The Indian Ocean Rim Association: Scaling Up?

Having achieved relatively little in two decades of its existence, the Indian Ocean Rim Association, which met for the first time at a summit level in March 2017, can now assess the opportunities for economic cooperation and connectivity among its member states. While a beginning could perhaps be made at a sub-regional level, as an example for others to follow, the challenges of diversities and geopolitics cannot also be discounted.

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Introduction

The Indian Ocean Rim Association (IORA) is the only multilateral forum that connects the littoral states of the Indian Ocean region – one of the main geopolitical theatres of contemporary global politics. While the IORA has achieved relatively little in its 20 years of existence, there are indications that 2017 might be the year of its turnaround. The first ever meeting of the IORA heads of state was held in March 2017, prompting a flurry of attention from the media, academics, and Asia-centric policy makers worldwide. Their commentaries

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over this meeting (dubbed the IORA Leaders’ Summit) raised one common question – will the IORA finally emerge as a proactive regional organisation?3

Long-term structural changes and recent geopolitical developments present the IORA with an unprecedented opportunity to be active, despite significant challenges. Following a brief overview of the IORA and its recent summit, this article considers various opportunities and threats facing the organisation in its efforts to become stronger on security and development issues. It finally identifies normative and practical steps that the IORA should prioritise.

Overview of the IORA

The association was established in 1997, with the formal adoption of the IORA Charter at a ministerial meeting held in Mauritius.4 Its predecessor was the Indian Ocean Rim Association for Regional Cooperation. The IORA came into being amid a post-Cold War burst of enthusiasm for regionalism. South Africa, under President Nelson Mandela, actively lobbied for the formation of the association; as he stated during a visit to India in 1995, “The natural urge of the facts of history and geography…should broaden itself to include exploring the concept of an Indian Ocean Rim of socio-economic co-operation and other peaceful endeavours.”5

Although it began with only 14 member states, the IORA has now grown to 21 members, plus seven dialogue partners outside the region. The current member states are Australia, Bangladesh, the Comoros, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Seychelles, Singapore, Somalia, South Africa, Sri Lanka, Tanzania, Thailand, the United Arab Emirates, and Yemen. The dialogue partners are China, Egypt, France, Germany, Japan, the United Kingdom and the United States (US).

The original goal of the IORA was to foster regional *economic* cooperation. However, under India’s chairmanship in 2012-13, the association expanded its goals to six priority areas for cooperation. These are:

1. Maritime safety and security
2. Trade and investment facilitation
3. Fisheries management
4. Disaster risk management
5. Academic, science and technology
6. Tourism and cultural exchanges

In addition to these six areas, the IORA has identified two cross-cutting themes, that is, gender empowerment, and the Blue Economy. The latter encourages the sustainable use of marine resources like fisheries and offshore hydrocarbon and mineral deposits. It has become a particularly important theme for the IORA, and was emphasised in recent IORA documents such as the Perth Consensus of 2014 and the Mauritius Blue Economy Declaration of 2015. The Blue Economy Declaration laid down both a normative foundation as well as indicative business models for sustainable development of marine resources, by emphasising that such development should be pursued within the frameworks laid down by the United Nations (UN) Convention on the Law of the Sea, and by stressing the importance of facilitating micro, small and medium enterprises as well as public-private partnerships in promoting such development.6

The association functions as a ministerial-level organisation, with the Council of Ministers (which includes the foreign ministers of member states) being the highest decision-making body. Like the Association of Southeast Asian Nations (ASEAN), decision making is based on consensus. The Council of Ministers elects a chair of the association every two years – Indonesia is the current chair. Besides the Council of Ministers, the IORA consists of several other sub-groups such as a Business Forum, Academic Group, and Working Group on Trade and Investment.

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IORA Leaders’ Summit 2017

The recent IORA Leaders’ Summit, held from 5 to 7 March 2017 in Jakarta, Indonesia, demonstrates a renewed interest in the organisation on the part of the member states. Not only was this the first time that the IORA organised a meeting of the heads of state of its member countries, but the summit also ended on a constructive note, with the signing of the IORA Concord, also known as the Jakarta Concord.

While a largely aspirational statement, the Jakarta Concord sets some important standards and objectives that could eventually transform into a rules-based framework for the Indian Ocean region. The Jakarta Concord is accompanied by an IORA Action Plan that sets concrete targets in the short, medium, and long terms across the IORA’s six priority areas. A separate Declaration on Preventing and Countering Violent Extremism was another outcome of the summit.

Indonesia, the IORA chair, has sounded enthusiastic about the future of the association, especially since its agenda seems to align with Indonesia’s own policy goal of becoming a ‘global maritime fulcrum’. However, such political will aside, it is necessary to consider the wider regional and global context to fathom just how much potential the IORA has to be a greater force in the region, comparable to an organisation like ASEAN. This requires consideration of the opportunities and threats presently faced by the IORA.

Opportunities for the IORA

Growing Strategic Importance of the Indian Ocean

The clearest opportunity that the IORA can exploit to become a stronger regional organisation is the growing strategic importance of the Indian Ocean. This is a long-term structural change in international politics that has been gathering pace since the end of the Cold War. The rise of China and India, as well as the strong growth and industrialisation in several ASEAN economies, has contributed to the increasing significance of maritime trade, and of energy and
resource-flows along the Indian Ocean. At present, about 50 per cent⁷ of the global container traffic and nearly 80 per cent⁸ of the world’s seaborne oil pass through the sea lanes of the Indian Ocean. This volume can be expected to grow further, as the Chinese investment in Africa and the extraction of African natural resources (which amounted to nearly US$200 billion [S$277.2 billion] in 2014)⁹ are likely to augment this maritime traffic.

Such strategic importance of the Indian Ocean region is heightened by China’s and India’s competition for regional influence. The maritime road component of China’s One Belt One Road programme passes along the Indian Ocean. Meanwhile, India is aiming to counterbalance China by building a 200-warship fleet by 2027 and by deepening its relationships with the ASEAN region via the ‘Act East’ policy. The strategic scenario in the Indian Ocean region is, therefore, characterised by ever-increasing trade and energy flows on the one hand, and on the other, by the two Asian giants competing for greater control over these flows.

This competitive scenario calls for the IORA member states to work together to maintain the stability and neutrality of the Indian Ocean region. In 1971, Sri Lanka pioneered such an initiative with its proposal to declare the Indian Ocean a ‘zone of peace’. While the resulting United Nations (UN) resolution failed to make much impact, the IORA can renew this initiative by establishing a regional framework which, among other things, emphasises freedom of navigation and over-flight in the Indian Ocean region. Member states of the IORA have an additional political incentive to develop such a normative framework, because of the recent controversies over the UN Convention on the Law Of the Sea, as evident from the dispute over the South China Sea between China and the Philippines, and the arbitral decision in favour of the Philippines.

The great-power competition in the Indian Ocean is, therefore, an opportunity for the IORA to assert itself and declare the strategic neutrality of the region. Though India is both an IORA member state and one of the competing great powers, the limitations it currently faces in serving as a regional security hegemon will likely make it amenable to a proposal for strategic

neutrality. Of course, the manner in which the IORA member states might express their stand on regional stability and neutrality must take into account their significant economic benefits from extra-regional (especially Chinese) investment in the member states. This may indeed inhibit the strength with which they might articulate a declaration of strategic neutrality.

Rising Non-traditional Security Threats

Another impetus for the IORA to strengthen regional cooperation is the rise in non-traditional security threats in the region. The Indian Ocean region hosts nearly 35 per cent of the global population, which is largely yet to derive benefits from the increase in trade through the region. As a result, the region is facing a rise in non-traditional security threats born out of poverty and marginalisation, such as human and drug trafficking, piracy and terrorism.

Challenging though these problems are, their transnational nature and their relative insignificance in the member states’ individual agendas mean that the IORA can develop a consensus to address them. The member states have just begun to form such a consensus. Non-traditional security threats figured prominently in the Jakarta Concord, which called for regional cooperation to address the transboundary challenges such as piracy, people smuggling and drug trafficking. Additionally, the IORA Action Plan that amplified the Jakarta Concord proposes the establishment of an IORA Working Group on Maritime Safety and Security.

To be effective, such ‘regional cooperation’ to address non-traditional security threats will require the IORA member states to develop mechanisms that take note of the evolving characteristics of these threats. As a senior Sri Lankan naval officer noted in his presentation at the 2012 Galle Dialogue, pirates and maritime terrorists now operate advanced real-time intelligence-sharing networks, and it was emphasised that states would need to cooperate in upgrading their own intelligence-sharing capabilities.10

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Recent Geopolitical Developments

In addition to the opportunities afforded by the long-term structural changes in the Indian Ocean region, recent geopolitical developments offer some other opportunities. The Donald Trump administration has so far been silent on US policy in the Indian Ocean. In addition, it has demonstrated a largely positive attitude towards India, as indicated by US Defence Secretary James Mattis acknowledging India’s role in the Indian Ocean region in his speech at the Shangri-La Dialogue,\(^\text{11}\) as well as the recent meeting between Trump and Indian Prime Minister Narendra Modi, which, among other things, also discussed the possible sale of 22 US Predator drones to India.\(^\text{12}\) Developments such as these hint at the possibility of the US wanting India to assume greater responsibility for ensuring stability within the Indian Ocean region.

While India has been gearing up for this role for some time, it still lacks the capacity to perform it unilaterally due to a range of factors such as constant delays in naval procurement, increasing obsolescence of the naval fleet (particularly its submarines) and a greater debate over whether India’s land borders or its maritime ones deserve greater military attention.\(^\text{13}\) Therefore, while the US’ position is still evolving, there may be opportunities for multilateral security cooperation in the Indian Ocean region. The IORA member states should exploit this opportunity and build on the security cooperation envisaged in the Action Plan signed in Jakarta.

Meanwhile, Trump’s rejection of the Trans-Pacific Partnership is also an indication that alternative Asia-based economic groupings, such as the Regional Comprehensive Economic Partnership and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation might need to step in to support the development of a liberal trade regime in the region. Could the IORA emerge as another new trade grouping? It is noteworthy that the IORA held its first business summit in March 2017, alongside the leaders’ summit. The IORA Chair, Indonesia, has emphasised the need for member states to cooperate on developing export-

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oriented small and medium industries, and it followed up on this statement by sending agriculturists to Tanzania to train farmers in the region.

While it might seem challenging to envision greater regionalism and economic integration in an age of rising populism and protectionist rhetoric, populism does not always translate into protectionism. Indeed, there are populist governments at present that seek to maintain and benefit from the liberal economic order; India under Modi is one such country, while Turkey under President Recep Tayyip Erdoğan is another. It is still, therefore, possible for a liberal trade regime to sustain itself amid growing political populism. This is an opportunity for the IORA to grasp.

The IORA also has an opportunity in the current absence of any major hostilities among its member states. This can facilitate the progress of any efforts towards greater regional integration. It is worth recalling that the European Union began on shakier foundations, in the aftermath of the aggressive nationalism that brought about the Second World War. In fact, the initial steps towards European integration, like the European Coal and Steel Community, were more focused on preventing the resurgence of Franco-German rivalry, than on a positive vision of integrating the continent. By comparison, the IORA has a political head-start in its organisational development.

There are, on the whole, several opportunities for the IORA, afforded by both long-term changes and the recent geopolitical developments. Nevertheless, the IORA’s journey towards becoming a stronger regional organisation also faces certain significant threats, all of which require the strategic consideration of its member states.

**Threats facing the IORA**

**Regional Diversity**

First, the IORA includes an intense diversity of cultures, so much so that the Centre for Strategic and International Studies in Washington considered it more feasible to study the Indian Ocean region under various sub-groupings. By contrast, the European continent can lay
claim to a common culture based on a mix of Judeo-Christian and Greco-Roman heritages. In addition to this cultural diversity, the member states of the IORA are geographically disconnected, compared with the land-based regional groupings, as exist for countries in Africa, Europe, North and South America, which have a certain organic foundation that facilitates easier regional integration.

The most successful regional organisation in Asia is ASEAN which, despite being varied in terms of culture and language and somewhat geographically disconnected, can at least lay claim to a shared Hindu-Buddhist past. However, the IORA is an extremely varied grouping along several dimensions – cultural, linguistic, religious, racial and ethnic. Although united by a common ocean, the vastness of this ocean has facilitated cultural divergences to the point that it is arguably difficult to create a consensus on common values to guide the IORA.

**Economic and Developmental Factors**

Second, many of the IORA member states are economically and institutionally weak. Australia and Singapore are the only developed nations in the entire group. This leads to difficulties in implementing decisions, especially regarding economic integration. It will also lead to difficulties in securing self-funding for the group. In this regard, it is not surprising that the establishment of an IORA Development Fund has only featured as a long-term goal in the Jakarta Concord, even though many IORA members urgently require developmental assistance.

**Vulnerability to External Influence**

The difficulties of funding leads to identifying another threat facing the IORA – the possibilities for external powers to influence the organisation. Several extra-regional powers (including the US and China) are dialogue partners of the IORA. They have greater room to influence the normative and legal framework of the organisation, partly because the framework is still in a somewhat embryonic state, and also because the Jakarta Concord explicitly notes “the importance of Dialogue Partners to advance the objectives of the Association.”

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If such an attitude towards the dialogue partners (compared to that of other regional organisations such as ASEAN) translates into greater institutional leeway for the partners to shape the IORA’s future legal instruments, their strategic agendas could potentially undermine the steps already taken towards the strategic neutrality of the Indian Ocean region.

**Exclusion of Potential Member States**

Lastly, another threat facing the IORA is the fact that several states in the Indian Ocean region are currently excluded from the organisation. They include large states such as Pakistan, Myanmar and Saudi Arabia, as well as smaller states such as the Maldives and Timor Leste. The non-inclusion of Pakistan, in particular, could have grave consequences.

It can of course be argued that the exclusion of Pakistan might indeed make things easier for the IORA since it avoids a potential stalemate in decision making, given India’s key position in the association. However, given also Pakistan’s ‘all-weather friendship’ with China, and the fact that China has already deployed naval ships at Pakistan’s strategically important Gwadar Port, the exclusion of Pakistan from the IORA might only give China a freer hand to entrench itself militarily in the Indian Ocean region, since Pakistan would not be bound by any normative constraints imposed on China by the IORA. This could undermine efforts to towards strategic neutrality in the region.

To sum up, the recent renewal of interest in the IORA comes at a significant – and possibly opportune – time in global politics. Due to both the long-term structural transformations and the more-recent geopolitical developments, there is more space for a previously low-profile grouping like the IORA to play a greater role in ensuring growth, peace, and stability in what is now one of the world’s key geo-economic regions.

While the IORA does face considerable challenges, it should not let this window of opportunity slip by, and it should take concrete steps towards becoming a more proactive regional grouping. Most of these steps are implicit in the discussion above; their contours and potential significance are highlighted below.
Priorities for the IORA

A Code of Conduct for the Indian Ocean

The IORA member states should focus on developing a ‘Code of Conduct’ for the Indian Ocean, an idea mooted by Sri Lankan Prime Minister Ranil Wickremesinghe during his recent official visit to Australia.15 The IORA Concord is a welcome first step in this regard, with its affirmation of the freedoms of navigation and overflight.

It is in the particular interest of smaller member states, such as Sri Lanka, Singapore, Mauritius, and the Seychelles, to lobby for the adoption of a code of conduct. It is perhaps no historical accident that the first legal articulation of a ‘free ocean’ was made by a citizen of a small maritime state – Hugo Grotius of the Netherlands. Its prosperity, built on this ideological foundation, is a compelling signal to the smaller IORA states that the freedom of the seas is vital to their development.

A code of conduct is also necessary to sustain the IORA’s growing focus on blue economy; and in particular, to address potential conflicts over access to marine resources. The code could contain a robust dispute-resolution mechanism to discourage and prepare for this eventuality.

Greater Cooperation to Combat Non-traditional Security Threats

Second, the IORA should strengthen cooperation to combat non-traditional security threats in the Indian Ocean region, building on the proposal in the IORA Action Plan to set up a permanent Working Group on Maritime Safety and Security. In responding to non-traditional security threats, the organisation will do well to take note of analyst Michael Jenkins’ appraisal of non-traditional actors as “dynamic, unpredictable, diverse, fluid, networked, and constantly evolving”.16

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Responding effectively to such actors will require, above all, timely access to accurate and up-to-date information on the Indian Ocean security environment. Therefore, one of the most effective steps that the IORA can take is to enhance Maritime Domain Awareness (MDA) in the region. The MDA is defined by the International Maritime Organization as “the effective understanding of any activity associated with the maritime environment that could impact security, safety, economy, or environment”.\(^\text{17}\)

Gaining such an understanding of the maritime environment will require acquiring and processing large quantities of data, which no one country could access or process on its own. This calls for greater multilateral cooperation on information gathering and other aspects of security. The IORA has already hinted at developing its MDA-based cooperation by proposing a “regional surveillance network…including sharing of data on maritime transportation systems’ in the IORA Action Plan”.\(^\text{18}\) In attempting to move forward with such initiatives, the IORA can also benefit by learning from the existing MDA-based agreements in the region, such as the Coast Watch System involving the Philippines, the US and Australia, as well as the India-Sri Lanka-Maldives Trilateral Maritime Security Agreement.

**Stronger Private Sector Links**

Third, the IORA should take steps to strengthen avenues for people-to-people links, particularly among businesses in the member states. The IORA Business Forum is a start but more needs to be done. In trying to facilitate business travel across borders, initiatives like the APEC [Asia-Pacific Economic Cooperation] Business Travel Card are valuable examples. The IORA Action Plan speaks of ‘exploring’ the feasibility of an IORA business travel card as a long-term goal, an objective that the member states could seek to accelerate. In addition, India has already demonstrated its enthusiasm for private sector links among the IORA member states by signing a memorandum of understanding on Micro, Small and Medium Enterprises with select IORA member states.


Developing an Indian Ocean Identity

Fourth, if the IORA is to develop internal cohesiveness, it must begin to plan and invest in realising a far more ambitious goal, which is the creation of an Indian Ocean identity, with strong people-to-people links in cultural, heritage and economic terms. It needs to begin projecting an identity (some might say ‘brand’) which shows that, despite the vast cultural diversity of the Indian Ocean region, its peoples are united in the common and historically-rooted understandings of freedom of navigation, trade, and the peaceful dissemination of ideas.

It is important that the IORA recognises this common history and emphasises it through conferences, educational partnerships, exhibitions, cultural shows, and similar forums. The ASEAN member states have set a good precedent for how such links can be developed. For example, the ASEAN Foundation, established in 1997, seeks to promote an ASEAN identity through programmes in the media, arts and culture, and education. An unusual flagship initiative in the field of arts and culture is the ASEAN Puppets Exchange Programmes or APEX, which is anchored in Southeast Asia’s 4,000-year-old heritage in the art of puppetry but fosters it further through collaborative performances and workshops.

Upgrading the IORA Charter to a Treaty Level

Integral to achieving the above goals is the priority of member states seeking to upgrade the IORA Charter to the status of a treaty. This will establish a stronger legal and institutional framework for the association and impose international obligations on the member states to abide by the IORA decisions.

While it can be argued that many international treaties are honoured more in breach than in observance, upgrading the IORA Charter to a treaty level will nevertheless send an important political signal to the international community that the organisation possesses the will to at least make a substantial effort towards greater regional integration. It is a vital step for the international community to begin taking the IORA more seriously.

Conversely, without a treaty-level charter, the IORA will not be able to fully realise the opportunities afforded by the Indian Ocean region. ASEAN is an example – the entry into force of the ASEAN Charter in 2008 was noted by the US State Department as “a major step in its
community-building process”\textsuperscript{19} and by the international media as the pursuit of an “EU-style regional integration”.\textsuperscript{20} The member states of the IORA might also do well to ensure that decision-making within the group is done through a mix of consensual and majority-based voting, to avoid the decisional dilemmas that have hampered ASEAN, such as the deadlock experienced by ASEAN states in 2016 over making reference to the Permanent Court of Arbitration’s ruling on the South China Sea dispute in their joint statement.\textsuperscript{21}

**Conclusion: Building the IORA Now**

The priorities outlined above are not easy goals to achieve. This is why the IORA member states can at least take some initial steps towards achieving them through ‘minilateralism’, that is, multilateralism involving a small number of states and focusing on specific issues. The association is currently malleable in the sense that sub-regional groupings within it will not be seen as a threat or challenge to the legitimacy of the broader organisation. At the same time, beginning with smaller groups focused on specific issues may generate more efficient outcomes, which in turn can inspire other members of the IORA to join at a later point in time.

It is clear that the IORA began 2017 with a relative bang. However, it remains to be seen whether this active start will quicken or decelerate into a standstill. The current shifts in the global balance of power and the consequential uncertainties could perhaps push the IORA towards playing a more significant role in the region and even beyond. As it is unclear how long this window of opportunity will last, the IORA will do well to seize it now.

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