenched as requirements, they are very hard to pull back even if their merits become doubtful in retrospect.

These various considerations point to the wisdom of establishing a Standing Commission composed of senior political, military and scientific experts to engage in a sustained process of mutual suasion and education on the evolving nuclear relationship. The core prerequisite for such an undertaking is mutual recognition of the other's entitlement to a secure nuclear deterrent capability.

Neither India nor Pakistan has adopted hair-trigger nuclear postures. Both have adopted the practice of separating warheads and delivery vehicles. The two countries have also weathered two serious politico-military crises as nuclear powers. This experience is

reassuring but also an invaluable source of clues on how events might have taken a different course and a possible guide to measures to make crisis management even more resistant to misperceptions and errors of judgment.

A key objective of the Standing Commission will be to think through new developments jointly before irrevocable commitments are made. As confidence in the process grows, India may find that it has more success in demonstrating that particular developments relate to concerns other than Pakistan.

Missile defence is a case in point. In the US/USSR context, both recognized and accepted that substantial offensive forces combined with significant defensive capabilities would be destabilising. The current American effort to develop defences against ballistic missiles targeted against the US homeland is directed against a small number of potential opponents who it is felt may be resistant even to the most compelling deterrent threats. A secondary driver is the risk that missiles may be launched accidentally or without proper authorisation. A question for India and Pakistan is whether either of these risks is compelling in the South Asian context, and whether missile defences are the only or the best way to address them.

A Standing Commission will do no harm and potentially a great deal of good. The fruitfulness of the process will clearly be linked closely to developments in the wider relationship. Equally, however, a credible dialogue on the nuclear relationship could provide valuable impetus to efforts on other fronts.

Five

COUNTER-TERRORISM—PROGRESS, CHALLENGES AND PROSPECTS FOR REGIONAL AND BILATERAL COOPERATION

G Parthasarathy

India has faced problems posed by externally sponsored terrorism with separatist dimensions for over five decades now. In its northeast, separatist groups resorting to armed insurgency in which a large number of innocent civilians lost their lives received support in the 1960s and 1970s from the then East Pakistan and from China. Active Chinese support for such armed insurgencies ended in the 1970s. Groups like the United Liberation Front of Assam (ULFA), that have been declared as terrorist organizations by the United States, however, still continue to operate with active support from the Governments of Bangladesh and Pakistan. But, over a period of years many of those who resorted to arms and terrorism in India's northeast have been persuaded to give up resort to violence and join the democratic process within the country. Terrorism in the State of Punjab that received active support from Pakistan ended largely as a result of effective counter-terrorism strategies, combined with political measures that ensured a virtual end to political support for those resorting to violence.

Terrorism sponsored by the Inter Services Intelligence Directorate (ISI) of Pakistan in Jammu and Kashmir, however, acquired global dimensions because of the links that grew between those in Pakistan, who supported armed violence in Kashmir, with those groups involved in the armed struggle against Soviet occupation forces in Afghanistan.

Photo opposite: Members of the United Nations Military Observer Group in India and Pakistan (UNMOGIP) wait to board a Caribou aircraft flown by members of No. 38 Squadron, RAAF. The group supervised the ceasefire between India and Pakistan in the Jammu-Kashmir region, c. 1975. Australian War Memorial Negative Number p01799.003

In its effort to oust the Soviet Union from Afghanistan, the Central Intelligence Agency (CIA) received substantial support from Saudi Arabia. The entire armed struggle was, at CIA behest and with Saudi involvement, converted into a Wahhabi oriented *Jihad* against the 'evil Empire'. The seven party alliance sponsored jointly by the ISI, CIA and Saudi intelligence was a fundamentalist grouping whose values certainly did not correspond to those of its western mentors. Buoyed by the success in ousting the Soviets from Afghanistan, the ISI tried to replicate this strategy in Jammu and Kashmir. By 1994 the bulk of those fighting the Indian armed forces were not Kashmiris but religious zealots fired by a zeal for *Jihad*. While some Arabs and others from distant lands took part in this *Jihad*, the bulk of those involved were Pakistani nationals.

The resort to *Jihad* in Kashmir by extremist Wahhabi oriented groups like the *Harkat ul Ansar* (later renamed as *Harkat ul Mujahideen*) coincided with the emergence of the ISI sponsored Taliban in Afghanistan. Rather than recognizing the dangers in the emergence of the Taliban, the Clinton Administration in the United States actually described the Taliban as a 'factor for stability' in Afghanistan. American oil companies like UNOCAL thought the Taliban would be helpful in facilitating transport of Central Asian gas to the outside world through Pakistan. The Taliban, however, had its own ideas about the world. Osama bin Laden was given haven and support. In February 1998, Osama founded the 'International Islamic Front for Jihad against Jews and Crusaders' (IIF) in Kandahar, the spiritual capital of the Taliban. This Front included Al Qaeda, the Taliban, five Pakistani groups operating in Jammu and Kashmir with ISI support, the Islamic Movement of Uzbekistan operating out of the Ferghana Valley in Central Asia, Abu Sayyaf of the Philippines and groups operating in Chechnya, Arab countries like Jordan and Egypt and in Southeast Asia. The 9/11 terrorist strikes staged by Al Qaeda were thus an inevitable outcome of shortsighted American policies in Afghanistan and Pakistan.

The American military intervention in Afghanistan has defeated and dispersed the Taliban and its allies in the IIF. It has not destroyed the groups involved. The Taliban still remains a potent force in Afghanistan.

The American military intervention in Afghanistan has defeated and dispersed the Taliban and its allies in the IIF. It has not destroyed the groups involved. The Taliban still remains a potent force in Afghanistan. There is no dearth of reports, including those by veteran American journalist Kathy Gannon, that make it clear that the Taliban still enjoys the patronage and support of the ISI and continues to operate largely out of Baluchistan and the North West Frontier Province of Pakistan. Not a single prominent Taliban leader has yet been captured or killed either by the United States or by Pakistan forces. Pakistan has no interest in protecting middle ranking Al Qaeda leaders and their cadres. Thus, while middle ranking Al Qaeda leaders like Abu Zubaydah have been captured largely as a result of intercepts, its top leadership including Osama and Ayman al Zawahiri are still at large. The war against terrorism in Afghanistan has only just begun. There are concerns in India

that American policies of marginalising the leadership of the strongly anti-Taliban Northern Alliance and seeking to accommodate so called 'moderate Taliban' elements will in the long run be counterproductive.

American military intervention in Iraq has strengthened the ideological appeal of Osama bin Laden and members of the IIF across the Arab and Islamic world. The dispersal of the IIF members has led to one of its founding members, the *Harkat ul Jihad ul Islami* (HUJI), now establishing a strong base in Bangladesh. The HUJI has links with Rohingya Muslim groups in Myanmar and in ASEAN countries like Thailand and Indonesia. At the same time, the footprints of Pakistani constituents of the IIF like the *Lashkar-e Toiba* (LET) are now found in places as far away as Australia, the United Kingdom and the United States. Despite American assertions of a change in the approach of so-called Saudi Arabian 'charities' no longer funding terrorist groups abroad, New Delhi has evidence of continuing support for groups like the HUJI and LET from Saudi Arabia. It has also been our experience that while Iran may sponsor anti-Israeli groups like Hamas and Hezbollah, the financial support for extremist Sunni groups comes not from Shiite dominated societies like Iran, but from countries with Wahhabi influences like Saudi Arabia. The US has little prospect of winning its War on Terror unless the infrastructure for terrorism in countries like Saudi Arabia, Pakistan and Bangladesh is effectively dismantled.

As a pluralistic and secular society with a large Muslim population, there is serious concern in India that the global struggle against terrorism must not become a movement with manifestations of religious bigotry and prejudice. Indian Muslims have not joined Al Qaeda as they believe that there is ample scope to address their grievances and problems within the democratic structure of their country. But, at the same time there is need for much more effective cooperation bilaterally, regionally and globally, including the sharing of real time intelligence, to deal with the menace of global terrorism. The passage of UN Security Council Resolution 1373 was a crucial step in enhancing global cooperation in dealing with international terrorism. But much more remains to be done to eliminate the scourge of terrorism globally.

Aldo Borgu

India's size, geography and history should dictate that it will always be a major and important partner with Australia across any number of strategic issues. In fact India should be Australia's most important regional partner in combating terrorism after Indonesia, and a far more important partner than just in a rhetorical manner, which seems to have been more of the record to date. It's more than of passing interest to note that of the eighteen terrorist organisations officially listed by the Australian Government so far, four of them are Pakistan founded or based groups.

Australia's policy response

In March 2004 the government released its terrorism White Paper, *Transnational Terrorism: the Threat to Australia*. There are many aspects of how the White Paper deals with the South Asian terrorist threat that are worthy of further analysis. Two issues warrant particular attention.

The first is that it's interesting to note that in a table of major attacks linked to transnational extremist Muslim terrorism from 1992–2004 only two South Asian incident are mentioned, and both occurred in Pakistan. While the list focuses on major acts of terrorism attributed to Al Qaeda and its affiliates and is not intended as a comprehensive list of all attacks, it didn't mention the December 2001 attack on the Indian Parliament which killed nine people, injured 18 others and almost caused war between India and Pakistan. This in itself would seem to suggest a tendency in Australia to still view attacks occurring within India as part of a secessionist and ethnic conflict rather than part of a jihadist and more global Islamic struggle.

The second is that while the terrorist threat in South Asia gets mentioned relatively frequently and substantively, actual counter-terrorist cooperation with India does not. When discussing cooperation with other countries, the US, Europe Union, United Kingdom, Japan and even NZ are mentioned but India isn't. It's almost as if cooperation with the US is more important in dealing with South Asian terrorism than with India.

Practical counter-terrorism cooperation

As part of its counter-terrorism approach Australia has negotiated a network of bilateral counter-terrorism Memoranda of Understanding with ten countries in the region—including India (this being signed on 28 August 2003).

Australia and India have regular dialogues on counter-terrorism at senior officials level, such as the annual India–Australia Joint Working Group on Counter-terrorism and Immigration most recently held on 7 March 2005 in Canberra. However the importance of the issue of counter-terrorism would seem to justify a working group in its own right rather than be misleadingly lumped in with immigration issues.

Last year's Australia–India security dialogue highlighted a number of areas for possible bilateral and regional cooperation in counter-terrorism. Rather than suggest new areas for cooperation I've focused on the themes already developed by the roundtable, it seems pointless to suggest new areas when so much hasn't been done by governments in areas already nominated.

Enhanced intelligence sharing

A particular emphasis on intelligence sharing, whether that is bilateral and or multilateral, would reasonably emphasise actionable intelligence. However the Australian Government's 2004 Terrorism White Paper contains a number of references to how contemporary terrorism is not easily understood, how hard we find it to comprehend the rhetoric of terrorists and how we can't easily relate to terrorists' assertions to a territorial dispute, political ideology or historical injustice. In other words according to the White Paper we simply do not—and possibly cannot—understand modern terrorism and terrorists, hence it also requires more strategic intelligence.

India has great experience in dealing with terrorism and has great knowledge of how terrorist organisations work. Australia obviously needs to tap into this knowledge and experience at a strategic level to gain a better understanding of what we are attempting to combat. Given the discussion on the so-called decentralisation of terrorism of the past few years, we may well find that India's particular experience of dealing with terrorism becomes even more important and relevant to Australia, as we will need to deal with Islamic secessionist insurgencies and violence in places like southern Thailand, Indonesia and the Philippines.

Regular consultation on security preparedness in both countries

The individual measures that our respective countries take to improve our own security may yet prove to also have some relevance and utility to each other. Examples of areas that might profit from an exchange of ideas include:

- experience in the coordination of counter-terrorism policy, organisations, and structures
- security of transportation infrastructure, especially the maritime sector
- border security, especially the use of technology to cope with modern demands
- chemical, biological, radiological and nuclear response capabilities
- cyber-terrorism, possibly tying into the degree of US-India cooperation in this area.

The maritime sector in particular is an obvious area for greater cooperation with India, with at least four dimensions. One is the respective security measures being undertaken by both our countries to improve the security of our trade, ports and maritime infrastructure. The second is how our navies and other maritime organisations might cooperate bilaterally to improve security in our respective maritime approaches. The third is what we might do multilaterally with countries in Southeast Asia—though this has to be tempered by the ASEAN wish to focus cooperation on intelligence exchange and exercise opportunities rather than operational issues. The fourth is what we might do to improve the capacity of other countries such as Indonesia and the Philippines to enhance their own maritime security and capabilities.

Since September 2004, Australia's Foreign Affairs department has been chairing an inter-departmental committee on regional maritime security cooperation to coordinate Australia's efforts in the region, including assessments of priorities and exploration of the scope for cooperation with key regional players in regional maritime security, particularly the US and Japan. This could be usefully expanded to include India if it hasn't done so already.

Regular consultation on terrorism in regions of common concern

In March this year the annual India–Australia Joint Working Group on Counter-Terrorism and Immigration discussed developments in transnational terrorist threats and domestic and regional efforts to combat terrorism. Some of the areas future exchanges might focus on include:

- future stability of Pakistan and its ongoing support for terrorism
- future stability of Afghanistan and whether the Taliban and Al Qaeda can make a comeback
- future directions of terrorism in former Soviet republics of Central Asia and whether emerging democratisation will either feed or effectively contain the terrorist threat there
- India's experience of dealing with other non-Islamic terrorist groups, particularly the Liberation Tigers of Tamil Eelam (LTTE) and its maritime capabilities
- directions in terrorism in Bangladesh and the degree to which this might become an emerging front in the jihadist struggle
- to what degree Southeast Asian terrorism will now focus on secessionist and sectarian conflict as a means to regroup and recruit
- whether the Philippines could become the 'next Afghanistan' and 'the new Mecca for terrorism', as recently expressed by the number two in the US Embassy in Manila.

Addressing the root causes of terrorism

One area for cooperation between Australia and India that warrants consideration here involves combating terrorism at a more political level. The emphasis on cooperation in counter-terrorism usually focuses on traditional definitions of security cooperation, namely intelligence, law enforcement and military cooperation. But given the phenomenon we are trying to address we obviously need to take a wider definition of how our two countries can further cooperate to provide longer-term security from terrorism.

- Addressing the so-called root causes of terrorism. Islamic education has been mentioned previously as an important area that needs addressing. India has a wealth of experience to offer in how it has integrated its 140 million Muslims within wider Indian society. The sharing of democratic traditions and values makes us obvious partners in this respect.
- There's also a lot we can do to cooperate in rebuilding failed states such as Afghanistan, where Al Qaeda still remain a threatening presence. Despite providing at least A$100 million in aid since the fall of the Taliban. Australia simply hasn't done enough to provide a secure environment in Afghanistan, which is one of the most urgent tasks at hand.

Respective aid from Australia and India to the countries that fell victim to the 2004 Boxing Day Tsunami shows what can actually be achieved. Indeed one recent poll of attitudes within Indonesia found that domestic opinion towards the US had improved remarkably as a direct result of that country's tsunami aid to the Indonesian people.

However that incident actually speaks volumes about the lack of a wider political response to terrorism on the part of countries such as the US and Australia. Rather than having developed such policies as part of a deliberate focus on a long-term counter-terrorism

strategy, we have to rely on the arrival of a natural disaster and the death of hundreds of thousands of people for policies that improve the attitudes of Muslim populations towards us. Much more needs to be done.

Conclusion

Prior to the attacks of 9/11 the event which most marked a watershed in the Australian government's attitudes towards terrorism was the 13 February 1978 bombing at the Hilton Hotel at the time of the Commonwealth Heads of Government Regional Meeting. The bombing was widely suspected to have been carried out by the Ananda Marga religious sect which had a record of at times violent anti-Indian activities in Australia. In fact the presence of the Indian Prime Minister at the Commonwealth Heads of Government Meeting is seen by some as being the primary target of the bombing.

There is a lot of scope for greater contemporary Australia–India counter-terrorism cooperation and a requirement to do so.

There is a lot of scope for greater contemporary Australia–India counter-terrorism cooperation and a requirement to do so. It took the 2002 Bali bombing to spur Australia–Indonesia counter-terrorist cooperation. Hopefully it won't require a major terrorist attack involving both Australia and India as victims for the same cooperation to occur.

Manoj Joshi*

Bomb blasts in Bali, targeting Australian nationals, and the continuing terrorist campaign against India make it imperative for both to cooperate in ways and means of combating terrorism. The experience of the past five years indicates there is little understanding of things the two sides can do together, or, indeed, a common policy that they can pursue. Australia is, of course, part of the US war on Iraq, which has proved to be a major diversion in the war against terror. It has not only wrong-footed the US, but arguably created conditions for launching another wave of Middle-Eastern terrorism.

Terrorism is not so much an 'ism', but a perversion of other 'isms' like nationalism, religious fundamentalism, Marxism and so on. The Liberation Tigers of Tamil Eelam, who are of common interest to the Indian and Australian authorities, for example, are extreme Tamil nationalists. Terror is the means they use to achieve their ends which is to silence domestic critics, and attack the Sinhala-majority government of Sri Lanka.

Counter-terror operations that result in collateral casualties only breed more terrorists.

Whether it be the case of religion or nationalism, separating the combatants from the non-combatants is a difficult task. Nevertheless it is a vital one. Counter-terror operations that result in collateral casualties only breed more terrorists. Yet, terrorism must be fought through military means, but in combination with other actions that can reduce the ability of the terrorist to exploit the 'ism' in question.

Fighting the just war is therefore very important. Unfortunately, actions like the incarceration without trial of scores of Islamic terrorists and their supporters in Guantanamo seems to signal that they will be dealt with another, distinct, set of laws rather than the ones that operate for the average citizen. In some cases there are no signs that they will be tried at all. It is true that normal laws of evidence and confession, or privacy of communications are difficult to employ in dealing with terrorist conspiracy. So many countries like the US and UK have armed themselves with new laws to deal with the problem. But again extreme care is needed to see that the law is used with surgical precision, not as a heavy-handed weapon to coerce a minority. In the case of India, that is what happened and the current government was compelled to repeal the Prevention of Terrorism Act.

In essence the battle against terrorism requires an enhanced 'situational awareness' of our own understanding of terrorism, deployments and abilities, and those of the adversary. We run into a problem right here. Even now, though there is widespread condemnation of terrorism, and resolutions banning support, including financing of terrorists, the UN has been unable to define what terrorism is. Then, we come to the problem of understanding how the phenomenon operates, in other words, how do terrorist leaders exploit the 'ism' in question. Then comes the issue of cooperation in the war against terrorism. But as pointed out, without a common understanding of what constitutes terrorism, we have a problem. In

India and Australia's case, I daresay that Australia does not subscribe to the same negative view of the Pakistan Government's official complicity in mounting a terrorist campaign against India.

In the wake of 9/11, the Bush Administration had promised a long war against terrorism. That was probably rhetoric. The US did not understand what the battle was about and has been improvising since.

The region comprising of Indonesia, Malaysia, southern Thailand, Bangladesh, Nepal, Pakistan, Afghanistan, and Sri Lanka is going to see continuing use of the terrorist instrument by the different 'isms' in play. This battle is going to be a long one, and it is important to get a measure of the task that we have on hand.

**Manoj Joshi was unable to attend the Security Roundtable but produced this paper after the event. He is replacing Professor Varun Sahni as Co-Convenor of the next Australia–India Security Roundtable.*

Six

TRANSNATIONAL CHALLENGES TO SECURITY AND THEIR IMPACT ON AUSTRALIA AND INDIA

William Maley

The 1990s witnessed a significant revival of discussion about the precise nature of 'security' and the ways in which security might be threatened. The long-dominant realist paradigm which emphasised the anarchical character of international relations and the importance of interstate violence as a security threat began to give way to a nuanced discourse which highlighted the significance of 'human security', a label for a cluster of ideas which although diverse in their detail, shared the common characteristic of treating individuals rather than states as the focal point of value.[1] The question it poses is 'security' *for whom*? However, this was paralleled by another strand of thinking which pointed to transnational challenges to security. The question it poses is 'security' *from what*? Terrorism, a phenomenon with a venerable history, offered one such challenge, but a number of others were also identified, and have been the subject of a great deal of scholarly attention.[2] They surely deserve a place in any discussion of ways in which Australia and India might cooperate for the betterment of their own peoples and for the good of mankind.

A useful starting point is a recognition of the complexity of the phenomena under discussion. 'Non-traditional' security transnational threats come in many different forms. Some are classic 'collective active problems' (such as transboundary environmental degradation) where individually rational decision-making leads to outcomes which are collectively suboptimal. Here, unilateral solutions are unworkable, since self-discipline on the part of one contributor to the problem

Photo opposite: Australian Naval frigate HMAS Adelaide in Madras, 9 June 2003. The ship is in port for a five day visit which aims to strengthen the relationship between Australia and India. AFP/AAP/Dibyangshu Sarkar; © 2003 AFP

simply creates further scope for selfish indiscipline on the part of some other contributor. To deal with such problems, it may be necessary to develop binding international treaties that commit states to cooperative rather than destructive patterns of behaviour, and this in turn may require key states to act as 'norm entrepreneurs'.

Other threats are of a less intractable nature. Transnational organised crime, for example, reflects the networking of criminals across traditional borders, but it is amenable to disruption by a sequence of individual actions by different states. Beyond this, it is also important to note that 'securitisation' of discourse may subtly direct one towards less-than-perfect ways of addressing complicated issues. To take one obvious case, the production of narcotics is driven by persistent demand for drugs in Western markets, and the mere interdiction of supply is akin to squeezing a balloon, since it can leave the deeper demand problem unaddressed. Furthermore, in disrupted states such as Afghanistan, opium has become such a central commodity in the functioning of the economy (approximately 25% in Afghanistan's case) that its immediate elimination would produce macroeconomic consequences on a scale similar to those of the Great Depression, and in the process would almost certainly derail the fragile and laborious process of transition which is currently under way.

Another area which demands cooperative solutions is that of people-movement. Western populations often see freer movement of peoples as a threat, whereas in developing countries, it may appear no more than a logical extension of Western arguments about the desirability of increased mobility of the factors of production in a globalising world.

... Australia and India may have shared interests in promoting an architecture of interstate cooperation within which key transnational security challenges can be addressed ...

The diversity of the responses—unilateral, bilateral, and multilateral—which are available to non-traditional security challenges has a number of important wider ramifications. One is that structures facilitating multilateral cooperation may be worth protecting as frameworks for collective action. An institution or set of arrangements that seems trivial or irrelevant in the here-and-now may prove to be valuable at some point in the future. Another is that frameworks which are unimportant to superpowers or established great powers—those which have some capacity to reconfigure the rules of engagement as their own interests require—can be more valuable to middle powers such as Australia or 'threshold' great powers such as India. For this reason, Australia and India may have shared interests in promoting an architecture of interstate cooperation within which key transnational security challenges can be addressed, and further dialogue to appraise the adequacy of existing frameworks and to think about additional or alternative institutional forms could be extremely useful. That said, there are several specific areas of engagement which merit further attention.

First, aspects of disaster management are obviously of concern in the wake of the December 2004 tsunamis that struck Southeast Asia, South Asia, the Maldives and East Africa with such devastating consequences. Post-disaster recovery is not necessarily an

area in which cooperation between India and Australia would be especially beneficial, given the emphasis which India has placed on developing systemic responses, but tsunami early-warning is a matter of extreme importance, even though the settling into place of tectonic plates after a major disaster hopefully implies that major catastrophes will be few and far between. Countries such as India, and Australia, along with Thailand and Indonesia in particular, have significant stakes in an early-warning system that works.

Second, sharing of intelligence on the activities of organised criminal or terrorist groups is an important dimension of enhanced police cooperation. Australia may be in a position to share information about the Pakistan-based terrorist groups Lashkar-e Toiba and Jaish Mohammad, derived from investigations in Australia of connections between those groups and Australian citizens or residents. India may be in a position to alert Australia to information obtained from militants captured in Kashmir and other areas where Al Qaeda-linked extremists operate. And below this level, there is potentially-fruitful scope for technical cooperation on a range of forensic and investigatory issues. At the end of the day, transnational security challenges are often policing matters.

Endnotes

1 See Kanti Bajpai, 'The Idea of Human Security', *International Studies*, vol. 40, no. 3, July–September 2003, pp. 195–228.

2 William Maley, 'Approaches to Transnational Security Issues in the Asia–Pacific', in Abdul Razak Baginda and Anthony Bergin (eds), *Asia–Pacific's Security Dilemma: Multilateral Relations Amidst Political, Social and Economic Changes* (London: ASEAN Academic Press, 1998) pp. 109–122.

Rajesh Rajagopalan

India faces a number of transnational security challenges, but two in particular stand out. One is transnational criminal networks, and the second is illegal migration from the neighbourhood. India faces important challenges from transnational crime networks, but the nature of this problem is different in the South Asian context. Many of these networks are not purely criminal, but have become involved in Indian politics, providing them with certain levels of immunity from Indian law enforcement. Further, many target only India or are limited to South Asia, so it is difficult for India to make common-cause with international partners to address them, though some of these networks have been proscribed as a result of the 'War on Terror'.

The best known of these groups is the Dawood Ibrahim network, originally a Bombay-based criminal enterprise, which is today involved in everything from extortion to terrorism in India. The network receives active support from Pakistan's notorious Inter-Services Intelligence Directorate, and Dawood Ibrahim himself is known to be based in Karachi and travel on a Pakistani passport. But Ibrahim's activities have become so widespread that he is now on US and UN lists of wanted 'global terrorists' for his role in financing and supporting the Al Qaeda. Nevertheless, Ibrahim remain at large in Pakistan and his network is intact.

Though Ibrahim is the best-known and most flamboyant of these criminals, there are many others. Such criminal groups, many of them provincial, have become inextricably intertwined with Indian political parties and elites, and enjoy political protection. Thus, a good number of them have become members of the Indian parliament or provincial assemblies, even as their primary activity remains criminal. The consequences of this criminal-politician-bureaucrat nexus are a source of much hand-wringing, but there is very little that has actually been done to gain some control over this problem. Indeed, this problem is getting worse, and given that India has no public financing of election, the mutual interest between politics and crime is only likely to grow. The consequences of this for the sustenance of Indian democracy are dire.

Such criminal groups are linked to a number of transnational criminal enterprises such as small-arms and drug trafficking and money-laundering and have been utilised by the A Q Khan network. Small arms trafficking in the region began as blowback from the Afghan war, first affecting Pakistan, but is now becoming a more widespread problem. This proliferation of small arms is changing the character of insurgencies in India, making them more violent and less susceptible to resolution. This spread at least partly also explains the growth in the number of violent rebellions in various parts of India. The market for weapons is big and accessible, and has encouraged a resurgence of left-wing extremism, which is now lined to Nepali Maoists.

These networks are also linked to drug trafficking. South Asia is at present a transit point for drugs, rather than a consumer. However, as Indian and other South Asian countries prosper, there is the potential for this to change and governments in the region are ignoring this risk at their peril. Money laundering in India is another activity linked to these criminal groups. Though originally serving a social function for poor migrant international labour of South Asian origin in the Middle East, the so-called *'hawala'* networks have become extremely powerful and dangerous. But unlike the various other transnational criminal enterprises mentioned earlier, *hawala* networks came under the scanner of the international

community because of their links in financing or supporting global terrorism. Though by no means eliminated, there is greater international cooperation in fighting these networks.

Some of these criminal networks are also thought to have been used by the Pakistani government and its agencies, especially the A Q Khan network, for trafficking weapons of mass destruction (WMD). This link between criminal enterprises and WMD proliferation makes it particularly necessary to develop international cooperation on these issues.

Illegal immigration is one of the most serious transnational challenges that face India.

Illegal immigration is one of the most serious transnational challenges that face India. Illegal immigration into India is not seaborne, but occurs through a huge porous land border. Bangladesh in particular poses a problem for India, with large numbers of immigrants and great difficulties in regulating flows. Though the seriousness of this problem in well recognised, this is nevertheless a problem which is difficult to tackle because it is entangled in domestic political issues. Even the full dimensions of the problem are not well known: though most of the illegal immigration takes place from Bangladesh, there is not even a rudimentary assessment of how many illegal Bangladeshi immigrants are there in India. Rough estimate ranges anywhere from 5 million to 20 million; Bangladesh, of course, denies that there any illegal Bangladeshi immigrants in India.

Illegal Bangladeshi immigration is a significant cause for ethnic conflicts in northeastern India, where Bangladeshi immigration has shifted the balance of ethnic communities, setting off inter-ethnic violence. But illegal immigration has also become a source of transnational criminal enterprises, some of which, Indian police and security agencies believe, are also linked to terrorism. But Bangladesh is not the only one of India's neighbours that is a problem: tens of thousands of Sri Lankan Tamils have fled the fighting in that troubled island and settled in India (though, unlike the Bangladeshi migrants, the vast majority of these are formally registered as refugees). As the fighting in Nepal between the Maoists and the government picks up in Nepal, hundreds of thousands of Nepalis have also shifted to India. Should the situation in either of these countries worsen, India can expect another bout of unwanted population flows into the country, something which New Delhi has paid little attention to.

Many of these transnational challenges are, of course, related to governance issues in India. One of the problems in tackling these problems is that New Delhi needs to make hard choices about governance issues at the domestic level, rather than see them as purely problems of diplomacy. But the international community also needs to see that some of these problems have wider ramifications, even if they are currently problems afflicting only India.

Seven

INDIAN OCEAN MANAGEMENT AND MARITIME SECURITY—NEW THINKING FOR NEW TIMES

K K Nayyar

The Indian Ocean provides the shortest link between the Atlantic and Pacific oceans and accounts for nearly half of the world's container traffic and two thirds of the oil flow through this region. Two hundred ships pass through the Malacca Straits daily. More than 100 million tonnes of oil are shipped from the Persian Gulf by tankers each day. The Persian Gulf with 65% of the world's reserves holds the key to global energy and economic progress. With Asia becoming the powerhouse of the world in the coming decades, the economies of China, India, Japan and the Asia Pacific region will be increasingly dependent on commerce and energy flowing through this region. Any instability in the maritime environment which may result in impeding the smooth flow of this vast system will have serious consequences on the economies of all the nations.

The situation is made more complex due to the fact that the hub of terrorism lies in the area adjoining the Indian Ocean. Islamic fundamentalism in Saudi Arabia, Pakistan, Afghanistan, the Middle East and the Central Asian Republics feeds the growing *jehadi* terrorism, making this region more unstable. The nexus between terrorist outfits and the drug cartels of the narcotics rich areas of the Golden Crescent and the Golden Triangle add further complications. It is evident that the Indian Ocean region will continue to hold great interest for all nations in years ahead.

Indian Ocean management is the responsibility of littoral states. However, these states are fragile and at varying degrees of

Photo opposite: Aerial photograph of HMAS ANZAC with the Indian Navy ship, INS TABAR (background). © Defence Department

development. These states are so disparate that a common arrangement among them is not possible. Neither is there awareness that sound maritime cooperation and good ocean management are a common goal for all the states. So far there is little cooperation visible on this front.

Even in maritime nations with vast maritime interests there is lack of interest in managing the oceans.

Even in maritime nations with vast maritime interests there is lack of interest in managing the oceans. India, for example, has forty departments and ministries dealing with subjects relating to the Oceans. Not only do they not communicate with each other, at times they work at cross purposes. There is no coordinating agency that lays out the vision for the creation of an ocean management system. There is therefore an urgent need to set up an Ocean Commission where activities relating to the Oceans can be prioritised and synergised. Each maritime nation would have to examine how best this organization can be set up to meet its specific interests. These commissions could then promote better maritime cooperation among maritime nations.

Over the years, despite many efforts of the international community, the maritime environment has become very complex and vitiated. Threats to the global maritime system can come from many directions. Those opposed to globalisation see the maritime system as a tool for achieving globalisation. Maritime terrorism has also become area of concern. Piracy is rampant. Though statistics may give the impression that piracy has decreased, many incidents are not reported. In particular, piracy incidents have increased in the Indonesian waters.

Nearly 50,000 merchant ships ply the oceans. Over half of these ships are registered under the Flags of Convenience. They change their flags and sometimes even their names. It is extremely difficult to track and monitor their activities. These ships provide ideal platforms for conducting illegal activities such as the transport of terrorists, small arms and explosive devices from one location to another. They are also soft targets and can be used to disrupt the global maritime system. As more and more stringent measures are taken on land and air, the sea as a medium becomes the ideal choice for the terrorists and maritime terrorism to flourish. Not much has been done to impart greater discipline among the maritime users and improve the system of ocean governance.

Similarly, as resources deplete on land, competition for them at sea will increase. Rivalries over maritime boundaries will simmer into confrontation. This is especially so in oceanic areas where oil is likely to be found. Another area is that of the oceanic environment, which is polluted by spillage of ballast and bilges by the discharging merchant ships. There is an all present danger of collision and grounding of huge VLCC ship tankers while transiting the narrow straits and harbours.

While the present focus on Container Security Initiative and Proliferation Security Initiative is appreciated with the attendant threat of WMD materials, the amount of effort and resources spent on such schemes could well be directed towards improving the global maritime system as a whole. To start with, the system of Flags of Convenience should be

done away with. All merchant ships must be registered in the countries from where they operate. Once this is done the vetting of crews can be more effective. It will then also be easier to enforce and profile their movements and keep track of those who try to deceive the system. Other measures to make merchant ships more secure, such as the appointment of Sea Marshals, can also be instituted.

In conclusion, it can be stated that the threat of maritime terrorism to the global maritime system is likely to increase. The system of management in the Indian Ocean would need to be improved to face these challenges. Three areas of activities need to be given greater attention. Firstly, the internal system of ocean management needs to be refined within the maritime nations by setting up Ocean Commissions. Secondly, greater maritime cooperation needs to be established between maritime nations. Finally, the global maritime environment needs to be made more disciplined by replacing the system of Flags of Convenience with a more secure system to face the growing challenges of maritime terrorism.

Anthony Bergin

The importance of the Indian Ocean (IO) cannot be over-emphasised. Over 55,000 ships are known to transit through the IO every year transporting oil, consumer goods and food reflecting the dependence of nations of the region and beyond on this ocean. The IO is the third largest of the world's oceans after the Pacific and Atlantic. Around 40% of world oil and gas comes from the IO. Safeguarding that use should be the responsibility of all users. The IO is vulnerable to maritime hazards, storms and tsunamis. The Boxing Day disaster showed the importance of early warning systems.

Maritime security issues that stand out in the IO are:

(a) crimes at sea, such as piracy, terrorism and insurgency, drug trafficking

(b) marine safety, including search and rescue (SAR), salvage, accidents at sea

(c) disaster management in the form of tsunamis, cyclones, floods and earthquakes

(d) environmental degradation from oil spills, waste disposal and pollution by ships

(e) protection of shipping, trade and keeping sea-lines of communication open at all times

(f) offshore territorial conflicts generated by a need to control energy resources, fisheries and minerals

(g) proliferation management.

Cooperative arrangements for managing these problems are well behind those that have been established for management of the Pacific Ocean and its resources.

The concept of comprehensive maritime security has not permeated the IO region to any significant extent.

To take some examples; many littoral and island states in the IO are concerned about the state of tuna stocks in the region. There is no management agreement on tuna stocks in IO like in the South Pacific. The Indian Ocean Tuna Commission is significantly handicapped because Taiwan cannot become a member.

Cooperation in maritime safety, search and rescue and measures to combat marine pollution remains low compared to Asia–Pacific. It's useful, however, that there exists a MOU on port state control, with a secretariat in Goa. India's inspection rate remains pretty low; only 452 ships in 2003 compared to 3000 in Australia and 1200 by Iran. The main gaps in the IO on port control here are that Pakistan and Bangladesh are not members. There is little port state control on the east coast of Africa. It would be useful for India and Australia to press for greater coverage of port state control in the IO.

Australia and India can work together on maritime capacity building on the International Maritime Organisation's (IMO) International Shipping and Port Security (ISPS) Code. Australia has sent two officers to Manila, two to Port Moresby and one to Jakarta to assist on ISPS implementation. This is something Australia and India could pursue together in the Indian Ocean through IMO.

The Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) has ignored issues of maritime cooperation, but it may be possible to build on the Milan East naval exercises in the Bay of Bengal: a gathering of naval personnel from navies present in the Bay of Bengal

could be extended to other parts of the IO. India has already organised a Milan series with ASEAN countries. The IOR-ARC could address ocean issues more broadly or maybe a regional forum could be instituted on oceans management issues. India and Australia could work together in the IOR-ARC to raise issues such as illegal fishing and high seas ocean governance.

Australia and India could work to promote integrated oceans management, especially in areas such as coral reef management, integrated coastal zone management, post harvest fisheries handling and high seas biodiversity issues.

Australia and India could work to promote integrated oceans management, especially in areas such as coral reef management, integrated coastal zone management, post harvest fisheries handling and high seas biodiversity issues. Our navies could assist in ocean governance regime through their capabilities in surveillance and enforcement.

The IO today is bereft of any collective ocean governance regime for maritime security but there are serious interoperability obstacles in developing such a regime for maritime security challenges. There is also what some analysts are calling a 'base race' in the IO. All four littoral states in South Asia—India, Sri Lanka, Pakistan and Bangladesh—are building new naval and air facilities or significantly upgrading existing ones, with India's program the most ambitious. Burma, Malaysia and Singapore are also focused on a 'base race'.

Both Australia and India are heavily dependent on the oceans for economic growth, have close interpretations of the law of the sea and their naval forces are effective and not in competition with each other. Australia and India could discuss agreed understandings of law of the sea, ship reporting systems, reporting carriage of dangerous cargo and surveillance measures. They could formulate disaster management plans, including operational aspects, between designated coordinating authorities and improve coordination of civil and military maritime research as a tool for better understanding of the oceans for good governance. Increased naval cooperation including surveillance, monitoring and control of the marine environment could be on the agenda, perhaps with capacity building in the IO island states (Maldives, Mauritius and Seychelles in particular).

There is some scope for India and Australia to work with Iran and Oman and Kenya on IO fisheries. Australia, while probably being the largest coastal state in IO, only takes .01% of its catch from the IO, so we are not going to be big players on IO fisheries.

There may be scope for the Indian Coast Guard (ICG) and the new Australian Joint Offshore Protection Command to cooperate on long range identification and tracking of ships (LRIT) systems based on existing SAR regions in the Indian Ocean. This could also involve India and Australia working together to look at the technological and legal aspects of LRIT. Some sort of LRIT system for the IO could be based on existing SAR regions. Also the ICG has comprehensive law enforcement and SAR functions. While greater cooperation on all these issues would be useful, Australia has the basic limitation that the ICG would have to deal

with several agencies in Australia (Customs, Australian Maritime Safety Authority, Australian Fisheries Management Authority, Coastwatch, Office of Transport Security and Defence.)

Both countries should appoint Ambassadors for the Oceans—such eminent persons could push the agenda of IO maritime security.

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Jenelle Bonnor is an independent consultant specialising in international, trade and defence policy development. She has convened the Australia–India Security Roundtable since its inception in 2001.

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Major General Frank Roberts assumed his current appointment as Head of the Strategic Policy Division in Defence's Strategy Group in May 2004. Prior to this, he held the positions of Training Commander—Army and Deputy Chief of the Army. Major General Robert's earlier roles including commander of the 7th Task Force at Enoggera (1997–1999), the Peace Monitoring Group in Bougainville (late 1999 and early 2000), and the Combined Arms Training and Development Centre (2000).

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Greg Sheridan is foreign editor of *The Australian*, and one of the country's best know foreign affairs journalists and commentators. After beginning his career in journalism at *The Bulletin* magazine in the late 1970s, Greg joined *The Australian* where he has held positions including Beijing correspondent, Washington correspondent, chief editorial writer and foreign affairs writer.

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Acronyms and abbreviations

AIC	Australia–India Council
APEC	Asia–Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
BMD	ballistic missile defence
CDF	Chief of the Defence Force [Australia]
CHOGM	Commonwealth Heads of Government Meeting
CIA	Central Intelligence Agency
EAS	East Asia Summit
GDP	gross domestic product
HIV	human immunodeficiency virus
HUJI	Harkat ul Jihad ul Islami
ICG	Indian Coast Guard
IIF	International Islamic Front for Jihad against Jews and Crusaders
IMF	International Monetary Fund
IMO	International Maritime Organisation
IO	Indian Ocean
IOR-ARC	Indian Ocean Rim Association for Regional Cooperation
ISI	Inter-Services Intelligence Directorate
ISPS	International Shipping and Port Security Code
JNU	Jawaharlal Nehru University
LET	Lashkar-e Toiba
LRIT	long range identification and tracking

LTTE	Liberation Tigers of Tamil Eelam
MOU	Memorandum of Understanding
NATO	North Atlantic Treaty Organisation
NDC	National Defence College [India]
NPT	Nuclear Non-Proliferation Treaty
PHWR	pressurised heavy-water reactor
PPP	purchasing power parity
RAN	Royal Australian Navy
SAM	surface-to-air missile
SAR	search and rescue
SARS	Severe Acute Respiratory Syndrome
SEANWFZ	Southeast Asia Nuclear Weapon-Free Zone
TAC	Treaty of Amity and Cooperation
ULFA	United Liberation Front of Assam
UNOCAL	Union Oil Company of California
USSR	Union of Soviet Socialistic Republics
WMD	weapons of mass destruction
WTO	World Trade Organization

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The Australian Strategic Policy Institute (ASPI) is an independent, non-partisan policy institute. It has been set up by the government to provide fresh ideas on Australia's defence and strategic policy choices. ASPI is charged with the task of informing the public on strategic and defence issues, generating new ideas for government, and fostering strategic expertise in Australia. It aims to help Australians understand the critical strategic choices which our country will face over the coming years, and will help government make better-informed decisions.

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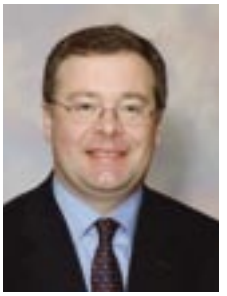

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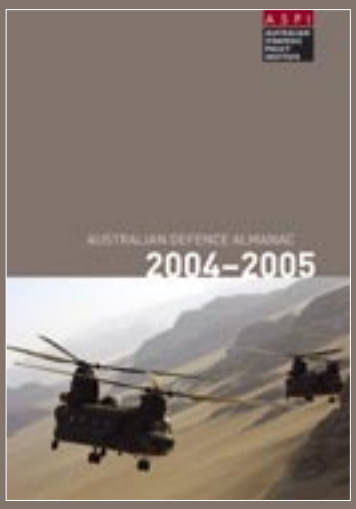

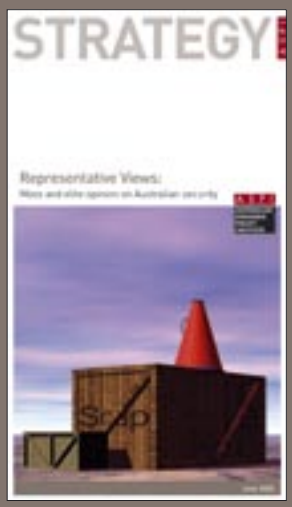

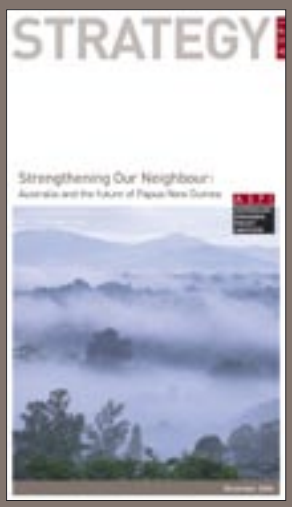

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