

**INDIAN OCEAN ASSOCIATION FOR REGIONAL CO-OPERATION (IOR-ARC):****AN INDIAN PERSPECTIVE****Hemant Kumar Pandey, Ph. D.***(Reader), Dept. of Defence Studies, Meerut College, Meerut***Mohd Margub***P.G Student, Dept. of Defence Studies, Meerut College, Meerut***Abstract**

*The Indian Ocean has received new attention in recent years because of its economic and strategic importance. The region is seen as a theatre for great power rivalries mainly between the United States, China, and India. In contrast to this, the Indian Ocean Rim – Association for Regional Co-operation (IOR–ARC) has hardly attained any political importance more than 15 years after its inauguration. The economic and political divergences among its 20 members and the competition with sub-regional organisations have limited its impact. The futile quest for regionalism should be replaced by a new understanding of the IOR–ARC as an international or inter-regional organisation that deals with different maritime issues. This would pave the way to promote closer cooperation between the different regional organisations and to enter into meaningful collaboration with the international community in order to fight common threats.*

*The Indian Ocean has found renewed emphasis in strategic geopolitical discourse and will play an increasing role in global security considerations in the coming decades. From the arc of Islam and Africa on its western reaches to Australia on its east, the vast expanse of the Indian Ocean Region (IOR) and its adjacent waters are considered to be the theatre of conflict and competition in the twenty-first century. The geopolitics of the IOR will have wider implications on the transformations taking place in Asia, the global economy, and key global relationships.*

*Along with the global economic balance shifting eastward, the US has shed its fixation with the Atlantic has turned its focus to developments in Asia. A paradigm shift from the assumed stability of the world order, propped up at the end of the Cold War, to the change in global power distribution currently underway has thrown Asia, and concomitantly, the IOR into sharp relief. Though geopolitical movements, amidst the rise of China and India, have set the context for viewing the importance of the IOR in a new light, the strategic imperatives of several enduring trends make the region a hotbed of global challenges.*

**Introduction**

IOR-ARC, a regional cooperation initiative of the Indian Ocean Rim countries, was established in Mauritius in March 1997 with the aim of promoting economic and technical cooperation. IOR-ARC is the only pan-Indian ocean grouping. It brings together countries

from three continents having different sizes, economic strengths, and a wide diversity of languages, cultures. It aims to create a platform for trade, socio-economic and cultural cooperation in the Indian Ocean rim area, which constitutes a population of about two billion people. The Indian Ocean Rim is rich in strategic and precious minerals, metals and other natural resources, marine resources and energy, all of which can be sourced from Exclusive Economic Zones (EEZ), continental shelves and the deep seabed.

Presently, it has 19 members- Australia, Bangladesh, India, Indonesia, Iran, Kenya, Malaysia, Madagascar, Mauritius, Mozambique, Oman, Seychelles, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, UAE and Yemen. There are five Dialogue Partners namely China, Egypt, France, Japan and UK and two Observers namely, Indian Ocean Research Group (IORG) and Indian Ocean Tourism Organisation (IOTO), Oman.

**Objectives of the Association are as follows:**

1. To promote the sustained growth and balanced development of the region and of the Member States, and to create common ground for regional economic co-operation.
2. To focus on those areas of economic co-operation which provide maximum opportunities to develop shared interests and reap mutual benefits.
3. To explore all possibilities and avenues for trade liberalisation, to remove impediments to, and lower barriers towards, freer and enhanced flow of goods, services, investment, and technology within the region.
4. To encourage close interaction of trade and industry, academic institutions, scholars and the peoples of the Member States without any discrimination among Member States and without prejudice to obligations under other regional economic and trade co-operation arrangements.
5. To strengthen co-operation and dialogue among Member States in international forum on global economic issues and where desirable to develop shared strategies and take common positions in the international forum on issues of mutual interest; and
6. To promote co-operation in development of human resources, particularly through closer linkages among training institutions, universities and other specialized institutions of the Member States.

**India's Strategic Reorientation**

In response to an evolving regional context, India's strategic outlook has gradually altered. There are three major features to consider: the recognition given to maritime security and the need to invest in modernization of the navy and coastal defense; the new enthusiasm

with which co-operation with major naval powers such as the United States, Japan and Australia is undertaken; and a marked departure from traditional rhetoric about the Indian Ocean.

Maritime security has, in recent years, received a great deal of media and government attention, especially following the audacious 2008 terrorist attacks in Mumbai, which were orchestrated from the sea. A recent book by Dasgupta and Cohen, **Arming without Aiming** (2010), states that India's successful modernization of the navy is a 'true transformation' in its strategic and military affairs. Largely thanks to India's economic growth, naval modernization has been driven by the reliance on imported fuel and the recognized vital interests that India and other major economies have in the uninterrupted flow of commercial trade through the Indian Ocean.

At the same time, however, India is anxious to pre-empt any accusations or suspicions of maritime power projection. The Ministry of Defense's annual reports explicitly state that India does not 'harbor any extra-regional or territorial ambitions'. Official naval documents try their best to avoid any assertive posturing and, instead, seek to project the Indian Navy's presence in the Indian Ocean as a 'catalyst for peace, tranquility and stability'. This is where the IOR-ARC has regained its usefulness and attractiveness from India's perspective, for it emphasizes the need for co-operation on a number of governance-related matters, such as resource management, environmental sustainability and piracy.

The publication of India's Maritime Doctrine in 2004 was a major step in this direction and was supplemented, in 2007, by the Maritime Military Strategy document – both were produced by the Indian Navy. Analyzed by specialists, the documents have been described as being primarily informative and educational, rather than pinpointing or framing tactical or operational plans. Following the Mumbai attacks, a revised Maritime Doctrine was released in 2009, which highlighted threats arising from 'maritime terrorism, piracy and coastal security' and emphasized the need for greater inter-service co-ordination within the armed forces. A number of key security considerations mentioned included the accessibility of the Indian Ocean to the world's most powerful fleets, the large Islamic populations along the coasts and hinterland, the oil wealth of the Persian Gulf, the importance of key straits and the historical diaspora linkages across the Indian Ocean.

India's improved relations with the United States have helped to moderate sensitivities about the US presence in the Arabian Sea and, despite diverging approaches on Iran, the two countries have conducted naval maneuvers, such as the MALABAR exercises,

which took place as recently as April 2011. Furthermore, the wariness about China's rise has persuaded India to encourage Japanese involvement in the Indian Ocean. All of this signals a major turnabout in Delhi's directives, given that much of independent India's foreign policy was previously aimed at keeping extra-regional powers out of India's sphere of influence.

For much of independent India's history in fact, its foreign policy rested upon the language of non-alignment, which emphasized notions of non-interference, peaceful co-existence, Afro-Asian solidarity and the struggle against neo-colonialism. From India's perspective of world politics, the rhetoric about the Indian Ocean focused on projecting it as a 'zone of peace'. Such an approach has been adjusted to the exigencies of power. These include vital energy concerns. Estimates, based on current growth levels, project that India will soon have an 85% dependence on foreign oil imports. Hence, it will have a crucial stake in projected pipeline projects and on-going deep-sea oil drilling and gas wells within the Indian Ocean region.

India's public and private-sector oil companies are heavily invested in oil and gas ventures, including infrastructure development, as well as in securing oil concessions in foreign countries such as Sudan, Yemen, Iran, Iraq and Burma. The potential instability of governments in those countries, combined with regular warnings issued by China regarding India's movements in South-East Asia, have led some Indian strategic analysts to posit that energy security will be the single most crucial long-run concern for the country. As a result, it follows that this will require the nation to maintain military capabilities, not only for deterrence purposes, but also in case the state is required to adopt a more assertive position.

Security concerns and militarization are not the only imperatives that have redirected India's interests in the Indian Ocean Region. Equally important are the commercial considerations that reveal a maritime arc stretching from the Gulf, through the Straits of Malacca, to the Sea of Japan and comprising a trade bloc worth more than US\$1,800 billion. Trade among the IOR-ARC countries amounts to 24 per cent of global trade. Furthermore, the remittances from an Indian overseas community that numbers more than 3.5 million are also a major consideration, as is the responsibility that the Indian state holds for guaranteeing their safety in times of political turmoil and uncertainty.

Within the IOR-ARC, a shift in importance is discernible in the speeches and efforts invested by Indian officials. While previous governmental representatives have judiciously attended the regular meetings, their speeches have been highly procedural and technical, providing a dry depiction of unimpressive achievements and lukewarm proposals for the

future. The speech made by the Minister of External Affairs, S.M. Krishna, which inaugurated the most recent meeting in November 2011, is substantively very different. ‘As the Indian Ocean is an integral part of our collective destiny, we need a holistic vision for a co-operative response to the challenges in the region,’ Krishna told his counterparts and other cabinet ministers representing the respective countries. The language and optimism hark back to the early days of the IOR-ARC, when it was spearheaded by then External Affairs Minister, I.K. Gujral.

Not shying away from stating India’s concrete interests, Krishna went on to name key anxieties relating to natural resources, conservation concerns, the need for sustainable harvesting, the challenge of piracy, the urgent need for co-ordination, and enhancing intra-regional investment flows. Further indicators of India’s commitment included a decision to provide additional funding of one million US dollars to the organization’s Special Fund and that India’s Heads of Mission to all the IOR-ARC member states were requested to participate in the deliberations.

The potential revitalization of the organization looks set to receive an additional boost thanks to Australia’s renewed interest. Former Foreign Minister Kevin Rudd, who arrived in India to participate in the Bangalore conference, explained that Australia’s trade in goods to IOR-ARC countries in 2010-11 totaled more than \$80 billion, or 17 per cent of its total exports. In a statement issued by the Australian High Commission in New Delhi, he pronounced, ‘Australia is as much an Indian Ocean nation as we are a Pacific Ocean nation.’

### **11th Meeting of the Council of Ministers of IOR-ARC**

We the Ministers of the Member States of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), met for the 11th Meeting of the Council of Ministers at Bengaluru, India, on 15 November 2011. Our discussions were facilitated by the recommendations of the preceding meetings of the Committee of Senior Officials, IOR Academic Group, Working Group on Trade & Investment and the IOR Business Forum.

Our deliberations emphasized the increased salience of the Indian Ocean in the contemporary setting. Our maritime domain is at the crossroads of commerce and its busy energy trade routes pass through vulnerable points. The menace of piracy has assumed alarming proportions in recent years. Our cities have been the target of global terror. Our region’s susceptibilities to natural and manmade disasters, issues of sustainable development of our countries and the well-being of our peoples, of the requirement of resources, environmentally friendly technologies and renewable energy to handle challenges of

changing climate, the management and sustainable harvesting of the Indian Ocean's bounty, all these were foremost in our minds and the peoples we represent.

The Indian Ocean is a part of our collective destiny, and there is clearly a case for developing a holistic vision and working cooperatively towards its realization if we are to cope with the challenges of the 21st century. We have reiterated our commitment to furthering the goals of IOR-ARC of promoting sustained growth, balanced development and stability, co-operation based on mutual trust and respect, common interests and similar approaches towards the pressing issues of our region.

Science and Technology, and in a wider sense, the whole IOR Academic effort are areas which, in our opinion, need close attention with a recalibration of methodology and approach. We need to understand our region and our shared maritime domain better; we need to look at the development of technologies relevant to our peoples' needs. Meteorology and the study of the monsoons, marine biology and management of our coastal zones are all areas of relevance; so also are energy efficient and renewable energy technologies, capacity building in ICT, analytical studies on investment promotion etc. We emphasize the need for cross-fertilization of ideas between the Academic and Business Forums and the Working Group on Trade and Investment to strengthen overall cooperation under IOR-ARC. We are convinced that educational mobility and academic exchanges have the potential to contribute to this effort.

### **12th IOR-ARC Council of Ministers Meeting**

The 12th IOR-ARC Council of Ministers meeting will take place in Gurgaon on November 2, 2012. This would be the Second Council of Ministers Meeting of IOR-ARC under India's Chairmanship and would provide an opportunity to take stock of the progress that the Association has made since the meeting in Bengaluru, and explore future directions and initiatives that can serve the common interests of the group. The Council of Ministers meeting will be preceded by meetings between academics, business, and Senior Officials.

### **Economy of the Region**

- In 2011, the combined GDP of IORARC member countries increased to an estimated US\$ 6.5 trillion from US\$ 5.7 trillion in 2010. The combined GDP of IORARC countries is expected to cross US\$ trillion by 2016.
- During the period from 2001 to 2011, the total trades of the region more than tripled, from US\$ 1.1 trillion in 2001 to US\$ 3.5 trillion in 2010. Exports increased from US\$

564 billion in 2001 to US\$ 1.8 trillion in 2010. The imports by the member countries have grown from US\$ 507.6 in 2001 to US\$ 1.7 trillion.

- The share of IORARC region in global trade also increased from 8.6 % in 2001 to 11.6% in 2010.
- **India and IORARC Region:** India's total trade with the IORARC region has grown more than eight-fold from US\$ 10 billion to US\$ 156.3 billion during the period of 2001-2010. India's exports to the region amounted to US \$ 69 billion while imports amounted to US\$ 87.3 billion in 2010. India contributed 15.6 % of total intra-regional trade in 2010.

#### **Programmes held under India's Chairmanship**

- Foreign Service Institute (FSI) of India successfully conducted 2nd Professional Course for Diplomats from IORARC countries in New Delhi in April 2012.
- A trade facilitation and Custom Harmonization programme was jointly conducted by the Indian custom authorities in Mumbai in May 2012.
- National Institute of Oceanography, Goa conducted a workshop on coastal zone management in Goa in September 2012.
- Meeting of Heads of National Archival Documents was also held in New Delhi in September 2012.
- A mobile Exhibition of Archival Documents was also held in New Delhi in September 2012.
- India has given five additional scholarship for IORARC countries under the Indian Technical and Economic Cooperation (ITEC) during 2012-13

#### **Plus Ça Change?**

The IOR-ARC is a unique conglomeration of members, brought together in a forum that is not confined to an agenda focussed on defence, trade or environmental concerns. The association also has five dialogue partners – Egypt, Japan and China, Britain and France and two observers: the Indian Ocean Tourism Organisation (IOTO) and the Indian Ocean Research Group (IORG).

The expansiveness of the themes that are addressed may certainly indicate a weakness of the organisation but this could also turn out to be its strength, for it cannot be identified as a militarised bloc of monolithic interests. While, on paper, the concrete results so far have been thin, India in particular has demonstrated its interest in providing leadership, as well as

revealing a willingness to invest resources. This coincides with a number of indications that India is seeking to enhance its standing and influence in the region as a whole.

Nevertheless, the IOR-ARC receives little coverage in the Indian media and has not been a topic of great academic interest. Nor does it feature in major foreign policy speeches by representatives of the Indian Ministry of External Affairs. Despite this, it seems likely that, over the next few years, the remaining year-and-a-half of Indian chairmanship, to be followed in 2013 by Australia's two years, will provide a needed boost to the vision and strategic weight of the organisation.

### **India's National Challenges**

As India is one of the fastest growing economies in the world, the demand for energy has also grown substantially and will continue to present a major challenge to India's quest to achieve energy security. This factor was confirmed by the Ministry of Power's Secretary, RV Shahi, who stated in 2006: "To deliver a sustained growth rate of eight percent to nine percent through the next 25 years till 2031-32 and to meet the life line energy needs of all citizens, India needs, at the very least, to increase its primary energy supply by three to four times and its electricity generation capacity by about six times. It is further estimated that by 2032, our requirement will be of the order of 800,000 MW." He added, "Coal accounts for over 50% of India's commercial energy consumption and about 78% of domestic coal production is dedicated to power generation. This dominance of coal in India's energy mix is not likely to change till 2031-32."

Presently, India's population constitutes about 17 % of the world's total population. Given current trends, the United Nations Population Division forecasts that India will pass China's population shortly after 2020. The US Population Reference Bureau claims that India's will reach 1.4 billion by 2025 and 1.7 billion by 2050.

Although the increase in India's population has abated to a large extent, the base of its population remains very large. There is also substantial variation across Indian states in the rate of population growth; both of these facts were highlighted in India's 2011 census. Attempts to engage in population control have had mixed results, for a variety of reasons ranging from differences between federal-state politics, weak governance and corruption, and overlapping economic, ethnic, social and cultural factors.

The escalating problem of food and water security is among India's most serious challenges. A recent World Bank study, entitled **India's Water Economy, Bracing for a Turbulent Future**, estimated that, based on current consumption trends, demand for water in



India will exceed all sources of supply by 2020. Although India has 15 large, 45 medium and over 120 minor rivers, most are not perennial, which explains why around 400 million people live in the Brahmaputra, Ganges and Indus river basins, which are fed by the glaciers in the Himalayas.

In addition, there is growing consensus among officials of the Indian security forces that internal security is taking greater importance in national security calculations. For example, a January 2011 report tabled by the Institute for Defence Studies and Analyses, entitled: **Internal Security and Centre-State Relations**, affirmed that: “Internal threats to national security have assumed centre-stage in the debates on Indian security. They are arguably more serious than the external threats.” The issue has also resonated strongly with India’s Prime Minister Dr. Manmohan Singh, who said in February 2010: “Internal security is a critical issue which affects the pace of growth of development.”

### **India’s Strategic objectives in the Indian Ocean**

Broadly speaking, the success so far behind India’s foreign policy in the Indian Ocean has been due to its focus on: using trade and investment; concessional loans; diplomacy, including the upgrade and creation of new embassies or consulates; multi-lateral initiatives, such as the India Africa Forum and the Indian Ocean Naval Symposium; education/training placements for foreign students through the Indian Technical and Economic Cooperation, Tele-Education, Tele-Medicine and Pan African E-Network programmes; training billets in Indian military academies for foreign military personnel; capacity building programmes in education, government and military affairs and defense cooperation.

The role of naval diplomacy in enhancing India’s influence is an increasingly important feature of its strategy for engaging Indian Ocean littoral states. India is currently engaged in modernizing and expanding its navy, which is very much in line with its strategic objective to become a major Indian Ocean powerbroker. The salient aspects of its naval modernization programme include: upgrading naval base facilities and listening stations, acquisition of a nuclear-powered submarine capability and aircraft carriers.

India’s rationale for, and emphasis on, naval diplomacy and, generally, the expansion of its navy, has been illustrated on numerous occasions by its most senior naval officials. “To fully understand the operational challenges to our fleet it is important that we recognize that India is essentially a maritime nation and that our prosperity, power and prestige are inextricably linked to the oceans,” stated Vice Admiral Sangram Singh Byce, Flag Officer Commanding-in-Chief, of the Indian Navy’s Western Naval Command. “The Indian Ocean

encompasses about one-fifth of the world's sea area and the Indian Peninsula juts two thousand kilometers into the sea, bringing approximately 50% of the Indian Ocean within a 1000-mile arc ascribed from Indian Territory," he said. "India's dominant position in the middle of the Indian Ocean and astride some of the busiest strategic Sea Lanes of Communications imposes on us huge operational responsibility to ensure security of both the choke points and the SLOCs so that there is free and unhindered flow of international trade," he added.

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