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Maritime Governance in South Asia: The Potential for Trade, Security and Sustainable Development

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On 29 and 30 November 2016, an international workshop on maritime governance in South Asia was held to discuss evolving maritime dynamics of trade, security and sustainable development. Maritime governance is integral to South Asia's geography, economy and politics given the enormous marine space that encompasses the Subcontinent. Five out of the eight South Asian countries have direct access to the ocean.

Three empirical questions guided the proceedings: (1) What are the drivers of maritime connectivity projects and trade, (2) which institutions enable transnational cooperation and, (3) is there a change in the direction of investments into sustainable development through the 'blue economy'?

Ambassador Tommy Koh (President of the 3rd United Nations Conference on Law of the Sea) opened the workshop with a special address on the breadth, scope and significance of the Indian

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Ocean. Ambassador Koh highlighted the importance of trade, the exchange of ideas, culture, religions and people, security and sustainable development challenges of the Indian Ocean, articulating his own vision for an Ocean of Peace, Friendship and Cooperation.

As chairperson for the opening session, Dr. Iftekhar Ahmed Chowdhury (Principal Research Fellow, Institute of South Asian Studies (ISAS) and Former Foreign Minister of Bangladesh) in his comments drew attention to the United States and two imminent potential developments: the possible decline of US policy and presence in Asia and the role of an active and assertive China. These uncertainties in the global order, he argued had implications for the Indian Ocean and the Bay of Bengal in terms of the role that multilateral organisations could play.

Dr. Chowdhury's comments were followed by a detailed and expert analysis of the India-Bangladesh-Myanmar Boundary Resolutions by Rear Admiral (Retired) Md. Khurshed Alam.

The analysis focused on the strategic location of Bangladesh as a state between Myanmar and India in the Bay of Bengal, which due to the equidistant lines with both states meant a reduction of Bangladesh's maritime area within 130 nautical miles. Negotiations for delimitation of the maritime boundary started in 1974, and continued for almost four decades. With the resulting lack of resolution, Bangladesh took the pragmatic decision to settle the issue through compulsory dispute settlement procedures under the United Nations Convention on the Law of the Sea (UNCLOS) in 1982. Rear Admiral Alam made the point that this was the first case of Asian maritime delimitation settled through international adjudication and accepted by all concerned parties.

A number of questions were raised and directed to Ambassador Tommy Koh and Rear Admiral Alam. Questions from the audience included whether sovereignty issues could be kept separate from issues of delimitation. Another question was raised over how to design collective and concerted action to go forward with the Sustainable Development Goals in an area as vast and varied as the Indian Ocean. Professor S.D.Muni reminded the audience of the importance of political will which, must not be discounted in assessing and explaining the success of negotiations. The innovativeness and shortfalls of UNCLOS were discussed as well as other examples of unresolved disputes, including the South China Sea, Singapore / Indonesia claims, Singapore / Malaysia claims.

In the first panel discussion, Razeen Sally (Associate Professor at the Lee Kuan Yew School of Public Policy and Chairman of the Institute of Policy Studies in Sri Lanka); Mr. Kwa Chong

Guan (Senior Fellow at the S. Rajaratnam School of International Studies, Singapore) and Captain Rajesh Unni (CEO of Synergy Marine Pte. Ltd, Singapore) commented on the potential for *A Maritime Growth Triangle: Singapore, Sri Lanka and India*. The session and lively discussion was chaired by Dr. S. Narayan (Visiting Senior Research Fellow at ISAS, Singapore) who commented on the fact that India is a consuming country, with relatively less exports, majorly dependent on oil and energy. These were the centrifugal forces pulling trade into India and shaping current port-development.

Prof. Razeen Sally focused on how Sri Lanka's role and position as a hub and gateway for Indian Ocean trade since ancient times was undergoing a revival and pointed out Sri Lanka's strategic location, almost halfway between the Straits of Hormuz and the Straits of Malacca. Despite government-led efforts to develop infrastructure around the Colombo port, Professor Sally pointed to key obstacles such as the 40 per cent foreign equity cap on shipping agencies. Furthermore he advocated a greater role for India and Indian investments in Sri Lanka, to balance China's influence in the economy and in the wider region.

Mr. Kwa Chong Guan offered a critical analysis of the notion and concept of 'growth triangles' drawing upon existing cases such as *the Jakota Triangle* (an area in East Asia consisting of the countries, Japan, South Korea and Taiwan) linking sub-regions to larger cities to create a mega region, *SIJORI* (*Singapore; Johor, Malaysia; part of the Riau Islands Province, Indonesia*) which sought to link Singapore, Indonesia and Malaysia. The literature on such growth triangles, he claimed had peaked in the 1990s and subsequently died out. In his own understanding, the concept had problems for example on the subject of what happens when triangles are enlarged, whether geography was destiny and even more broadly, whether such conceptualizations had any relevance in a post-2008 world of de-globalisation and de-liberalisation? The Bay of Bengal presented an opportunity for a growth triangle, depending on the role of India and the ability to use the "blue economy" as a unifying factor.

Captain Rajesh Unni spoke from his practical experience as a businessman, arguing that post-2008 there was a lot of capital inflows which had changed the nature of investment in that it was no longer directed at a long-term horizon. This altered the landscape of shipping and in fact he predicted that technology would be even more of a game-changer whereby ships would have to be run as 'floating enterprises'. The next generation of maritime entrepreneurs had a unique opportunity to re-write the rules of the game and to solve problems of infrastructure through technology and human capital.

The general discussion raised issues about proximity not being a sufficient condition for the emergence of growth triangles and cooperation; questions about the functioning of Hambantota port and, the security risks of widespread digitalization of data management as well as operations. An important observation was made by Razeen Sally who pointed out that the growth of trade had plateaued and was in fact below global GDP growth. In the past this had happened during a depression or war. These trends needed to be addressed through the creation of new services and supply chain networks and especially maritime trade.

Panel two turned to the challenges and opportunities for *Building a Collaborative Regional Architecture* with India at the helm. Ambassador Frank Lavin (Former Undersecretary of Commerce for International Trade and Former US Ambassador to Singapore), Ambassador Munshi Faiz Ahmad (Chairman of the Bangladesh Institute of International Strategic Studies in Dhaka), Commodore (Retired) Abhay Kumar Singh (Research Fellow at the Institute of Defence Studies & Analyses in New Delhi) and Captain Martin Sebastian (Head of the Centre for Maritime Security & Diplomacy, Maritime Institute of Malaysia) provided a range of perspectives. The session was chaired by Dr. Duvvuri Subbarao (Distinguished Visiting Fellow, ISAS and Former Governor of the Reserve Bank of India).

In his opening remarks, Dr. Subbarao raised the importance of collective self-interest in a zone such as the Indian Ocean which is the conduit of trade and commerce. He pointed out that globalization after World War Two had been enabled by low transport costs. Today these costs were increasing, so a key question was whether and how the Indian Ocean could be used to build on transport economies, requiring in turn a collaborative regional architecture which also brought in the role and importance of landlocked states.

Ambassador Frank Lavin examined the role of trade in India's economy, comparing India's performance to that of economic powers, China and the United States, as well as Singapore. In the case of India he identified three drivers, the protectionist legacy, regulatory inertia and the issue of economic nationalism that was part of political discourse. As a result India's stake in international trade was not commensurate with its economic weight and that India had much to gain by using its expertise in the shipping business.

The paper presented by Ambassador Munshi Faiz Ahmad focused on traditional and non-traditional security issues in the Indian Ocean as illustrated with the Bay of Bengal where the states involved have a vested interest in ensuring and sustaining peace and security.

Nonetheless lack of capacity and the failure to share information on resource extraction and management were undermining efforts to develop a fully inclusive governance based on universally accepted norms, equality of treatment, mutual respect, shared responsibilities and benefit for all.

Turning to India's role as a net security provider in the Indian Ocean and as one of the world's fastest growing economies, Commodore Singh examined the increasing expectations from India to be the stabilizing power in South Asia. Commodore Singh explained that as a stakeholder in the Indian Ocean region (IOR), India has a vital stake in the evolution of a stable, open, inclusive and balanced security and cooperation architecture, with the Indian Navy actively pursuing activities towards capability building and capacity enhancement of Navies of friendly countries in the IOR.

Captain Martin Sebastian focused on the importance of governance for security and how security regimes need deterrence as well as growth. This was illustrated by him vis-à-vis maritime security and the challenges of combatting criminal syndicates. Fighting crime at sea, he demonstrated was not only dependent on structures of maritime governance but was inherently dependent on the extent of governance on land. He argued the need to rethink regional security cooperation, using inter-agency and community support to create a new advantage over organized criminal networks.

The panel opened up new themes for discussion. A student from National University of Singapore asked how to resolve the dilemma of increasing information-sharing, which was desirable on the one hand, but which, on the other hand, could lead to increased competition as well as compromising national security. Other questions were raised about India's ability and willingness to play an effective role in the Indian Ocean, the issue of whether there were in fact too many overlapping multilateral organisations at work in the Indian Ocean, and the need to manage both threats and opportunities in developing a collaborative research architecture.

Panel III reflected on a number of issues relating to *Maritime Cooperation*. Views from Indonesia by Dr. Adriana Elisabeth (Head of the International Politics Division at the Indonesian Institute of Sciences), as seen through the prism of India's Andaman & Nicobar islands by Associate Professor Itty Abraham (Department of South East Asian Studies, National University of Singapore), China's interests in the Indian Ocean as presented by Dr. Christopher Len (Senior Research Fellow at the Energy Studies Institute, NUS) and from the

energy sector as presented by Shell Vice President, Doug McKay. The session was chaired by Dr. Jivanta Schoettli (Visiting Research Fellow, ISAS).

Dr Adriana Elisabeth delved into Indonesia's significant history, power and influence in the maritime sector, along with its present-day vision for the Indian Ocean in the context of national policy and regional cooperation, referring to what had been called the "Cinnamon Route". Her presentation examined recent discussions on developing Indonesia into a *Global Maritime Fulcrum* but she critiqued these efforts for lacking a clear roadmap and strategy.

Associate Professor Itty Abraham provided a slightly different view of the Indian Ocean, turning to the Andaman and Nicobar Islands. Through this vantage point he examined an "old" and "new" geopolitics at work, identifying the 2004 Tsunami as a watershed in the relationship between 'mainland' India and the islands. Despite the stark differences between life in the archipelago and the contemporary Indian mainland, it has been drawn increasingly closed due to ongoing social and political transformations in relation to territorial and maritime sovereignty.

Dr. Christopher Len outlined the significance of China within the Indian Ocean, where he pointed out the importance of sea lanes connecting Asia, particularly as countries in Asia become more reliant on supplies from the Middle East. Drawing on a workshop that had been held by the Energy Studies Institute (ESI) and Chatham House, and an ESI research report on China's engagement, Dr. Len considered three scenarios of strategic accommodation, strategic rivalry and strategic divergence.

Shell Vice President, Mr. Doug McKay highlighted the various challenges and opportunities facing the energy industry in terms of maritime trade and developments in the shipping business.

The presentations and discussion highlighted the challenges for maritime cooperation amongst states but also for companies, given the difficulties of calculating risk at a time of geopolitical uncertainty and change. Questions were raised about national policies and strategies in the Indian Ocean; the difficulty of reading state intentions from state behaviour; the challenges for companies to factor in geopolitics into their business plans and forecasts; and the question of how to calculate the probabilities for different forecasted scenarios;

Day two of the workshop began with a keynote address by the third president of Seychelles, the Honourable James Alix Michel and a second keynote address by the former foreign minister of Australia, the Honourable Professor Bob Carr. Both speeches considered the economic and strategic challenges for *Ocean States and Economies*, as seen from the perspectives of the Seychelles and Australia. In his speech President Michel made an appeal to develop the known potential of the blue economy to deliver sustainable growth and prosperity; the importance of constructing and preserving order not only on land but also at sea; and the need to encourage inventiveness in finding business opportunities to clean the oceans and preserve marine ecologies.

Professor Bob Carr turned his attention to global politics, highlighting the immense debating and moral power that small islands have on environmental protection and economic sustainability. His speech surveyed the challenges to international politics posed by the rupture that the election of President Donald Trump in the USA signified and the fears this had raised about protectionism and adventurism. He forecast the need for active diplomacy for Australia in developing closer ties with the (Association of Southeast Asian Nations) ASEAN partners.

The keynote speeches were followed by a detailed commentary and analysis by Professor S.D. Muni (Distinguished Fellow at the Institute of Defence Studies and Analyses in New Delhi) and an interactive session with the audience, chaired by Ambassador Gopinath Pillai (Chairman of ISAS, Singapore). In his comments Ambassador Pillai argued that growth triangles did not have to be triangular in shape but required, first and foremost, the potential and drivers for growth. Singapore, Sri Lanka and India had huge synergies at stake in terms of historical ties as well as economic complementarities.

Professor Muni focused on security as the bottom line for exploring and harnessing resources and how this convergence between development and security had found articulation in the statements and vision of Prime Minister Narendra Modi. He raised a question about the inherent diversity of the Indian Ocean and whether it had to be divided up into various sub-regions that perhaps needed different guardians and guarantors (to the West, Europe and France, to the South, India and to the South East, China). Professor Muni also cautioned that despite the interest and compulsions for India to play a greater role in the Indian Ocean, there were numerous challenges including, the chronic difficulty of delivering on promises, economic constraints, addressing the concerns of neighbours and, managing the Chinese thrust.

The final panel discussion invited speakers to reflect upon a broader *Indian Ocean Perspective* to maritime governance including insights from Dr. David Brewster (Senior Research Fellow at the National Security College of the Australian National University), Navy Commander Marianne Peron-Doise (Political Advisor to the EU CRIMARIO Project and Director of Maritime Security at the Institute of Strategic Research, French Ministry of Defence), Professor V.N.Attri (Chair of the Indian Ocean Rim Studies at the University of Mauritius) and Dr. Hosena Lunogelo (Senior Advisor and Principal Research Associate at the Economic and Social Research Foundation, Tanzania). The panel was chaired by Professor Subrata K. Mitra (Director, ISAS and Professor Emeritus, Political Science, Heidelberg University).

Dr. David Brewster focused on the Eastern Indian Ocean, consisting of the South Asian littoral all the way up to Jakarta. He argued for re-imagining South Asia into a broader Southern Indian construct and the importance of using groupings such as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) to stimulate and enhance regional collaboration between South and South East Asia.

Navy Commander Peron-Doise gave an extensive presentation on maritime governance, using the examples of piracy off the Somali Coast and the Gulf of Aden, where the height of Somali piracy in 2011 resulted in 32 ships held and 736 hostages. Commander Peron-Doise also pointed out that costliness of piracy deterrence, where she outlined alternatives for long-term maritime security. While piracy has decreased, the pirates' network was perceived as globally active, illustrating with the October 2016 attack on a chemical tanker. As such, preventative measures have been undertaken by the shipping industry, using defence mechanism learnt from the implementation of Best Management Practises, along with the presence of international navies patrolling in the Indian Ocean.

The paper outlined by Professor Attri went into detail about strengthening the maritime governance framework to ensure sustainable use of the oceans. He pointed out that the Indian Ocean Rim Association (IORA) could play a stronger role in the regional and global level to shape maritime governance according to the existing IORA chapter through focusing on the priority areas: 1) inclusive and sustainable ocean governance framework by optimizing the interests of the partners; 2) reduction of human pressures on the oceans and creating the conditions for a sustainable Blue Economy; and 3) the strengthening of international collaboration through specialized robust research.

The panel concluded with Dr Lunogelo's perspective on the importance and potential of East Africa which had mostly to date focused on the importance of its great lakes and not its coastline and oceanic resources. Tanzania, he pointed out had not explored the benefits of the Indian Ocean's Exclusive Economic Zone (EEZ) given the lack of a coherent development strategy for maritime resources and how it could contribute to the country's GDP.

Questions from the audience raised a number of concerns about cooperation, which takes time to evolve so the investment in regional structures and agreements, it was argued, have to be long-term and that while the blue economy may be currently viewed as the next growth story, it requires a global perspective. Strong navies, it was argued are necessary for security so it was asked, what could India be doing more of, in order to secure the Sea Lines of Communication (SLOC)? The discussion highlighted the challenges for littoral actors with limited resources, the role of external actors such as the European Union and the demands and expectations for India to play an ever more active role in the Indian Ocean.

Conclusion

The workshop illustrated the need for further attention to be given to the concept and practice of maritime governance, in terms of the institutions that make it possible. It was noted that the subject of maritime governance had elicited great interest amongst the public and drawn attention to the successes, strategies and shortcomings experienced by South Asian countries within the Indian Ocean region.

A wide range of issues was debated over the course of one and a half days, including the interests and ambitions of, as well as constraints on, key actors in the Indian Ocean, the collective action problem of providing security and the opportunities and challenges in tapping the blue economy as a potential source for sustainable development. Various levels of analysis were discussed including the means of effective international cooperation as well as the need to enhance inter-agency support amongst state actors.

In his concluding remarks, Prof. Subrata Mitra noted that the deliberations had highlighted that *governance*, including maritime governance, was affected by multiple forces with transnational impact, including terrorism and jihadism, the threat of adventurism and isolationism, the dangers of nationalism and populism. Each of these 'isms', he remarked were driven by

political agency and thus needed to be analysed in terms of their politics and political implications.

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