

# Strategic Analysis Paper

4 March 2014

## The Indian Ocean Rim Association (IORA): Replace, Reduce or Refine?

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### Key Points

- Despite its failings, the time for replacing IORA has passed. The task now is to refine the organisation to maximise its ability to accomplish a smaller number of useful, tangible outcomes.
- The focus should now be on four “super priority” areas: maritime safety and security; trade and investment facilitation; fisheries management; and, disaster risk management.
- After that, IORA’s remit should gradually be widened to include the remainder of the six priority areas identified at Bangalore in 2011, before introducing others.
- If IORA is to be a truly region-wide organisation, its membership should be expanded to include Pakistan, Maldives, Saudi Arabia and Burma/Myanmar.

### Summary

As FDI has previously noted, the Indian Ocean Region is home to a veritable [alphabet soup](#) of sub- and intra-regional groupings, sometimes of limited effectiveness, and reflecting the fact that the region is more of a geographical entity than a political one.

As the Indian Ocean Region continues to grow in strategic significance, both in its own right and as an integral component of the broader Indo-Pacific region, the need for a region-wide multilateral organisation capable of contributing effectively to regional issues will only become more pressing.

That is not say, however, that IORA as it currently stands is necessarily the ideal arrangement with which to tackle the multitude of important issues confronting the Indian Ocean Region. It may well be, but it may equally be the case that it is time for an overhaul of IORA's focus and activities or even to replace it with some new institution altogether.

### **Analysis**

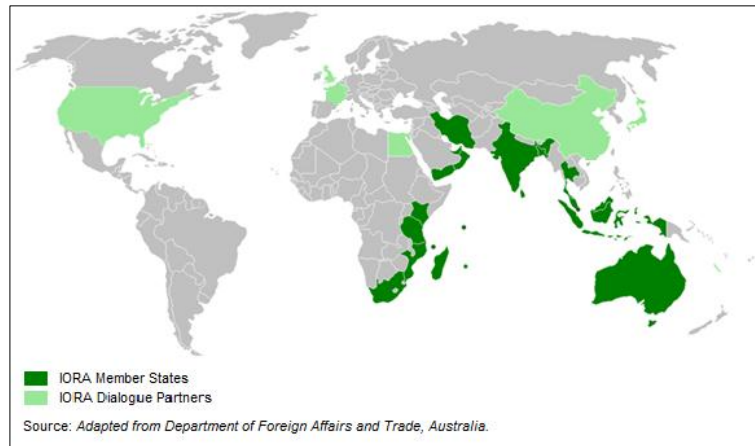
Given both the quantity and scale of the challenges to be confronted in the Indian Ocean Region, together with its importance as a source of raw materials and the location of shipping lanes that are of vital importance to the global economy, it is inconceivable that the Indian Ocean Region not have an appropriate apex regional body. Fortunately, of course, it does: the Indian Ocean Rim Association (IORA). Equally fortunately, the IORA membership is devoting more time and attention to the organisation and the region but, in view of IORA's less-than-stellar past (under the clumsy, but recently abandoned moniker, Indian Ocean Rim Association for Regional Co-operation, or IOR-ARC), it is pertinent to consider exactly what form of organisation might best meet the region's requirements.

Despite its enormous potential – which is increasingly being realised – and growing strategic importance, the Indian Ocean Region remains one of the most insecure regions in the world. It is the location of key sea lines of communication (SLOCs) that are crucial to the global economy. Approximately 35 per cent of all seaborne traded oil travels through the Strait of Hormuz alone, of which over 85 per cent goes to Japan, China, South Korea and India – all major drivers of global economic growth. The effects of a prolonged disruption to the SLOCs and chokepoints of the Indian Ocean do not bear thinking about.

It is, in the main, comprised of poorer, underdeveloped countries and is the scene of some of the world's most difficult security challenges, including such non-traditional security threats as piracy, smuggling and transnational crime. The region is highly susceptible to natural disasters and will be at the forefront of future food and water security issues. It will be among the regions of the world that will be most dramatically affected by the consequences of climate change, such as rising sea levels and warming ocean temperatures.

Paradoxically, despite the plethora of challenges, it is also the part of the globe that is least developed in terms of its co-operative mechanisms. The region has now reached a point at which that gap should be addressed.

While there is a large number of sub-regional groups such as the South Asian Association for Regional Co-operation (SAARC), the Gulf Co-operation Council (GCC), Southern African Development Community (SADC), the francophone Commission de l’Océan Indien, or others such as the Indian Ocean Tuna Commission and the Indian Ocean Naval Symposium (IONS), that address critical issues within their particular remits, IORA remains the only grouping with a pan-regional agenda.



At a minimum, any multilateral pan-regional organisation should aim to engage successfully all regional countries and key external stakeholders to facilitate co-operation across a wide range of issues in the Indian Ocean Region, including: trade and economic relations; traditional and non-traditional security concerns; good governance and political stability; improving the living standards of local populations; and, sustainable environmental and resource management.

To do that, though, it might be necessary to investigate the expansion or replacement of IORA, while Australia occupies the role of Chair, to make it a more inclusive, acceptable, relevant and effective multilateral institution that is capable of addressing such issues. This might then involve such measures as the establishment of a multinational taskforce utilising a whole-of-government approach to further the common good by, for instance, fighting piracy and conducting oceanographic and scientific research and educational programmes. It would also require the IORA states to work much more closely in a long-term “generational” strategy to address non-threatening issues and build confidence and a sense of the Indian Ocean as a discreet region, rather than a series of separate sub-regions.

The 2010 IORA Charter gives the organisation’s primary objective as being to promote the sustained growth and balanced development of the Indian Ocean Region and its member states, and to create common ground for regional economic co-operation.

In addition, the Charter lists areas of co-operation including trade facilitation and liberalisation; promotion of foreign investment; scientific and technological exchanges; tourism; movement of natural persons and service providers on a non-discriminatory basis; the development of infrastructure and human resources inter-alia poverty alleviation; promotion of maritime transport and related matters; and co-operation in the fields of

fisheries trade, research and management, aquaculture, education and training, energy, IT, health, protection of the environment, agriculture, and disaster management.<sup>1</sup>

These are all very positive aspects and all are worthy of attention, but the lengthy list also highlights both the scale of the challenges in the region and the difficulty of garnering a consensus. Anecdotal evidence suggests that reaching a consensus has been a particular problem and that meetings can be consumed by negotiations over very minor points, leaving little time to discuss more substantial matters. Finding some way to streamline the overall consensus-building and decision-making process would clearly be of benefit.

The decision taken at the 2011 Council of Ministers' meeting in Bangalore to focus the attention of what was then IOR-ARC on six priority areas was thus highly pragmatic. The six areas (to which "gender empowerment" was subsequently added), are:

- Maritime safety and security
- Trade and investment facilitation
- Fisheries management
- Disaster risk management
- Academic, science and technology co-operation
- Tourism and cultural exchanges.

The above refinement was a necessary and beneficial sharpening of focus and a meaningful step towards the accomplishment of tangible outcomes. But, given IORA's long history of underperformance, together with the obvious disparities between its members, the absence of three key states (Pakistan, Saudi Arabia and Burma/Myanmar; which offer a microcosm of the disparities between all the IORA countries), and the inherent difficulty of reaching a consensus on any given matter, even six priority areas was probably too ambitious.

Ultimately, as imperfect as IORA may be (and as IOR-ARC certainly was), the interest of all, or even some, Indian Ocean Region states in signing up to a new apex-level organisation would seem to be virtually nil. That, together with the interest that has been shown in IORA by India and Australia as Chairs (and Indonesia, as the current Vice-Chair), indicates that the time for the wholesale replacement of IORA has passed.

Upcoming events such as the "IORA and Strategic Stability in the Indian Ocean" workshop to be held in partnership with the S. Rajaratnam School of International Studies (RSIS) from Singapore at the IORA Secretariat in Ebène, Mauritius, on 5 March and the Nairobi Conference on "Political Economy of Maritime Africa in the Indian Ocean Region", scheduled for 12-14 March, confirm that. They indicate a willingness for IORA to move beyond being a closed-doors talking shop.

It is thus now a case of further refining IORA's remit and achieving some concrete outcomes that offer tangible improvements for the region.

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<sup>1</sup> Indian Ocean Rim Association, 'Charter of the Indian Ocean Rim Association (IORA), Section 3(b): Objectives'. <<http://www.iora.net/charter.aspx>>.

How, then, might that be done? An initial step could be to reprise the approach taken at Bangalore and further concentrate IORA's efforts on just four of the six priority areas, or what might best be thought of as "super priority" areas: maritime safety and security; trade and investment facilitation; fisheries management; and, disaster risk management, with a decided emphasis on the first. Although perhaps somewhat utilitarian, this approach has the advantage of laying the foundations for tackling larger, potentially more complex problems in the future.

Asking such basic questions as 'what are the common interests of the IORA states?', 'what prevents effective security co-operation in the Indian Ocean Region?' and 'what can IORA do to build trust, confidence and effective security co-operation?', as the RSIS Strategic Stability workshop will do, is invaluable. An emphasis on a meaningful IORA contribution to strategic security in the region is to be commended and supported, particularly since it will be difficult to achieve the rest of IORA's objectives in the absence of a secure regional environment. Efforts to improve trade flows and business conditions, to ensure the effective management of natural resources (both at sea and on land), to implement disaster response and mitigation strategies and to have an increased flow of academic, scientific and tourist exchanges all require an amenable strategic environment. The adverse effects of Somali piracy on oceanographic research and the Seychellois tourism industry, for example, are cases in point.

Co-operative approaches to maritime security that could be taken by IORA might include such measures as the establishment of a multinational taskforce to further the common good by, for instance, conducting anti-piracy patrols and training and capacity-building programmes.

The wisdom of taking an approach that focusses on strategic security – broadly defined – is such that, at this early stage, it enables the other priority areas to be treated as discreet subsets of strategic security. They can then be addressed as the overall strategic environment permits; hopefully, before too long. Such an approach also fits with the strategy for IORA that is being taken by current Chair, Australia:

In co-operation with other countries, we want to develop over time a common set of interests and norms to guide co-operation across this diverse region. We want to do so incrementally, taking small, practical steps towards greater regional co-operation in functional areas.<sup>2</sup>

While still at the debate level, questions such as those above nonetheless offer avenues with which to pursue real outcomes. They also have the potential to provide an ideal nucleus for a regional identity to coalesce around, something that the Indian Ocean Region is lacking.

Related to that is the generally poor awareness of IORA's aims and achievements – or even of its very existence – so there should be little harm in formulating and promoting policies that would also serve to better publicise the organisation. Policies that stand a better chance of resonating with the public might involve successful anti-piracy and maritime security

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<sup>2</sup> Department of Foreign Affairs and Trade, 'Indian Ocean'. <<http://www.dfat.gov.au/geo/indian-ocean/>>.

operations (already carried out by Australia as part of its commitment to Combined Task Force 151) or the application of Australian technical expertise and capacity-building initiatives in the so-called “blue economy”.

Having achieved a stable strategic environment, attention should be shifted in short order to the other three “super priority” areas.

In terms of trade and investment, a regional free trade agreement is worthy, but too ambitious, especially given the number of countries involved, the disparities that exist between them, the sheer complexity of any negotiations and the current preference for bilateral trade agreements (the Trans-Pacific Partnership aside).

Although an Indian Ocean equivalent of APEC is so remote as to be virtually non-existent, where IORA could make a difference, however, is by adopting some of the earliest measures taken by APEC. For instance, an agreement on simplified customs procedures, tariff reductions, and Indian Ocean version of the APEC Business Travel Card to enable visa-free travel across the entire region for business travellers. Practical measures such as the above may help to boost the existing low levels of intra-regional trade by easing the movement of goods and businesspeople around the Indian Ocean Region.

In terms of fisheries and oceans management, oceanographic and scientific research initiatives such as the Global Ocean Observing System being implemented by the UNESCO Intergovernmental Oceanographic Commission, the International Indian Ocean Expedition Fiftieth Anniversary Initiative (IIOE-2) and the work of the Oman-based Fisheries Support Unit should continue to be supported. A rejuvenated and refocussed IORA would be the organisation that is best placed to do that. By the same token, IORA should offer support to organisations and governments implementing “blue economy” and “blue carbon” projects.

Even though the Indian Ocean Region is particularly susceptible to natural disasters, its comparative ability to prepare for, and respond to such events, is significantly underdeveloped. Although there are nascent frameworks, such as the South Asian Association for Regional Co-operation (SAARC) Agreement on Rapid Response to Natural Disasters (ARRND), the region would benefit greatly from a regional disaster relief co-ordination mechanism. An Indian Ocean Region Humanitarian and Disaster Response Agreement (IORHADR) could be co-ordinated by IORA and led by Australia and India, as two of the region’s most militarily capable states, working in concert with other regional states such as France, Singapore and South Africa, among others. By operating under the auspices of IORA, such an arrangement would help to ease any potential concerns over sovereignty, territorial integrity and national unity that might be felt by other states. A successful IORHADR could also serve as a useful bridging mechanism between SAARC and IORA, enhancing SAARC’s own disaster response framework, while potentially helping to bring Pakistan closer to IORA membership.

Beyond that, for the remaining priority areas of academic, science and technology co-operation and tourism and cultural exchanges, the best approach at this point might simply be one of ensuring that no further impediments or additional barriers are introduced.

Looking further ahead, IORA does not give any specific priority to land-based food and water security concerns, so these might best be included in future activities under the trade and investment or academic, science and technology areas. Better still would be to establish them as discreet priority areas in their own right.

If the Indian Ocean Region is to have a fully inclusive regional organisation, Pakistan, Maldives, Saudi Arabia and Burma/Myanmar should also be included in IORA, if not as participating member states, then at least initially as observers (or dialogue partners, to use the official IORA term). Despite the inevitable protests that will emanate from India over bringing Pakistan into IORA, the two countries are already both members of SAARC and IONS and the difficult bilateral relationship would continue to be beyond the remit of IORA.

As a major energy supplier and coastlines along two of the most strategically important Indian Ocean waterways, Saudi Arabia is an influential regional state with a vital interest in the security of the region's SLOCs and chokepoints for its exports and much of its food imports. Although Iran may not be so enthusiastic about it, a Saudi presence in IORA, even if just as a dialogue partner, seems only reasonable.

The emergence of Burma/Myanmar from decades of isolation means that there is no longer any reason for the country's exclusion from such groupings as IORA. In any event, other key regional and extra-regional states (such as the United States and China) that have relations with Burma are now either full members or dialogue partners of IORA. Burmese membership of IORA would fill the final gap along the Indian Ocean's north-eastern littoral, as would the Maldives to the west.

Australia's position as Chair may offer an opportune time to lobby for and promote the inclusion of Pakistan, Maldives, Saudi Arabia and Burma/Myanmar in IORA. Securing the accession to IORA of Pakistan, in particular, would be a noteworthy outcome of Australia's time as leader.

There is also considerable merit in encouraging the European Union, as a key external stakeholder in the region, to join IORA, as a dialogue (observer) partner. Having the EU as a dialogue partner would, among other things, help to reinforce linkages between Indian Ocean states and the anti-piracy work being done off the coast of Somalia by the EU (Operations *Atalanta* and *Ocean Shield*) and the development assistance provided to regional states by the EU. It would also be in keeping with the presence of other key external stakeholders such as the United States, China, Japan and the United Kingdom, all of which have dialogue partner status. Similarly, it will also be beneficial to engage in ongoing dialogue with key stakeholders – including the United States, the United Kingdom, France, China, Russia, Japan, South Korea and the European Union – to ensure that their regional policies are as synergistic as possible.

### **Conclusion**

It appears that, on balance, IORA is the most suitable multilateral vehicle for the Indian Ocean region. That said, however, while there is nothing wrong with being ambitious, if IORA is to actually achieve some tangible outcomes in as short a time as possible, it appears

best at this point that the focus is restricted to just the four “super priority” areas, with a definite emphasis on maritime security as a means of laying the foundation for achieving the others.

Thus, what is needed is not a replacement for IORA but, rather, an expansion (of its membership to include Pakistan, Maldives, Saudi Arabia and Burma/Myanmar, with the European Union as a dialogue partner), and a narrowing – albeit temporarily – of its focus areas so as to maximise its ability to achieve a small number of tangible outcomes that can be built upon subsequently. That initial goal achieved, its focus should then be appropriately widened.

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Published by Future Directions International Pty Ltd.  
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