

Strategic Weekly Analysis

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From the Editor's Desk

Dear FDI supporters,

Welcome to this week's edition of the *Strategic Weekly Analysis*. This week, FDI analyses the recently released progress report on the Force Posture Review.

We then head overseas, where FDI Associate Professor Sandy Gordon examines Pakistan and its position as the Afghanistan "endgame" draws near. Another FDI Associate, Mr Jahnu Russell, then takes us to the Middle East to analyse the motives behind this week's visit by South Korean President Lee Myung-Bak.

Still in that region, we look at the steps being taken in a new initiative between the Indian, Chinese and Japanese navies to co-ordinate their anti-piracy patrols in the Gulf of Aden. Next, in Iran we consider the latest inspection of Iranian nuclear facilities by the International Atomic Energy Agency.

We then report on Indo-Iranian relations in the light of the growing pressure from the United

States and Europe for countries to adopt tougher sanctions against Iran. Also considered are the latest developments in relations between Iran and Oman. The two countries are strategically situated on either side of the Strait of Hormuz.

We conclude by looking to India, with an analysis of the roles played by water management and government policy in the country's future food security.

Strategic Analysis Papers to be released over the next month include feature profiles of the Ethiopian Army and the Lord's Resistance Army rebel movement, along with examinations of the national involvement in the Indian Ocean region of Indonesia, Qatar and Saudi Arabia. The Global Food and Water Crises Research Programme will investigate the future water situation in South Korea.

Major General John Hartley AO (Retd)
Institute Director and CEO
Future Directions International

Progress Report Foreshadows Enhanced Defence Infrastructure

Background

In late January 2012, former defence secretaries Allan Hawke and Ric Smith released a progress report on the Force Posture Review (FPR). Media commentary has suggested that it is a pessimistic appraisal of current defence positioning. On the contrary, the brief findings published so far suggest that an enhancement, rather than a large-scale realignment is necessary. Bounded by diplomatic and economic considerations, the FPR will likely mean an increase in existing defence infrastructure, and an increased presence in Northern Australia through visits and training.

Comment

The FPR will consider broad concepts of “force posture”, going beyond simply where defence assets are based, to include visits, training and exercises, and other engagement activities. Drawing on commentary from a range of stakeholders, the report suggests scope for an enhanced posture in Northern Australia. Long-term developments, such as strategic competition in the Indo-Pacific, a key element identified in submissions, may create the need for an increased presence of defence assets to deter potential security challenges.

The changing requirements of the services are also considered in the report. Mr Hawke and Mr Smith foreshadow challenges to the Navy in ‘accommodating the practical and conceptual changes’ required for the future force. In reality, this likely refers to projected expansion of areas of operation and length of operations in the northern littoral. Accompanying this, intensity of operations may grow with the expansion of regional naval capability and non-conventional security challenges. Over the coming decades, the Air Force will acquire a range of new platforms, including the Joint Strike Fighter (JSF). Infrastructure upgrades will be required to operate these new air assets, and project the deterrence and dissuasion credibility of the JSF. Mr Hawke and Mr Smith suggest that the current Army posture is adequate; although they indicate that the final report will have conclusions that will have implications for the Army’s presence in Northern Australia. The recommendations will likely see increased visits to the region, training exercises and, perhaps, increases in the size of regional regiments, such as the Pilbara regiment.

Importantly, the progress report did not suggest that the FPR will result in a large-scale realignment of the ADF. A key theme of its observations was the weakness and vulnerability created by lack of capacity at bases, training sites and facilities. Over the last decade, ADF commitments overseas have led to a decline in activities in Northern Australia, particularly when compared to the 1980s “Defence of Australia” era. Within this context, the economic profile of Northern Australia, particularly the North-West and offshore regions, has risen, bringing with it an increased sense of vulnerability to existing, as well as emerging threats.

Information on policy recommendations and implications for ADF positioning remain sparse. Contrary to media reports, a permanent ADF presence in remote regions of Northern Australia is an unlikely outcome, due to cost and retention issues. A more likely scenario would be an increased presence through port visits, and potentially using a regional port as a strategic lift, logistics and forward operations centre. Congestion barriers are likely to prevent this becoming a reality in Western Australia. Port Hedland and Karratha in the Pilbara region are among the busiest ports in the world by tonnage; similarly, ports in the Kimberley region are projected to experience similar growth as projects advance.

Some reports also suggest an increased role for Brisbane in naval considerations. This was an expected outcome, given the State's army presence, a key consideration with the acquisition of the Helicopter Landing Ship. Increases to the Navy's submarine fleet may see vessels based in Brisbane, in addition to their home base in Fleet Base West.

Surprisingly, the progress report made little mention of Australia's Indian Ocean Territories. In late 2011, Defence Minister Stephen Smith suggested the FPR would consider the role of the Cocos and Christmas Islands. The report, however, only features a brief mention of the Cocos Islands, in relation to potential co-operation with the United States. Given the strategic value of the islands, the lack of consideration represents something of a missed opportunity.

Mr Hawke and Mr Smith's final report will be handed down in March.

Liam McHugh

Manager

Northern Australia & Energy Security Research Programmes

lmchugh@futuredirections.org.au

Pakistan and the Afghan End-Game: Need for a Rethink

Background

Washington has now moderated Secretary for Defense Leon Panetta's statement that the US as a fighting force would be in the barracks by mid-2013. US forces may now come out to fight as and when necessary, till their departure at the end of 2014. But that doesn't change much. The fact is the Afghan endgame has been in play at least since the death of bin Laden.

Comment

On the surface, Pakistan appears to be a highly dysfunctional country, caught up in the current "AfPak" uncertainty and poorly positioned to benefit from the endgame. Perilously poised between a dysfunctional civilian government and an Army reluctant to seize power but willing to shape events from the wings, beset by terrorist and insurgency violence, with a failing and near bankrupt economy and shocking social sector indicators, on numerous occasions commentators have predicted Pakistan's demise.

No sensible analyst would claim Pakistan's problems are anything but serious. But behind the dirty windows of Pakistan's facade, some other salient points need to be considered. We mention them now because they are pertinent to the final outcome in Afghanistan.

First, we need to ask how it is that a country so apparently dysfunctional as to be on the point of collapse could have "played both ends against the middle" so successfully for so long. While remaining a beneficiary of considerable Western, and especially US, largesse and managing to avoid outright war with India, Pakistan has managed simultaneously to run a proxy war against India involving the blatant harbouring of terrorists; hosted the so-called Quetta *Shura* of the Afghan Taliban leadership (now reportedly moved to Karachi); possibly had governmental knowledge of the whereabouts of bin Laden,

the man who killed three thousand Americans; kept close tabs on, and providing support for, the Haqqani network, the most feared of the Afghan insurgent groups; been complicit in the bombing of the Indian embassy in Kabul; built one of the most formidable nuclear arsenals in the region; and, managed to run a long-term, strategic relationship with China, which has provided, *inter alia*, the design of Pakistan's nuclear weapon.

The picture of a nation of such capability alongside one of complete dysfunctionality just does not add up. How it should be revised is a moot point: but my guess is that Pakistan's "success" in its dual role has something to do with circumstances but more to do with the nature of its elites.

The circumstantial factors are the more obvious and less controversial. Pakistan is too important to let fail: in the sense of its nuclear status; of its key location as the central *entrepôt* for Afghanistan; and of the need to co-operate with its intelligence service over terrorism targeting the West. It is also favourably located in respect of China's competition with India.

But its successes – if they can be called that – are surely based on more than position. At some level within the Pakistani state there must be a consensus on key strategies, one that has been in place for many years and one that, at least superficially, has served the country well. Again, one could argue that the key here is the Army, its hold on power either in government or out, and its key instrumentalities such as the ISI. The Army, it might be said, is Pakistan's "steel frame" and proving ground of talent in an otherwise feudal setup. It is well capable of discerning and exercising both its own and the country's key strategic interests.

That explanation may be important but is not sufficient. Somehow, elite "management" of Pakistan appears to go beyond the Army into business and government, although in this milieu it becomes far less functional. One could argue then, that there is an elite compact to keep the struggle with India alive, to keep Islamisation in view but not quite in reach, to protect and benefit from Pakistan's nuclear umbrella, and to "manage" Pakistan's complex sets of regional and global relations. This agreement seems bipartisan between all shades of government and the Army. It also involves a considerable degree of elite talent at diplomacy – witness the current Foreign Minister and new ambassador to Washington.

Whatever the explanation, the important point is that Pakistan should never be underestimated because of the seemingly shambolic nature of its polity. It now finds itself relatively well positioned for the Afghan endgame. Whatever disposition finally rules in Afghanistan, Pakistan will be far from isolated or deprived of options. India's strategic involvement, on the other hand, offers nothing but pain. If Kashmir is difficult for India – and it is – Afghanistan after NATO would be more so, should New Delhi choose to remain strategically engaged.

Of course, all bets would be off if the elite domination of Pakistan were to crumble. While a distinct longer-term possibility, we ought also to consider the successes of this elite in the past, at least as they perceive their interests on a relatively superficial level.

Professor Sandy Gordon

Future Directions International Associate

About the author: Professor Sandy Gordon is a visiting fellow at the College of Asia and the Pacific, Australian National University. He is a specialist on South Asia and the Indian Ocean and is co-editor of *South Asia Masala*.

South Korean President on Mid-East Energy and Trade Quest

Background

This week's visit to the Middle East states of Turkey, Qatar, United Arab Emirates and Saudi Arabia by South Korean President Lee Myung-Bak highlights the critical importance of the region to the economic security of South Korea. As a country that is 95 per cent dependent on energy imports, most of the destinations on the visit play a vital role in meeting this demand.

Comment

Saudi Arabia is the single largest supplier of oil to South Korea, while Qatar is the biggest provider of liquefied natural gas. It is, however, a country outside the direct itinerary of the visit that is driving the agenda. On 30 January 2012, it was reported in the *Wall Street Journal* that South Korea was coming under increasing pressure from the United States to reduce or discontinue oil supplies from Iran. Given that Iranian oil accounts for 9.4 per cent of total imports, it is clear that South Korea needs to ensure it can secure alternative supplies from the region if it is to comply.

As global pressure for Iranian sanctions increases, governments are scrambling to secure assurances of increased output from key regional suppliers. It is clear that South Korea also, does not want to take any chances in this matter, given its almost complete dependence on energy imports. It also appears that the speed of recent movements against Iran might have been faster than Seoul had anticipated. It was reported in the WSJ article that South Korean Finance Minister Bahk Jae-wan had stated in recent meetings with US officials that talks on reducing crude imports from Iran would need more time to reach a resolution.

Time might be running out, however. The *Korean Herald* reported on 5 February that South Korea might have to accept an immediate 18 per cent drop in Iranian oil imports, if the US Treasury Department were to accept US lawmakers' impending guidelines for implementing further sanctions. The new sanctions will seek to target foreign banks that deal with the Iranian Central Bank. A number of US senators have demanded that countries implement an 18 per cent cut in imports of Iranian oil to be eligible for the waiver of US sanctions on their financial institutions.

While it is clear the need for certainty in energy supplies is driving President Lee's visit to the region, there are other issues that will also come into play, such as securing a continuing role for South Korean industry in major infrastructure projects across the region. In 2009, a South Korean-led consortium won a US\$40 billion contract for the construction of a number of nuclear reactors within the UAE. South Korean construction firms are heavily active in the region, such as Samsung C&T, which was the primary contractor on the 829 metre-high Burj Khalifa project in Dubai.

When it comes to Turkey, trade and economic ties, rather than energy, will be the driving force during Lee's visit. It was reported in the Turkish newspaper *Today's Zaman*, on 5 February, that President Lee had told reporters in Istanbul the previous day that negotiations for a Free Trade Agreement between the two countries would soon be concluded successfully. It also noted the possibility that the two countries will recommence discussions on a US\$20 billion project that would see South Korea assist in the construction of four nuclear reactors on Turkey's Black Sea coast. Earlier discussions had stalled in 2010.

Despite the imminent conclusion of a Free Trade Agreement with Turkey, the overall success of President Lee's visit to the region will still be judged by Seoul's ability to ensure that the supply of energy for its booming economy is not interrupted, if it is forced to cut its imports of Iranian oil.

Jahnu Russell

Future Directions International Associate

About the author: Jahnu Russell manages the international research team for the Melbourne-based company, Export Results. He has a Bachelor of Business (Finance) and a Bachelor of Arts (Asian Studies), and was formerly a member of the Export Consultants Association of Australia (ECAL). He has an ongoing interest in strategic issues and the critical role of Australia's trading relationships.

India, China and Japan Co-ordinate Anti-Piracy Patrols

Background

The navies of India, China and Japan have announced their intention to co-ordinate their anti-piracy patrols in the Gulf of Aden. The move is a first for the three countries which, until now, have been conducting their patrols independently of each other and the multinational taskforces deployed to the area. If successful, it will constitute a confidence building measure of the highest order, potentially reducing Sino-Indian tensions elsewhere.

Comment

Recognising a common interest in the security of shipping through the Gulf of Aden, the three countries have pledged to co-ordinate their anti-piracy patrols and escorts in the internationally recognised transit corridor — a 92 kilometre-wide zone of relative safety that runs for 480 nautical miles, or approximately 890 kilometres, between the Red and Arabian Seas. The agreement came into force on 1 January 2012, but was not made public until 2 February.

Prior to the agreement, all three countries had conducted their own patrols. None are part of the multinational Combined Task Force 151, nor had they worked in partnership with the European Union's Operation *Atalanta*.

Since 1 January, their co-ordinated patrols have been managed under the Shared Awareness and De-confliction (SHADE) framework. SHADE is a forum, based in Bahrain, that was established in December 2008 to co-ordinate the anti-piracy operations of the various countries and coalitions involved in the area.

For India and China, the Gulf of Aden agreement represents a considerable step forward in their military co-operation. While their land forces eye each other off over the Actual Line of Control running along their disputed border, their navies are now in a position to demonstrate that the militaries of the two rising powers can work together. Such confidence building measures are extremely rare in Sino-Indian relations. If successful, it will provide a template for future naval co-operation across other Indian Ocean shipping lanes and chokepoints, such as the Strait of Malacca. If so, it would go a long way to reassuring

China's concerns over the vulnerability of its energy imports and assuaging Indian fears of an expanded Chinese naval presence.

Leighton G. Luke

Manager

Indian Ocean Research Programme

lluke@futuredirections.org.au

IAEA and Iran: Uncertainty Continues

Background

Little appears to have been achieved during the latest inspection of Iranian nuclear facilities by the International Atomic Energy Agency (IAEA), following the imposition of new sanctions by the European Union.

Comment

An IAEA team visited Iran from 29-31 January. Most reporting suggests Iran was not supportive. Observers were particularly critical of the lack of response by Iranian officials to grant access to the military complex at Parchin, near Tehran.

The IAEA has suspected that nuclear research has been conducted at this site since at least 2004. In 2005 the site was visited, but not the area that is now under consideration.

Another visit to Iran is scheduled for 21-22 February.

There is considerable debate regarding the effectiveness of sanctions. Certainly they have made it harder for Iran to acquire the specialised materials and equipment it needs for a nuclear programme. But, how effective have they been otherwise?

The sanctions also have undoubtedly had a significant impact on the Iranian economy. Access to products needed for the oil and energy sectors has become more difficult; a number of oil companies have also withdrawn from Iran, and some are reluctant to do business for fear of losing their Western markets.

The Iranian rial has plunged in value, with the EU oil embargo causing it to devalue by ten per cent. A significant budget deficit of somewhere between US\$30 billion and US\$50 billion is expected this year.

Last month, interest rates were raised by six per cent in an attempt to deal with the depreciation of the rial. This will have a negative impact on President Ahmadinejad's attempts to provide cheap loans to lower income families. All these moves have led to a lack of confidence in the rial, devaluation in its value and a booming black market economy.

The social and economic effects of these measures, taken collectively, suggest that the sanctions are having a major impact. But whether this will change Tehran's attitude to IAEA inspections remains to be seen.

Major General John Hartley AO (Retd)
Institute Director and CEO
Future Directions International

India's Iranian Sanctions Predicament

Background

The implementation of the tough new US and EU sanctions against Iran has encountered practical challenges, with India, an important Western strategic partner, voicing its concerns. Given that India is a major recipient of Iranian oil, a major investor in Iran's energy sector and has other vitally important strategic interests at stake in Afghanistan and Central Asia, its quandary encapsulates the difficulties involved in the full implementation of sanctions.

Comment

In a press conference on 29 January, India's Finance Minister, Pranab Mukherjee, clarified India's position on sanctions targeting the sale of Iranian oil: 'It is not possible for India to take any decision to reduce the import from Iran *drastically* [emphasis added by author] because, after all, the countries which can provide the requirement of the emerging economy, Iran is an important country amongst them.' From this statement, it is clear that India has emphasised its willingness to cooperate with the US and EU sanctions regime, but with certain limitations in mind.

So far, Turkey has rejected the imposition of sanctions and Russia confirmed that it intends to use local currencies to trade with Iran instead of the US dollar. Although China has disapproved of Iran's nuclear enrichment programme, it also argued against sanctions. In fact, China's response to the US and EU sanctions has been ambivalent. Since January 2012, China has cut its oil imports from Iran by over half, from 555,000 bpd in 2011 to 285,000 bpd, yet Chinese companies have yet to be prevented from trading with Iran. Although Iran and China remain strategic partners, China's response to the sanctions regime reflects its need to also balance its significant and lucrative trade relations with the US and EU.

Much like Japan and South Korea, India has also pushed the US to agree to a temporary exemption. Iran has talked about using alternative currencies, exemplified by its recent request for India to use the Japanese Yen. Similarly, there have been some inferences that suggest India is also investigating the option of using Indian rupees to purchase Iranian energy.

Although India has consistently voiced its disapproval of real or implied Iranian plans to develop a nuclear weapons capability, India's response to US and EU sanctions is not solely based on concerns over its own energy security. Saudi Arabia is presently India's foremost source of oil and has offered to supplant Iran altogether as a source, however, New Delhi's response is likely to be selective and tempered given Iran's geo-strategic importance to India's interests in the Middle East and in South and Central Asia.

Iran and India have well-developed ties. According to the Indian Ministry of Commerce and Industry, bilateral trade between India and Iran increased from US\$6 billion in 2005-06 to US\$13.3 billion in 2009-

10. Since 2009, a number of state-owned Indian firms have operated in Iran's energy sector and have pledged to invest US\$5 billion in developing Iran's natural gas sector.

Outside of cultivating it as a necessary counterweight to influence Pakistan, Iran's strategic location has become increasingly important in facilitating India's ambitions in Afghanistan and Central Asia. India has invested heavily in the construction of Iran's North-South Transport Corridor, astride Pakistan's western borders, including the Chabahar port and the Chabahar-Faraj-Bam railway, which link Iran's eastern regions to Afghanistan and Central Asia.

Not long ago, India's Foreign Secretary, Nirupama Rao, affirmed the strategic importance of the North-South Transport Corridor to India: 'There is a need for accelerating our joint efforts to fully realise the potential of the Chabahar port.' He continued: 'This is a project that is in the common interest of not only India, Iran and Afghanistan, but also Central Asia.'

India has invested hundreds of millions of dollars in Afghanistan, as part of its effort to assert its influence in the region. Similarly, India is also active in Central Asia. It has stationed military personnel in Tajikistan, is involved in oil and gas exploration in Uzbekistan, and has signed agreements with Kazakhstan in a number of areas, emphasising uranium, agriculture, public health, information technology, education and oil and gas.

Given India's comprehensive ties and interests with Iran and the wider region and the stance it has espoused publicly, US and EU efforts to persuade India to diminish ties with Iran are likely to be more complicated than anticipated. Conversely, India has significant trade relations with both the US and EU that cannot be overlooked and this is likely to compel India to find a middle-ground on the issue of sanctions. This could entail a reduction in India's demand for Iranian oil, while attempting to negotiate a tentative solution that could, within reason, appease US and EU demands, while enabling India to maintain its strategic foothold in Iran.

Sergei DeSilva-Ranasinghe

Manager

South and West Asia Research Programme

sdesilva@futuredirections.org.au

Iranian Vice-President's Oman Visit Highlights Warm Relations across Strait of Hormuz

Background

Iran's Vice-President Mohammad-Reza Rahimi met with Omani Sultan Qaboos bin Said last week to discuss gas exports and other bilateral and regional issues. The 30 January talks highlighted the warm economic, diplomatic and military ties enjoyed by the two states.

Comment

Building on their September 2011 discussions, Rahimi and Sultan Qaboos met in Muscat. The talks finalised the important issue of the transit of goods between Iran and Oman and discussed possible ways in which to transfer Iranian gas to Oman and India.

According to *Fars News*, Rahimi said that the major purpose of the bilateral talks was for ‘the two sides... [to] exchange views on ways to transfer Iran’s gas to Oman and the expansion of Tehran-Muscat relations.’ He went on to describe his talks with the Sultan as constructive and beneficial for both countries.

Iran and Oman have a tradition of co-operation that stretches back to the mid-1950s. While relations were damaged after Iran attacked tankers in the Persian Gulf during the so-called “Tanker War”, the neighbours have since put the incident behind them and enjoy close ties today.

Iran-Oman economic relations remain strong, especially in terms of energy supplies. Having the second-largest natural gas reserves in the world, Iran announced in mid-2011 that it would start pumping natural gas to Oman through a pipeline by March 2012. The project is estimated to be worth between US\$7-12 billion. It is also believed that India is considering building a 2,000 kilometre-long deepwater transnational pipeline from Oman that would transport natural gas from Iran, Qatar and Turkmenistan.

India’s ongoing interest in Iranian natural gas, via Oman, is sure to be viewed by Tehran as an encouraging sign, especially as it vies to remain a major fuel exporter amid recent US, UN and EU sanctions.

A small Ibadi-Muslim state of just under three million people, Oman also has a constructive military relationship with Iran. The two countries have undertaken a number of joint military exercises, including war games in the Sea of Oman in early 2011, with the purpose of increasing co-operation between the two countries. Interestingly, Oman has military and security partnerships with both Iran and other western powers such as the US and United Kingdom. This is largely a result of bin Said’s pragmatic diplomatic approach to world affairs, with the small country in some cases even acting as a facilitator between Iran and the US.

Oman has rejected repeated overtures from neighbours such as Saudi Arabia and other Arab nations to pull away from Iran. As Salim al-Mahruqi, a former Omani diplomat said ‘for us, this is an expression of being realistic.’ Oman has been critical of Saudi Arabian religious figures disseminating fundamentalist interpretations of Islam throughout the region. The pragmatic approach adopted in Omani foreign policy suggests that Iran-Oman relations are likely to remain strong into the future, partly due to strong historic cultural ties, but also because the two have been important commercial partners for generations. As al-Mahruqi summed up, ‘Iran is a big neighbour and it is here to stay.’

Andrew Manners

*Future Directions International Research Assistant
South and West Asia Research Programme*

India's Water Plight

Background

Water management will play a key role in determining the state of food security in India in the coming decades, according to speakers at a symposium titled "India and the Age of Crisis: A Symposium on the Local Politics of Global Economic and Ecological Fragility", held at the University of Western Australia last week.

Comment

Urbanisation is placing unprecedented pressure on water security in India. Coupled with the rise in consumption patterns, the pressure on the country's water resources is growing, according to Anjal Prakash, senior fellow and project director of the Peri Urban Water Security Project, run by India's SasiWater.

One of the problems is that over the past few years a growing informal groundwater market has developed in India. The private water tanker market has been flourishing across India, in the absence of government management. This water is sourced predominantly from the pre-urban regions, which are usually richer in surface and groundwater, Dr Prakash said.

The market is informal in that it is not regulated by the government and escapes scrutiny or restrictions. Dr Prakash pointed to the city of Hyderabad as an example of poor water management leading to environmental problems and increasing water insecurity for the city. In Hyderabad, as in other Indian cities, there is a lack of recognition of community water rights and water security is not considered by urban planners.

Between 1989 and 2001, some 3,245 hectares of water bodies have been lost in the Hyderabad region.

Dr Doug Hill, senior lecturer at the University of Otago in New Zealand, believes India is in a triple crisis of climate change, food and finance. He says that India has 14-20 major basins that are classified as water stressed. Since the 1950s, water availability per person has declined by 70 per cent. Dr Hill says that if India has a crisis of water, it will become a South Asia crisis as well.

The problem India faces is due, by most accounts, to a general absence of regulatory mechanisms. In the future, India will not only need to clamp down on the informal groundwater market, which is withdrawing groundwater at unsustainable levels, it will also need to ensure water and the environment are factored into the legal framework for land ownership and property development. The Indian Government will also need to improve its taxation regime, to increase its revenue base and as a means of changing people's behaviour. Foreign assistance to the country, including any that comes from Australia, should be centred on improvements in areas of government shortfall.

Gary Kleyn

Manager

Global Food and Water Crises Research Programme

gkleyn@futuresdirections.org.au

India Conference: Food Security Worsened by Government Policy

Background

FDI recently attended a symposium held at the University of Western Australia. The two day programme, titled “India and the Age of Crisis”, covered issues of governance and how these affect access to food and water. In attendance was journalist Palagummi Sainath – Rural Affairs Editor for the influential Indian daily, *The Hindu* – and Dr Swapna Banerjee-Guha – Professor for Development Studies at the Tata Institute of Social Sciences. Both speakers have written extensively on the critical situation in India, including the damaging policies of the government.

Comment

Poor governance and compulsory land acquisitions are having an impact on food security in India. Enticed by the potential gains from foreign investment, India’s governments, both state and national, are enabling corporations to acquire large tracts of land for industrial development. According to Professor Banerjee-Guha, fertile land is being acquired forcefully by the state, disturbing not only the livelihoods of farmers, but also food production. The purpose of acquisition varies by area, though Banerjee-Guha pointed to specific instances of forceful acquisition which have been overlooked in Western media reporting.

An example of this destructive practice can be seen in the Panchwadi district of Goa, where rice-paddy fields have been earmarked to give way to a road by-pass in order to facilitate the mining and transportation of iron ore. In this area, locals have strongly opposed the project, but the trend seen across the country provides little hope of halting the government’s plans. A similar process has taken place in Keonjhar district in the state of Orissa, where agricultural lands have been displaced by mining operations and chemical plants. In addition to the reduction of agricultural space, a lack of environmental regulation in such districts has resulted in polluted rivers and contaminated drinking water, specifically due to commercial industries.

The actions of the state are exacerbating the already dire situation confronted by many Indian agricultural workers. Palagummi Sainath spoke of the remarkable suicide rate among farmers faced with the difficult conditions of rising input costs and little financial support. It was noted that 256,000 farmers have taken their lives since 1995. Mr Sainath claims privatisation is leading to the transfer of wealth from the poor to the rich, and cites government policies for the continuing suicides. This has come about due to the withdrawal of the state from rural economic activity, as well as large tax concessions being granted to foreign and domestic corporations, both of which affect food security by diverting public resources away from India’s food problem.

While there is no doubt that a rising India must attract investment from abroad to assist with its progress, the above examples are a reminder of the uneven nature of development. The policies of the government have resulted in winners and losers; the impact on the losers is severe and even life-threatening. The challenges already faced by India, in terms of the adequate supply and even distribution of food to its growing population, are being worsened by the government’s approach.

Jay Vella

Research Analyst

Global Food and Water Crises Research Programme

jvella@futuredirections.org.au

What's Next?

- Indian External Affairs Minister S.M. Krishna continues his visit to Beijing until 9 February. Mr Krishna is opening a new Indian Embassy and will meet with his Chinese counterpart Yang Jiechi and other top-ranking Communist Party officials.
- South African President Jacob Zuma will present the annual State of the Nation Address at the opening of Parliament in Cape Town on 9 February.
- A sit-in will be held outside the Egyptian People's Assembly building in Cairo on 9 February by thirty-six political parties and opposition groups.
- New Singaporean Foreign Minister K. Shanmugam concludes his US trip and visits China, where he will meet with Foreign Minister Yang Jiechi and other Chinese leaders from 9-11 February.
- Sudan and South Sudan will continue their negotiations over oil fees and access in Addis Ababa on 10 February.
- 11 February marks the first anniversary of the fall of Egyptian President Hosni Mubarak.
- The 47th Croatian and 7th International Symposium on Agriculture is to be held 13-17 February at Opatija, Croatia. It is organised by the Faculty of Agriculture, University of Zagreb. For more information, see: <http://sa.agr.hr/>
- The International Food and Agricultural Congress will be held in Antalya, Turkey on 15-19 February. Around 1,500 people from 65 countries are expected to take part. For more information: <http://88.255.133.142/~tarimveg/>
- On 17-19 February, "Food 2012 – Food Web: A Global Connect" will be held in Chennai, India. It will provide an inter-disciplinary platform for the discussion of agricultural, environmental, nutritional, health, social, economic and cultural facets of food. It is organised by the School of Food Sciences, M.O.P. Vaishnav College for Women. For details, visit: <http://www.mop-vaishnav.ac.in/foods2012.pdf>

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